

INTERLOCAL AGREEMENT

An Interlocal Agreement (hereafter "AGREEMENT") is hereby entered into, effective as of July 1, 2004, (the "EFFECTIVE DATE"), by and between the following public agencies:

1. Yellowstone County, Montana (hereafter the "COUNTY"), the City of Billings, Montana (hereafter "BILLINGS"), and the City of Laurel, Montana (hereafter "LAUREL"), for the creation of a multi-jurisdictional service district which shall provide health services and health department functions, as fully set forth in Article I, hereafter;

and

2. The Town of Broadview, Montana (hereafter "BROADVIEW"), the COUNTY, BILLINGS and LAUREL, for the creation and administration of an air pollution control program (hereafter the "PROGRAM"), conditioned upon approval of the State of Montana, Board of Environmental Review (hereafter the "BOARD OF REVIEW"), as fully set forth in Article II, hereafter.

Collectively, the COUNTY, BILLINGS, LAUREL and BROADVIEW, may be referred to individually as a "PARTY" and collectively as the "PARTIES."

RECITALS

1. WHEREAS, agreements between local governments may be created by interlocal agreement; and

2. WHEREAS, each PARTY is a "public agency" as defined under the Interlocal Cooperation Act, Mont. Code Ann. §§7-11-101 *et seq.* (hereafter the "INTERLOCAL ACT"); and

3. WHEREAS, the INTERLOCAL ACT permits, and the PARTIES desire, to make the most efficient use of their powers by enabling them to cooperate with each other on a basis of mutual advantage, and thereby to provide services and facilities in a manner and pursuant to forms of government organization that will accord best with geographic, economic,

population, and other factors influencing the needs and development of local communities, and therefore, the PARTIES enter into this AGREEMENT; and

4. WHEREAS, the PARTIES may form multi-jurisdictional service districts to provide a higher level of service than is available through any one particular public agency forming the multi-jurisdictional service district; and

5. WHEREAS, under the INTERLOCAL ACT, the PARTIES may and hereby contract with each other to delegate the performance of certain administrative services, activities, or undertakings to the boards created under this AGREEMENT, including, but not limited to, the hiring of or contracting with professional persons licensed under Mont. Code Ann., Title 37; and

6. WHEREAS, this AGREEMENT outlines the purposes, powers, rights, obligations, and responsibilities of the PARTIES herein and this AGREEMENT has been authorized and approved by the governing body of each PARTY; and

7. WHEREAS, pursuant to the provisions of the INTERLOCAL ACT, any PARTY may appropriate funds for, and may sell, lease, or otherwise give or supply to, the administrative boards created under this AGREEMENT for the purpose of performance of this AGREEMENT and may provide such personnel or services therefore as may be within each PARTY's legal power to furnish; and

8. WHEREAS, on the 16th day of September, 1997, LAUREL adopted a resolution, R97-49, approving an interlocal agreement, a true and correct copy of which is attached hereto as Exhibit "A," (hereafter the "FIRST INTERLOCAL AGREEMENT") and authorized the Mayor and City Clerk of LAUREL to execute the FIRST INTERLOCAL

AGREEMENT, and on the 18th day of December, 2001, the City Council of LAUREL enacted Ordinance Number 001-5, entitled, "AN ORDINANCE APPROVING THE INTERLOCAL AGREEMENT BETWEEN THE CITY OF LAUREL, CITY OF BILLINGS, AND YELLOWSTONE COUNTY CREATING A MULTI-JURISDICTIONAL SERVICE DISTRICT NAMED YELLOWSTONE CITY-COUNTY HEALTH DEPARTMENT," approving the FIRST INTERLOCAL AGREEMENT, as required by the provisions of Mont. Code Ann. §7-11-1105(1); and;

9. WHEREAS, on the 14th day of October, 1997, the City Council of BILLINGS (the "COUNCIL") approved the FIRST INTERLOCAL AGREEMENT by COUNCIL action and authorized the Mayor and City Clerk of BILLINGS to execute the FIRST INTERLOCAL AGREEMENT, and on the 11th day of February, 2002, the COUNCIL enacted Ordinance Number 02-5184, entitled, "AN ORDINANCE OF THE CITY OF BILLINGS, MONTANA, PROVIDING THAT THE CODE OF ORDINANCES, CITY OF BILLINGS, BE AMENDED BY ADDING A SECTION TO BE NUMBERED, 15-104(a) THROUGH (e); APPROVING THE INTERLOCAL AGREEMENT BETWEEN THE CITY OF LAUREL, CITY OF BILLINGS, AND YELLOWSTONE COUNTY CREATING A MULTI-JURISDICTIONAL SERVICE DISTRICT NAMED YELLOWSTONE CITY-COUNTY HEALTH DEPARTMENT," approving the FIRST INTERLOCAL AGREEMENT, as required by the provisions of Mont. Code Ann. §7-11-1105(1); and

10. WHEREAS, the COUNTY adopted a resolution approving the FIRST INTERLOCAL AGREEMENT on October 3, 1997, Resolution No. 97-74, and on August 19, 2003, the COUNTY enacted ORDINANCE NO. 03-101, AN ORDINANCE APPROVING

AMENDMENTS TO THE INTERLOCAL AGREEMENT BETWEEN THE CITY OF LAUREL, CITY OF BILLINGS, AND YELLOWSTONE COUNTY CREATING A MULTI-JURISDICTIONAL SERVICE DISTRICT NAMED YELLOWSTONE CITY-COUNTY HEALTH DEPARTMENT, SUPPLEMENTING AND RATIFYING CERTAIN ACTIONS TAKEN IN THE FORMATION OF THE MULTI-JURISDICTIONAL SERVICE DISTRICT, YELLOWSTONE COUNTY RESOLUTION 97-74, approving the FIRST INTERLOCAL AGREEMENT, as required by the provisions of Mont. Code Ann. §7-11-1105(1); and

11. WHEREAS, this AGREEMENT supercedes the FIRST INTERLOCAL AGREEMENT; and

12. WHEREAS, the COUNTY, BILLINGS and LAUREL hereby create, by Article I of this AGREEMENT, a multi-jurisdictional health service district named Yellowstone City-County Health Department (hereinafter "YCCHD"); and

13. WHEREAS, under the provisions of Mont. Code Ann. §7-11-1102(2)(i), YCCHD shall provide health department functions, which are set forth in Title 50, Chapter 2 of the Montana Code Annotated (hereafter "HEALTH DEPARTMENT FUNCTIONS"); and

14. WHEREAS, under the provisions of Mont. Code Ann. §7-11-1102(2)(i), YCCHD shall also provide health services and related services (hereafter "HEALTH SERVICES") as permitted by law; and

15. WHEREAS, under the provisions of Mont. Code Ann. §7-11-1102(2)(h), and the provisions of the Clean Air Act of Montana, Mont. Code Ann. §§75-2-101 *et seq.*, (hereafter the "CLEAN AIR ACT"), the PARTIES further desire and hereby establish an Air Pollution Control Program (the "PROGRAM"), to be administered as a multi-jurisdictional

service district consistent with the provisions of the CLEAN AIR ACT, including approval of the PROGRAM by the BOARD OF REVIEW; and

16. WHEREAS, it is the intent of the PARTIES that by this AGREEMENT the members of the BOARD OF HEALTH, as defined hereafter, and appointed as provided herein, shall constitute the Air Pollution Control Program Board (hereafter "AIR POLLUTION CONTROL BOARD"); and

17. WHEREAS, the provisions of the Mont. Code Ann. §§7-11-1101 *et seq.* and the CLEAN AIR ACT provide that the PARTIES may administer the PROGRAM in cooperation with each other and the PARTIES desire to administer the PROGRAM by entering into this AGREEMENT; and

18. WHEREAS, the PARTIES hereby create the PROGRAM to be administered as provided herein.

AGREEMENT

NOW, THEREFORE, in consideration of the Recitals and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the COUNTY, BILLINGS, LAUREL and BROADVIEW agree as follows:

ARTICLE I.

MULTI-JURISDICTIONAL SERVICE DISTRICT YELLOWSTONE CITY-COUNTY HEALTH DEPARTMENT

1. **Name of Multi-Jurisdictional Service District.** The name of the multi-jurisdictional service district is the Yellowstone City-County Health Department ("YCCHD").
2. **Participants in YCCHD.** The public agencies that participate in the creation and operation of YCCHD are the COUNTY, BILLINGS and LAUREL.

3. **Services Provided.** The services provided by YCCHD include HEALTH DEPARTMENT FUNCTIONS and HEALTH SERVICES.

4. **Boundary of YCCHD.** For the provision of HEALTH DEPARTMENT FUNCTIONS, the boundary of YCCHD shall be the boundary of the COUNTY, as set forth on the map attached hereto as Exhibit "B," and made a part hereof, provided, that YCCHD may contract with other local government units within the State of Montana and the State of Montana for the provision of HEALTH DEPARTMENT FUNCTIONS outside the boundary of the COUNTY, but YCCHD shall allocate no funds from tax levies or appropriations from the COUNTY's general fund for the HEALTH DEPARTMENT FUNCTIONS provided by YCCHD outside the boundary of the COUNTY. For the provision of HEALTH SERVICES, the boundary of YCCHD shall be the boundary of the State of Montana, as set forth on the map attached as Exhibit "C" provided, however, that YCCHD shall allocate no funds from tax levies or appropriations from the COUNTY's general fund for HEALTH SERVICES provided by YCCHD outside the COUNTY.

5. **YCCHD Funding.**

a. **Funding Sources.** YCCHD shall be funded as follows:

i. Through revenues and fees generated by the provision of HEALTH SERVICES;

ii. Through revenues and fees generated by the provision of HEALTH DEPARTMENT FUNCTIONS;

iii. Through charitable gifting and charitable contributions;

iv. Through federal, state, local and private grants, payments and appropriations permitted by law, including but not limited to, COUNTY general fund appropriations and other appropriations from the COUNTY, BILLINGS and LAUREL, as permitted by law;

v. As of the EFFECTIVE DATE, YCCHD is funded through property tax assessments totaling 5.75 mills. Subject to the provisions of Mont. Code Ann. §§15-10-420, and 425, and Mont. Code Ann. §7-11-1112, the maximum property tax mill levy from property taxes the COUNTY may assess for YCCHD shall be no more than a total of 10.00 mills. Notwithstanding the maximum property tax mill levy stated herein, upon a determination that the general fund of the COUNTY is not sufficient to meet the approved budget of YCCHD, the COUNTY may assess additional mills as needed under the provisions of Mont. Code Ann. §50-2-114; and

vi. Through such other payments and appropriations as YCCHD may lawfully receive.

b. COUNTY Determination of Additional Funding. As long as BILLINGS and LAUREL have no obligation for financial contribution to the funding of YCCHD under this Article I, paragraph 5, the COUNTY may increase the funding of YCCHD as it shall determine and approval from BILLINGS or LAUREL to increase funding of YCCHD through an increased mill levy, or otherwise, shall not be required.

c. BILLINGS and LAUREL Funding. BILLINGS and LAUREL may provide such funding for YCCHD as agreed by the COUNTY, BILLINGS and LAUREL.

d. The funding described in this Article I, paragraph 5, is unrelated to the obligations of the COUNTY, BILLINGS and LAUREL to fund the PROGRAM, as provided and described in Article II, paragraph 9.

6. Organization of YCCHD.

a. YCCHD shall be a separate legal entity, administered by the Board of Health (hereafter the "BOARD OF HEALTH").

b. The BOARD OF HEALTH shall be appointed as follows:

i. The BOARD OF HEALTH shall consist of members, hereafter "BOARD MEMBERS," of not less than twelve (12), nor more than fifteen (15). At least two (2) BOARD MEMBERS shall be appointed by the COUNTY; at least two (2) BOARD MEMBERS shall be appointed by the Mayor of BILLINGS with the consent of the COUNCIL; and at least one (1) BOARD MEMBER shall be appointed by the Mayor of LAUREL with the consent of the Laurel City Council. The remaining 7-10 BOARD MEMBER positions shall be filled by the BOARD OF HEALTH.

ii. Selection of the BOARD MEMBERS and their respective terms of appointment shall be as follows:

(1) By the Board of County Commissioners of COUNTY;

(a) One (1) member whose term shall expire December 31, 2005;

(b) One (1) member whose term shall expire December 31, 2006;

(2) By the Mayor of BILLINGS with the consent of the COUNCIL:

(a) One (1) member whose term shall expire December 31, 2005;

(b) One (1) member whose term shall expire December 31, 2006;

(3) By the Mayor of LAUREL with the consent of the LAUREL City Council:

(a) One (1) member whose term shall expire December 31, 2006;

(4) By the BOARD OF HEALTH:

(a) Three (3) members whose terms shall expire December 31, 2004;

(b) Two (2) members whose terms shall expire December 31, 2005;

(c) Two (2) members whose terms shall expire December 31, 2006;

iii. All BOARD MEMBER positions will run for a period of three (3) years.

c. The BOARD OF HEALTH shall adopt bylaws, rules, and regulations for its operation and administration.

7. **Delegation of Authority.** COUNTY, BILLINGS and LAUREL hereby delegate to YCCHD, through the BOARD OF HEALTH, authority for administration of HEALTH DEPARTMENT FUNCTIONS and HEALTH SERVICES.

8. **Chief Executive Officer.** The BOARD OF HEALTH shall appoint a chief executive officer for YCCHD (hereafter "CEO"), who will employ suitable personnel, including professionals licensed under Title 37, Montana Code Annotated, to carry out the purposes of this AGREEMENT. The CEO may also be the Health Officer, as that position is defined in Mont. Code Ann. § 50-2-116, (hereafter "HEALTH OFFICER"). The powers and duties of the HEALTH OFFICER are as specified in Mont. Code Ann. § 50-2-118.

9. **Manner of Acquiring, Holding and Disposing of Property.** YCCHD shall have all of the authority and power granted to it under this AGREEMENT to the extent entitled under Title 50, Chapter 2 and Title 7, Chapter 11 of the Montana Code Annotated, including but not limited to, the following:

a. YCCHD shall seek to cooperate with and, where appropriate, contract in its own right with other state, federal, and private organizations and individuals having mutual interests.

b. YCCHD is authorized to enter into contracts in its own name, including contracts to receive grant monies and enter into contracts for the provision of HEALTH SERVICES, HEALTH DEPARTMENT FUNCTIONS, and other activities not inconsistent with the terms of this AGREEMENT or with the laws of the State of Montana. All revenues from HEALTH SERVICES are to be contracted directly to the BOARD OF HEALTH. YCCHD shall annually establish and maintain a budget, which shall be adopted and approved by the BOARD OF HEALTH.

c. YCCHD, in its name or in the name of the BOARD OF HEALTH, may establish such bank or investment accounts, as it shall deem necessary to fulfill its duties and obligations as described herein.

d. YCCHD is authorized to acquire, receive, hold, and dispose of real and personal property through acquisition, sale, gift, lease, or otherwise, and may hold and own such property in the name of YCCHD or the BOARD OF HEALTH.

e. YCCHD is authorized to sue and be sued.

10. Annual Reporting. YCCHD shall annually render a report of its financial condition and a summary of its activities to the COUNTY, BILLINGS and LAUREL.

11. Cooperation. The COUNTY, BILLINGS and LAUREL agree to cooperate fully with YCCHD, the BOARD OF HEALTH, and the management staff of YCCHD in order to carry out this AGREEMENT, and will make all information and facilities reasonably available as needed for this purpose.

12. Insurance, Claims, Defense.

a. The COUNTY shall defend and shall pay or settle all claims asserted against YCCHD or its officers, BOARD MEMBERS and employees, relating in any way to HEALTH DEPARTMENT FUNCTIONS.

b. YCCHD will obtain appropriate insurance, which covers HEALTH SERVICES activities, including comprehensive liability insurance, naming the COUNTY, BILLINGS and LAUREL as additional insureds. YCCHD shall not be responsible for the defense of, payment or settlement of, claims for:

i. Those matters described in paragraph 12(a) of this Article I;

ii. Those matters and claims which the law mandates legal representation by the Yellowstone County Attorney, including, but not limited to, those matters set forth in Mont. Code Ann. §50-2-115;

iii. Those claims the COUNTY, BILLINGS or LAUREL is, or are obligated by law, to defend, settle or pay; or

iv. Those claims which COUNTY and YCCHD agree the COUNTY will defend, settle or pay.

13. Retirement System Payment and Reporting. YCCHD shall be responsible for reports and payments of retirement system contributions pursuant to Mont. Code Ann. §19-2-506.

14. Termination.

a. Notice of Termination. The COUNTY, BILLINGS or LAUREL may withdraw from this Article I (hereafter, the "WITHDRAWING PARTY"), by giving written notice to the BOARD OF HEALTH of its intention to withdraw from the AGREEMENT. Withdrawal shall only occur on the last day of the fiscal year of the WITHDRAWING PARTY and written notice of withdrawal must be given at least one year prior to the date the WITHDRAWING PARTY shall withdraw. The WITHDRAWING PARTY shall be obligated to fund YCCHD, as provided in Article I, paragraph 5, until it shall have withdrawn.

b. LAUREL's Withdrawal. In the event LAUREL withdraws from this Article I, the BOARD OF HEALTH may by majority vote determine to continue to operate under this AGREEMENT. The BOARD OF HEALTH MEMBER for LAUREL shall abstain from voting to continue to operate under this AGREEMENT. Upon withdrawal, LAUREL shall then have no further right of participation on the BOARD OF HEALTH.

c. BILLINGS Withdrawal. In the event BILLINGS shall withdraw from this Article I, the AGREEMENT shall terminate upon BILLINGS' withdrawal.

d. COUNTY Withdrawal. In the event the COUNTY shall withdraw from this Article I, this AGREEMENT shall terminate upon the COUNTY's withdrawal.

e. BOARD OF HEALTH Termination. In the event the BOARD OF HEALTH shall elect to terminate this AGREEMENT, it shall immediately terminate.

f. Effect of Termination. Upon termination, the assets of YCCHD shall revert to the COUNTY, or to a non-profit entity, qualified as an IRC § 501(c)(3) or similarly qualified entity, as the BOARD OF HEALTH shall determine. Termination of this Article I shall act as a termination of the entire AGREEMENT.

15. Duration. This Article I shall continue until termination as provided in Article I, paragraph 14.

16. **Current Assets and Reserves.** The assets and reserves of YCCHD as of the date of this AGREEMENT shall remain the property of YCCHD.

ARTICLE II.

MULTI-JURISDICTIONAL SERVICE DISTRICT AIR POLLUTION CONTROL BOARD

1. **Creation of Air Pollution Control Program.** The PARTIES hereby create the PROGRAM.

2. **Administration of the PROGRAM.** The AIR POLLUTION CONTROL BOARD shall administer the PROGRAM consistent with the provisions of the CLEAN AIR ACT.

3. **Delegation of Authority.** The PARTIES hereby delegate to the AIR POLLUTION CONTROL BOARD authority to administer the PROGRAM.

4. **Chief Executive Officer.** The AIR POLLUTION CONTROL BOARD shall appoint a chief executive officer for the PROGRAM (hereafter "PROGRAM CEO") who shall employ suitable personnel, including professionals licensed under Title 37, Montana Code Annotated, to carry out the purposes of Article II of this AGREEMENT.

5. **Duties of the AIR POLLUTION CONTROL BOARD.** Subject to the approval from the BOARD OF REVIEW, the AIR POLLUTION CONTROL BOARD shall provide procedures for public notice, public hearing, public comment, and appeal for any proposed new or revised rules, ordinances, or local laws adopted pursuant to this Article II. The procedures must comply with the requirements of the CLEAN AIR ACT.

6. **Authority of the AIR POLLUTION CONTROL BOARD.** Subject to approval from the BOARD OF REVIEW, the AIR POLLUTION CONTROL BOARD may:

a. subject to the provisions of the CLEAN AIR ACT, provide by rule, ordinance, or local law for requirements compatible with, more stringent than, or more extensive than those imposed by Mont. Code Ann. §§75-2-203, 75-2-204, 75-2-211, 75-2-212, 75-2-215, 75-2-217 through 75-2-219, and 75-2-402 and rules adopted under these provisions;

b. provide for the enforcement of requirements established under paragraph 6(a) of this Article II, through COUNTY action, by appropriate administrative and judicial processes; and

c. provide for administrative organization, staff, financial resources, and other resources necessary to effectively and efficiently carry out the PROGRAM; and

d. as part of meeting the requirement in Article II, paragraph 6, administer the permit fee provisions of the CLEAN AIR ACT. The permit fees collected by the PROGRAM shall be deposited in the COUNTY's special revenue fund to be used by the PROGRAM for administration of permitting activities.

7. Emergency Powers. The PROGRAM shall have those emergency powers provided under the CLEAN AIR ACT, as approved by the BOARD OF REVIEW.

8. Boundary. The Boundary of the PROGRAM shall be the COUNTY, except as modified under the provisions of the CLEAN AIR ACT.

9. Funding the PROGRAM. The annual budget of the PROGRAM (the "BUDGET") shall be funded by:

a. federal aid and state aid;

b. permit fees received by the PROGRAM;

c. assessments, fines and penalties, received by the PROGRAM;

d. contractual payments;

e. reserves of the PROGRAM to the extent that such reserves exceed 25%

of the BUDGET; and

f. Funding by the PARTIES - Arbitration. The remainder of the BUDGET shall be funded and paid by the PARTIES in proportion to the services provided to each

PARTY by the PROGRAM (the "ALLOCATION"). The PROGRAM shall submit the BUDGET, the COUNTY shall advance the ALLOCATION, and the PARTIES shall pay the ALLOCATION as follows:

i. Submission and Payment of the BUDGET. On or before March 1 of each year, the PROGRAM CEO, with approval of the PROGRAM BOARD, shall submit the BUDGET to the COUNTY for the upcoming year.

(1) The BUDGET shall include the ALLOCATION, which initially shall be:

- (a) For BILLINGS - 62%
- (b) For LAUREL - 3%
- (c) For the COUNTY - 35%; and
- (d) For BROADVIEW - 0%.

(2) A PARTY's proportionate share of the ALLOCATION may be adjusted annually based upon services provided by the PROGRAM, but shall not increase more or decrease less than 25% from the previous year, unless the increase or decrease is based upon a service level change requested by a PARTY and approved by the PROGRAM BOARD.

(3) The COUNTY shall pay the total ALLOCATION to the PROGRAM as follows:

(a) Upon receipt from the PROGRAM BOARD, the COUNTY shall place the BUDGET on its consent agenda and accept or reject the BUDGET at its next regularly scheduled meeting.

(b) The approved BUDGET shall be available from the COUNTY and paid to the PROGRAM BOARD by July 1 of each year.

ii. Reimbursement. On or before April 1 of each year, the COUNTY shall submit the BUDGET to BILLINGS, LAUREL and BROADVIEW for reimbursement of each PARTY's ALLOCATION, which shall, subject to sub-paragraph (iii) below, be timely approved and reimbursed to the COUNTY.

iii. Arbitration.

(1) If any PARTY shall not have acted on, or shall have rejected all or any portion of, the BUDGET within thirty days of receipt from the COUNTY, (hereafter "REJECTION") a representative of each PARTY shall, within thirty days of REJECTION, meet (hereafter the "JOINT MEETING") and resolve any issue concerning the BUDGET.

(2) If within thirty days of the JOINT MEETING, the PARTIES are unable to resolve every issue pertaining to the BUDGET, then the COUNTY shall immediately submit all unresolved issues to arbitration, pursuant to the provisions of the Uniform Arbitration Act, Mont. Code Ann. §§27-5-111, *et seq.*, to an arbitrator appointed by a majority of the PARTIES, or in lieu of the PARTIES failing to agree on an arbitrator, to an arbitrator appointed by the COUNTY. The PARTIES agree to be bound by the orders and final determination of the arbitrator.

iv. Failure to Fund PROGRAM. If the BUDGET shall not be funded by July 1 of each year, the PROGRAM BOARD shall have no obligation, and may immediately cease, to provide services under the PROGRAM.

10. Manner of Acquiring, Holding and Disposing of Property. The AIR POLLUTION CONTROL BOARD shall have all of the authority and power granted to it under this AGREEMENT and as approved by the BOARD OF REVIEW, including but not limited to the following:

a. The AIR POLLUTION CONTROL BOARD shall seek to cooperate with and, where appropriate, contract in its own right with other state, federal, and private organizations and individuals having mutual interests.

b. The AIR POLLUTION CONTROL BOARD is authorized to enter into contracts in its own name, or in the name of the PROGRAM, including, but not limited to, contracts to receive grant monies and enter into contracts for the provision of the administrative services the PROGRAM may perform by law or as provided herein, as well as other activities not inconsistent with the terms of this AGREEMENT or with the laws of the State of Montana.

c. The AIR POLLUTION CONTROL BOARD, in its name, or in the name of the PROGRAM, may establish such bank or investment accounts, as it shall deem necessary to fulfill its duties and obligations as described herein.

d. The AIR POLLUTION CONTROL BOARD is authorized to acquire, receive, hold, and dispose of real and personal property through acquisition, sale, gift, lease, or otherwise, and may hold and own such property in its name, or in the name of the PROGRAM.

e. The AIR POLLUTION CONTROL BOARD, in its name, or in the name of the PROGRAM, is authorized to sue and be sued.

11. Annual Reporting. The PROGRAM shall annually render a report of its financial condition and a summary of PROGRAM activities to the PARTIES.

12. Cooperation. The PARTIES agree to cooperate fully with the PROGRAM, the AIR POLLUTION CONTROL BOARD, and the management staff of the PROGRAM in order to carry out this AGREEMENT, and will make all information and facilities reasonably available as needed for this purpose.

13. Retirement System Payment and Reporting. YCCHD shall be the party responsible for reports and payments of retirement system contributions pursuant to Mont. Code Ann. §19-2-506.

14. Termination.

a. Termination by a PARTY. The provisions of this Article II shall automatically renew and be binding upon each PARTY for additional one year terms from the EFFECTIVE DATE, until any PARTY shall withdraw from the provisions of this Article II by giving at least one year's notice of such withdrawal, PROVIDED:

i. Withdrawal shall only occur on the last day of the fiscal year of the PARTY intending to withdraw, and written notice of withdrawal must be given at least one year prior to the date the PARTY shall withdraw; and

ii. The PARTY intending to withdraw shall continue to provide funding for the PROGRAM in amounts at least equal to the amount funded by the PARTY in the year notice of the PARTY's intent to terminate its participation was given.

b. Termination by the AIR POLLUTION CONTROL BOARD. The AIR POLLUTION CONTROL BOARD may terminate this Article II at any time if the AIR

POLLUTION CONTROL BOARD reasonably determines there is insufficient funding to implement the PROGRAM or for any other legitimate business reason.

15. **Effect of Termination.** Upon termination, the assets of the PROGRAM shall revert to the COUNTY. Termination of this Article II shall not constitute a termination of any other Article of this AGREEMENT.

16. **Duration.** This Article II shall continue until termination as provided in Article II, paragraph 14.

17. **Claims, Representation and Insurance.** It shall be the duty of the COUNTY to pay, satisfy or resolve by judicial or administrative proceeding, or otherwise, any and all claims asserted against the AIR POLLUTION CONTROL BOARD, the PROGRAM, or the employees of the PROGRAM, acting in the course and scope of their duties, (hereafter "PROGRAM EMPLOYEES"), and to defend any and all claims made against the AIR POLLUTION CONTROL BOARD, the PROGRAM and the PROGRAM EMPLOYEES. The COUNTY may obtain such insurance as the COUNTY deems appropriate to insure against such claims, demands or losses, but such insurance shall not relieve the COUNTY of any obligations of this paragraph.

18. **Boundary.** The boundary of the PROGRAM shall be the COUNTY, as identified in Exhibit "B," unless expanded or modified by the BOARD OF REVIEW, as provided under Mont. Code Ann. §75-2-301(6).

19. **Current Assets and Reserves.** Upon execution of this AGREEMENT, the assets and reserves of the existing air pollution control program shall immediately transfer and be vested in the PROGRAM BOARD.

ARTICLE III.

MISCELLANEOUS

1. **Filing of Agreement.** Upon the execution of this AGREEMENT by the PARTIES, it shall be filed with the Yellowstone County Clerk and Recorder and with the Montana Secretary of State, in accordance with the provisions of Mont. Code Ann. § 7-11-107.
2. **Incorporation of Recitals.** The recitals to this AGREEMENT are incorporated into every section of this AGREEMENT.
3. **Additional Documentation.** Each PARTY agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this AGREEMENT.
4. **Written Consent.** The provisions of this AGREEMENT may be waived, altered, amended, or repealed, in whole or in part, by written consent of all the PARTIES and the BOARD OF HEALTH, and only upon the written consent of all the PARTIES and the BOARD OF HEALTH. The AGREEMENT may be amended by written modification between the PARTIES without an ordinance approving the amendment, except for those matters described in Mont. Code Ann. §7-11-1106, which require an amendment to each PARTY's ordinance approving the AGREEMENT.
5. **Governing Law.** This AGREEMENT shall be construed in accordance with, and governed by, the laws of the State of Montana.

6. **Execution in Counterparts.** This AGREEMENT may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

7. **Superceding Document.** This AGREEMENT shall supersede any previous Interlocal Agreement, or other agreement, establishing YCCHD or the PROGRAM.

8. **Waiver of Breach.** The waiver by any PARTY of a breach or violation of any provision of this AGREEMENT shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provisions hereof.

9. **Captions and Construction.** The captions used herein as headings for the various paragraphs are for convenience only, and the PARTIES agree that such captions are not to be construed to be part of this AGREEMENT or to be used in determining or construing the intent or context of this AGREEMENT.

10. **Severability of Provisions.** Should any portion of this AGREEMENT be held unenforceable or inoperative for any reason, such portion of this AGREEMENT shall not affect any other portion of this AGREEMENT, but the remainder shall be as effective as though such ineffective portion had not been contained in this AGREEMENT.

11. **Assignment.** This AGREEMENT shall inure to the benefit of and shall be binding upon the PARTIES. No right or duty under this AGREEMENT, except as set forth in it, may be assigned without the express written consent of all of the PARTIES.

12. **Attorneys' Fees.** In the event of breach of this AGREEMENT, the party at fault shall pay to the other party all costs, including reasonable attorneys' fees, which may be incurred by such other parties in enforcing its rights under this AGREEMENT.

13. Legal Interpretation of AGREEMENT. In the event that any state or federal laws or regulations, now existing or enacted or promulgated after the effective date of this AGREEMENT, are interpreted by judicial decision, regulatory agency, or legal counsel in such a manner as to indicate that the terms of this AGREEMENT may be in violation of such laws or regulations, the PARTIES shall amend or terminate this AGREEMENT as necessary to comply with said laws or regulations to the maximum extent possible any such amendment shall preserve the underlying economic and financial arrangements between the PARTIES.

CITY OF BILLINGS, MONTANA



By: Charles F. Tooley
MAYOR

Date: 5/24/04

ATTEST:

By: Marita Herold
CITY CLERK

CITY OF LAUREL, MONTANA

By: 
MAYOR

Date: 06/01/04

ATTEST:

By: 
CITY CLERK

TOWN OF BROADVIEW, MONTANA

By: *John G. Dangel*
MAYOR

Date: 6-8-04

ATTEST:

By: *Carol Terpstra*
TOWN CLERK

BOARD OF COUNTY COMMISSIONERS
YELLOWSTONE COUNTY, MONTANA

By: Bill Kennedy
CHAIRMAN

Date: May 18, 2004

ATTEST:

By: Cathy Lane
COUNTY CLERK AND RECORDER

YELLOWSTONE CITY-COUNTY BOARD OF
HEALTH

By: 
CHAIRMAN

Date: 5/27/04

ATTEST:

By: 
VICE CHAIRMAN

EXHIBIT "A"
FIRST INTERLOCAL AGREEMENT

INTERLOCAL AGREEMENT

DEFINITION OF PUBLIC HEALTH:

Public Health in Montana is defined as an applied science designed to promote individual, community and environmental health by understanding, anticipating and responding to the health-related needs of Montanans in their community. Public health responsibilities and activities are extensive and their contributions are vitally important to the health of Montana's citizens.

PUBLIC HEALTH CORE FUNCTIONS ARE:

1. Assessment of health status, trends, risks and resources.
2. Health promotion.
3. Protection from health risks.
4. Assurances of health service availability and quality.
5. Policy development.
6. Leadership, technical expertise and administration.

WHEREAS, the Board of County Commissioners, Yellowstone County, Montana, created a multijurisdictional health service district named Yellowstone City-County Health Department (hereinafter called YCCHD), pursuant to Section 7-11-1102, MCA, on October 3, 1997;

The following political subdivisions of the State of Montana enter into this Agreement, to be effective January 1, 1998:

- ♦ Yellowstone County, Montana, called County;
 - ♦ City of Billings, Montana, called Billings;
 - ♦ City of Laurel, Montana, called Laurel.
1. The parties propose by this Agreement that the District shall have all authority permitted to be held by local Boards of Health according to Part 1, Chapter 2, of Title 50, of Montana Code Annotated.
 2. Board membership is as follows:
 - a. Existing Board membership will expire December 31, 1997.
 - b. The Bylaws of the Board shall require that the Board membership be of not less than twelve (12) members, nor more than fifteen (15) members, and shall require that at least two (2) Board members shall be appointed by the Board of County Commissioners of Yellowstone County, at least two (2) Board members shall be appointed by the Mayor with consent of the City Council of the City of Billings, Montana, at least one (1) member shall be appointed by the Mayor with consent of the City Council of the City of Laurel, Montana (MCA 50-2-106), and the remaining 7-

10 board positions will be filled by the Board of Health. Initial selection shall be as follows:

- i. By the Board of County Commissioners of Yellowstone County:
 - 1) One (1) members whose term shall expire December 31, 1999
 - 2) One (1) member whose term shall expire December 31, 2000
 - ii. By the Mayor with the consent of the City Council of Billings, Montana
 - 1) One (1) members whose term shall expire December 31, 1999
 - 2) One (1) member whose term shall expire December 31, 2000
 - iii. By the Mayor with the consent of the City Council of Laurel, Montana
 - 1) One (1) member whose term shall expire December 31, 2000
 - iv. By the Board of Health
 - 1) Three (3) members whose term shall expire December 31, 1998
 - 2) Two (2) members whose term shall expire December 31, 1999
 - 3) Two (2) members whose term shall expire December 31, 2000
- c. After the initial staggered appointments, all positions will be for a period of three (3) years.
3. Bylaws of the existing Board of Health shall continue in effect until such time as the Board revises or repeals current by-laws (MCA 50-2-106).
 4. Each party agrees that it hereby delegates authority for administration of the health-related programs under its jurisdiction to the Board. This authority shall include administration of approved budgets, the existing equipment, existing space utilized, and employment of the Executive Director who will employ suitable personnel to carry out the purposes of the District. All assets and liabilities of the current YCCHD shall transfer to the new, multi-jurisdictional health service effective January 1, 1998.
 5. The intent of this Agreement is to integrate all appropriate city and county health activities into the District as of January 1, 1998. Current employees of the YCCHD shall be transferred to the employment of the District as of such date and shall be guaranteed transfer of their existing personal benefits, including annual leave, sick leave and retirement.
 6. The Board of Health shall employ a Health Officer as defined in MCA 50-2-116. The power and duties of the Health Officer are as specified in MCA 50-2-118.
 7. YCCHD shall provide such reasonable and necessary services as are consistent with the purpose of the enabling legislation to the limit of available funds. In discharging such responsibility YCCHD shall seek to cooperate with and, where appropriate, to contract with other state, federal and private organizations having mutual interests. YCCHD is empowered to enter into contracts, including contracts to receive grant monies and contracts for personnel assistance, so far as the same shall be consistent with the purpose of enabling legislation. All YCCHD monies are to be contracted directly to the District governed by the Board of Health.

8. YCCHD shall be funded through federal, state, private funds and the Health Mill through the County mill levy (MCA 50-2-111). The Board of Health will present the budget on County mill dollars each year to the Board of County Commissioners for approval.
9. YCCHD shall annually render a report of its financial condition to the City Councils of Laurel and Billings and the Board of County Commissioners of Yellowstone County, Montana.
10. Each party agrees they will cooperate fully with YCCHD, the Board, and the management staff of YCCHD, in order to carry out this program, and will make all information and facilities available as needed for this purpose.
11. YCCHD will obtain appropriate insurance, which covers all activities within their responsibility including comprehensive liability insurance, which names each political subdivision as an additional insured party.
12. This agreement can be terminated by the unanimous agreement of the participating groups, the County Commissioners of Yellowstone County, the City Council of the City of Billings, Montana, and the City Council of the City of Laurel, Montana.

ATTEST:


COUNTY CLERK & RECORDER

BOARD OF COUNTY COMMISSIONERS
YELLOWSTONE COUNTY, MONTANA


CHAIRMAN

ATTEST:


CITY CLERK



CITY OF BILLINGS, MONTANA


MAYOR

ATTEST:


CITY CLERK

CITY OF LAUREL, MONTANA


MAYOR

EXHIBIT "B"
BOUNDARY MAP
HEALTH DEPARTMENT FUNCTIONS
AND
THE AIR POLLUTION CONTROL PROGRAM

EXHIBIT "C"
BOUNDARY MAP
HEALTH SERVICES

