

## POLICY REGARDING INDEMNITY

This policy is applicable to the members of the Board of Directors, employees, and other agents of the Sun Prairie Village County Water and Sewer District.

**Introduction:** Members of the Board of Directors are required as a consequence of their position to make decisions and take such actions in the execution of their duties, which in their judgment are in the best interest of the District and the community of Sun Prairie Village, Cascade County, Montana. Likewise, in accordance with Section 7-13-2278, MCA, employees of the District make decisions and take actions daily which bind the Board of Directors and the District. Further, agents may be appointed from time to time by the District to assist in the performance of functions.

**Policy Statement:** The District's Board of Directors, employees, and agents deal with the public in administrative actions and in performing their principal duties of providing potable water and receiving and treating wastewaters. They may therefore be subject to certain claims, demands and liabilities.

It is the intent of this policy to provide that the District shall:

(1) Establish by resolution that the Sun Prairie Village County Water and Sewer District shall save its Board of Directors, collectively or singularly, and its agents and employees from legal consequences of actions taken within the course and scope of their duties, whether such actions occur prior to or after the adoption of the indemnification resolution and policy.

(2) This policy and resolution shall be construed in accordance with Sections 28-11-301, *et seq.*, MCA, except that it shall be in the discretion of the Board of Directors as to whether in a particular case indemnification for misdemeanor offenses will be allowed.

The following is a resolution, duly passed by the Board of Directors of the Sun Prairie Village County Water and Sewer District, establishing this policy and enumerating the contractual agreement between itself and the Board of Directors, employees and agents.

RESOLUTION NO. 23-94

A RESOLUTION ON INDEMNITY

Board Member Daniel Stansberry introduced the following resolution and moved its adoption:

"BE IT RESOLVED, that, the Sun Prairie Village County Water and Sewer District, in consideration of potential liability of its Board of Directors, employees and agents, resulting from action taken within the course and scope of their respective duties, indemnifies its Board of Directors, employees, and agents against any and all claims, demands and liabilities against same, unless such claim is resultant from (1) gross negligence, (2) the commission of a felony, or (3) the commission of a misdemeanor for which, in the discretion of the Board of Directors, indemnity should not be allowed.

Except as otherwise provided herein, all conditions of indemnity shall be in conformance with Sections 28-11-301, *et seq.*, MCA.

WHEREUPON, the motion for adoption of the foregoing resolution was seconded by Board Member Kevin Askeland, and upon vote being taken thereon, the vote in favor was unanimous

Dated: April 12, 1994

Signed: H. G. Butz

Attest: Ann M. Broadway

This policy shall be in full force and effect from and after the passage of the enabling resolution, Resolution No. 23-94. The policy may be amended from time to time as required, by the Board of Directors of Sun Prairie Village County Water and Sewer District by resolution.

Signed: H. G. Butz  
President

Attest: Ann M. Broadway  
Secretary