

Below are proposed changes to the By-Laws that will be voted on at this annual meeting.

**ARTICLE VIII
NOMINATION AND ELECTION OF DIRECTORS**

Section 8.1- Nominations of Directors by Nominations Committee: At each annual meeting of the participating members, the presiding officer shall appoint a nominations committee consisting of not less than three (3) participating members, one of which can be a board member who is not up for election at the next annual meeting of the District. The nominations committee shall serve until the next annual meeting. The nominations committee shall prepare and provide to the District office, at least ~~forty~~ sixty days before the next annual meeting of the participating members, a list of nominations for directors. The nominations committee shall accept letters of interest from members of the board and confirm in writing from all nominees their interest and willingness to accept positions on the board of directors. Members of the nominations committee are not excluded from being nominated for any position. All nominees for directors must be a participating member and reside in the District's boundaries. Notwithstanding anything contained in this section, failure to comply with any of the provisions of this section shall not affect the validity of any election of directors.

Section 8.2 – Nominations of Director by Petition: A participating member seeking election to the board by petition shall present a petition containing signatures of ten participating members. All petitions must be submitted to the secretary of the board or nominating committee at least forty-five days before the election or by the mail election deadline established under the district's bylaws. Any participating member who submits a petition must be added to the ballot, provided they reside in the appropriate district and qualify to serve as a director under the district's bylaws.

Section 8.3 -Election of Directors: Election of directors, ~~from the nominations committee list of nominees,~~ shall be by printed ballot that will be distributed to each participating member in attendance. A participating member shall have one vote as provided in Section 5.4 of these bylaws. At the meeting of the participating members where an election of one or more directors will occur, the presiding officer shall appoint an election board to consist of five (5) participating members who shall, at that meeting only, preside over the distribution, collection, counting, and tally of ballots. In the event of a tie vote, the election shall be determined by lot in such manner as shall be selected or determined by the election board.

Section 9.3 – If the position of director, or the office held by any director becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, a majority of the remaining directors, though less than a quorum shall by majority vote, choose a successor member of the board of directors or officer to fill the vacancy for the expired term until the next annual meeting of participating members, at which the participating members shall elect a director for any unexpired term-

**ARTICLE XVI
DIRECTORS' AND OFFICERS' LIABILITY REIMBURSEMENT**

Directors, officers, employees, or other personnel of the board are not liable for the district's debts or obligations and a director, officer, employee, or volunteer of the board is not

personally liable in that capacity for a claim based upon an act or omission of the person in the discharge of the person's duties, except for any of the following:

1. A breach of the duty of loyalty to the district.
2. Acts or omissions in good faith or which involve intentional misconduct of knowing violation of the law.
3. A transaction from which the person derives an improper personal benefit.

Directors, officers, employees or other personnel of the board shall be indemnified by the District against all costs and expenses actually and necessarily incurred by him or her in connection with the defense of any action, suit or proceedings in which he or she is made a party by reason of being or having been a director, officer, employee or other personnel of the board as provided in Section 61-35-27 NDCC whether or not he or she continues to be such at the time of incurring the cost or expense, except in relation to matters as to which he or she shall be adjudged in such action, suit or proceedings to be liable. The right of indemnification in this section shall not be exclusive of other right to which any board member as provided in Section 61-35-27 NDCC shall be entitled as a matter of law. The foregoing shall not preclude the collection of insurance benefits that may be available.

~~**Section 16.1** — Each officer, director, staff member or person serving on a committee of the District shall be indemnified by the District against all costs and expenses actually and necessarily incurred by him or her in connection with the defense of any action, suit or proceedings in which he or she is made a party by reason of being or having been a director, officer, staff member or committee representative of the District, whether or not he or she continues to be such at the time of incurring the cost or expense, except in relation to matters as to which he or she shall be adjudged in such action, suit or proceedings to be liable for negligence or misconduct in the performance of his or her duties as such officer, director, staff member or committee representative. The right of indemnification in this section shall not be exclusive of other rights to which any officer, director, staff member or committee representative shall be entitled as a matter of law. The foregoing shall not preclude the collection of insurance benefits that may be available.~~