

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WHEREAS, outdated and inadequate sewage disposal in the Seeley Lake area is degrading groundwater quality and contaminating Seeley Lake; and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; 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 financial commitments and continued administrative support to the District for the development of the sewer system.

Based on the foregoing, the parties agree as follows:

1. Use of the Seeley Lake satellite office for District board meetings.
2. The Chief Public Works Officer will direct staff to mark public rights of way and draw the remaining needed easements for phases 1 and 2 as described by Great West Engineering and coordinate easement language with the County Attorney's Office.
3. The Chief Public Works Officer will direct staff to continue to provide administrative support, such as:
 - a. Coordinating budget and financial reporting with the District Secretary/Treasurer
 - b. Monthly project calls
 - c. Grant administration
 - d. Preparing tax roll for the Department of Revenue
 - e. Other duties as assigned by the Chief Public Works Officer
4. The County will make available to the District up to \$110,000 to pay costs of development of the sewer system (the "Project"), which will assist the District in obtaining federal and state matching funds for the Project. As of the date of this Agreement and as a part of the maximum amount of \$110,000 in County funds, the County has advanced to the District \$21,912, which the District has expended on capital costs of the Project. The District agrees that all amounts

that the County advances to the District will be applied by the District to pay capital costs of the Project. On or before January 1, 2022, the District will repay the County all dollar amounts advanced by the County to the District under this Section 4. If the total amount of the \$110,000 is not advanced by the County to the District by December 31, 2020, the County shall have no obligation to advance any additional amounts to the District. The parties agree that if the District uses proceeds of a District bond or note to repay the County, the amounts advanced by the County to the District will be deemed to be made in anticipation of the issuance of the bond or note.

5. Missoula County Commissioners on October 25, 2017, agreed to grant the Seeley Lake Sewer District \$100,000 of surplus funds from the Missoula County RSID Revolving Funds to assist the Seeley Lake Sewer District as a subsidy for the first three years of Operations and Maintenance (O&M). The first-year subsidy will be a \$50,000 grant and \$25,000 the following two years. Missoula County agrees the motion was to grant the \$100,000, and no pay back will be required.
6. Missoula County agrees to write a letter of support for the Department of Commerce Delivering Local Assistance grant.
7. Missoula County agrees to sell or trade to the District surplus vehicle(s) pursuant to the requirements of MCA 7-8-101 and Missoula County Disposal of County Surplus Property policy.
8. Public Works will provide backup operators as necessary to the Seeley Lake Sewer District, not to exceed 100 hours, including travel time, for a flat rate of \$3,000. If the Seeley Lake Sewer District requires more than 100 hours, including travel time, Seeley Lake Sewer District agrees to pay the hourly rate, plus fringe, up to 200 hours. The hours and payment will be re-evaluated annually to meet the needs of both Public Works and the Seeley Lake Sewer District.
9. District will approve annual budget. The County will continue to assess, collect and distribute the annual fee on properties within the District using the assessments provided by the district after their final budget is adopted. The budget, debt service and annual assessments to be levied must be provided to the County no later than September 1 of each calendar year.
10. The duration or term of this Agreement shall be TWO (2) years from the date it is approved, unless sooner terminated pursuant to section 8 of this Agreement. The parties may agree to continue this Agreement for an additional two-year term at the expiration of the initial term.
11. 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.

12. The District board of directors is ultimately responsible for all board actions and any actions performed by the general manager in the course and scope of any work for the District.

13. It is understood by both parties that 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.

14. 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 District meetings and provide District records in accordance with Montana law is an obligation of the District board and not the County.

15. This Agreement may be terminated by either party unilaterally, with or without cause, by giving notice of termination in writing at least 60 days prior to the date of termination.

16. 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 use County equipment to carry out the services described herein, which shall remain the property of the County.

17. 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.

18. The County shall file this Agreement with the Missoula County Clerk and Recorder and the Secretary of State, as provided by law.

19. 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 therefore as may be within its legal power to furnish.

Signed this _____ day of _____, 2019.

MISSOULA BOARD OF COUNTY
COMMISSIONERS

BY:

David Strohmaier, Chair
Chair

Josh Slotnick, Commissioner


Juanita Vero, Commissioner

ATTEST:

Tyler Gernant

SEELEY LAKE SEWER DISTRICT BOARD
OF DIRECTORS

BY:



Pat Goodover,
Its: President