

A1114201704

**INTERLOCAL AGREEMENT BETWEEN
SEELEY LAKE SEWER DISTRICT
AND MISSOULA COUNTY**

This Interlocal Agreement (Agreement) is made and entered into between Seeley Lake Sewer District (the "District") and Missoula County (the "COUNTY"), both political subdivisions of the State of Montana.

WHEREAS, the District is an independent unit of local government incorporated under the provisions of Montana Code Annotated Title 7, Chapter 13, part 22 and 23 for the purposes of developing and implementing a sewage management plan and sewer system for the District; and

WHEREAS, outdated and inadequate sewage disposal in the Seeley Lake area is degrading groundwater quality and contaminating Seeley Lake; and

WHEREAS, the County is concerned with health risks to residents in the Seeley Lake area and with environmental contamination due to inadequate sewage disposal; and

WHEREAS, protecting public health and the environment are in the interest of the County; and

WHEREAS, the District requests assistance from the County to develop the sewer system; and

WHEREAS, the County Public Works Department has expertise and resources necessary to aid the District in analyzing current sewage disposal methods, developing and implementing a sewage management plan, and constructing a sewer system and treatment plant; and

WHEREAS, Montana Code Annotated Sections 7-11-101 *et seq.* authorizes the District and the County to enter into this Interlocal Agreement for the purpose of the County providing consulting services and technical expertise to the District for the development of the sewer system.

Based on the foregoing, the parties agree as follows:

- 1. DURATION.** The duration or term of this agreement shall be ONE (1) year unless sooner terminated pursuant to section 6 of this Agreement.
- 2. ORGANIZATION, COMPOSITION AND NATURE OF ANY SEPARATE LEGAL ENTITY CREATED BY THE CONTRACT.** The parties agree that a separate legal entity is not created by this Agreement. This Agreement does not void or supersede any other existing agreements involving the parties. Both the District and the County are independent units of local government with separate governance boards.
- 3. PURPOSE OF INTERLOCAL CONTRACT.** The purpose of this Agreement is for the County to provide technical and consulting services to the District to assist with the development of the Seeley Lake sewer system and treatment plant
- 4. MANNER OF FINANCING.** The parties are responsible for the following financial obligations:

- 4.1. The District is responsible for all District expenses unless otherwise provided for in this Agreement or by operation of law.
- 4.2. The County will provide in-kind general manager services.
- 4.3. Missoula County agrees to provide the District a no-interest loan in the total amount of \$110,000.00, of which approximately \$22,000.00 has been dispersed to the District as of the time of this Agreement pursuant to the October 22, 2013 agreement between the District and the County. The purpose of this loan is to cover matching requirements in State and Federal funding programs. This Agreement replaces and supersedes all past agreements between the parties regarding loans for matching requirements under State and Federal funding programs. Missoula County's offer to loan the remaining balance shall terminate if (1) the United States Department of Agriculture-Rural Development (USDA-RD) revokes its funding offer, (2) the District's current proposal to initiate a notice and protest process for special assessments to act as security for a bond fails, or (3) on January 1, 2020, if the loan is unused or unnecessary by that date.
- 4.4. The District is responsible for repayment of the loan to the County as follows:
 - 4.4.1. If USDA-RD revokes its funding offer or if the notice and protest process fails, the District shall repay this loan to the County in full from District reserves within three months of either event.
 - 4.4.2. In the event a notice and protest process is successful, this loan shall be repaid in full within three months of the District issuing bonds for the construction of the sewer system or by January 1, 2022, whichever is earlier.
- 4.5. If either party terminates this Agreement, the County's offer to loan money and the District's obligation to repay the loan as provided in sections 4.3 and 4.4 shall survive any termination until the loan offer expires or the loan is paid in full.
5. **MANAGEMENT AND ADMINISTRATION.** The parties are responsible for the following management and administrative activities:
 - 5.1. The District board of directors is ultimately responsible for all board actions and any actions performed by the general manager or other County employees in the course and scope of any work for the District.
 - 5.2. Greg Robertson, Chief Public Works Officer, or his successor shall act as the general manager of the District. The Chief Public Works Officer is a County employee and is governed by County personnel policies. The general manager may in his or her discretion utilize the services of other Missoula County employees in performing work for the District.
 - 5.3. The general manager shall have full charge and control of the maintenance, operation, and construction of all works and systems of the District pursuant to Montana Code Annotated § 7-13-2278. The general manager shall ensure that the District establishes and maintains a system of auditing and accounting that shows the financial conditions of the District, draw or cause the secretary to draw warrants to pay demands made against the District that have been first approved by at least three members of the District board.

The general manager, or his or her designee, shall report to the District board in accordance with rules that it may adopt.

- 5.4. The general manager shall make recommendations to the District regarding the employment or retention of any employees, assistants, contractors, or consultants to the District. The District retains its statutory authority to approve or deny hiring and contracting decisions of the general manager. The District has no supervisory authority over any other County employee that may assist the general manager in the performance of his or her obligations.
- 5.5. The County may in its sole discretion provide other services to the District including record storage, office space, grant writing, grant management, and legal services.
- 5.6. It is understood by both parties that the general manager and the staff at Public Works are full time Missoula County employees in demanding positions with myriad responsibilities to the County. The services provided by the County to the District are gratuitous and provided without fee. Accordingly, the general manager and Public Works employees are not required to work any set number of hours each week on behalf of the District or perform any specific tasks not otherwise required by Montana Code Annotated § 7-13-2278.
- 5.7. It is further understood that the Chief Public Works Officer has sole authority to prioritize and schedule work performed for the District with other County obligations. In the event that the general manager is unable to perform specific tasks for the District, the general manager shall inform the District in a timely manner that it must seek alternative arrangements to accomplish those obligations.
- 5.8. The District agrees to follow all local, State, and Federal laws applicable to the operation of the District including those regarding open meetings and public records. The obligations to conduct meetings and provide records in accordance with Montana law is an obligation of the District board and not the general manager.
6. **TERMINATION.** This Agreement may be terminated by either party unilaterally, with or without cause, by giving notice of termination in writing at least 30 days prior to the date of termination. Upon termination, the provisions of sections 4.3 and 4.4 shall survive unless a separate loan document agreed to between the parties specifically provides for cancellation or acceleration.
7. **MANNER OF ACQUIRING, HOLDING AND DISPOSING REAL AND PERSONAL PROPERTY USED IN THE JOINT UNDERTAKING.** No personal or real property shall be acquired, held and disposed of by the County in fulfillment of this Agreement. All property acquired in support of the Seeley Lake sewer project shall be exclusively owned by the District. Any special equipment, software or other product or service required in carrying out this agreement must be acquired by the District at its expense. County Public Works employees may utilize County equipment to carry out the services described herein, which shall remain the property of the County.
8. **RETIREMENT SYSTEM REPORTING.** Each party is respectively responsible for any

reports or payments of retirement system contributions for its employees. The County shall be responsible for all retirement system reporting requirements for the Chief Public Works Officer and other County employees.

- 9. **INDEMNIFICATION.** The District shall defend, indemnify and hold harmless the County, its employees and agents, from all claims, liabilities, causes of action or judgments, including costs and attorney fees, asserted by or awarded to third parties as a result of any negligent action or omission or willful misconduct of the County, its employees or agents in performance of work or services for the District.
- 10. **FILING OF INTERLOCAL AGREEMENT.** The County shall file this agreement with the Missoula County Clerk and Recorder and with the Secretary of State.
- 11. **AUTHORIZATION TO APPROPRIATE FUNDS.** In accordance with Montana Code Annotated Section 7-11-108, the District and the County may appropriate funds for the purpose of performance of this agreement and provide such personnel or services therefor as may be within its legal power to furnish.


Signed this 14th day of November, 2017.

MISSOULA BOARD OF COUNTY
COMMISSIONERS

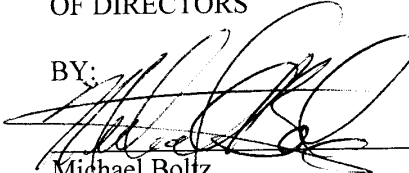
SEELEY LAKE SEWER DISTRICT BOARD
OF DIRECTORS

BY:


BY:



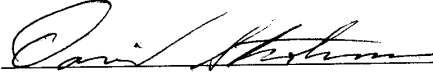
Jean Curtiss
Chair



Michael Boltz
Its: Chair

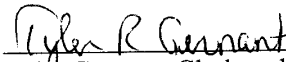


Nicole "Cola" Rowley
Commissioner



David Strohmaier
Commissioner

ATTEST:



Tyler Gernant, Clerk and Recorder
by Kim Selinger Chief Deputy Treasurer

