

**BYLAWS OF THE NORTH CENTRAL MONTANA REGIONAL WATER AUTHORITY  
AS OF DECEMBER, 2010**

**Article I  
General Purpose and Nature**

The North Central Montana Regional Water Authority ("Authority") is an intergovernmental authority organized pursuant to Title 7, Chapter 11, Part 1, Mont. Code Ann. and Title 75, Chapter 6, Part 3, Mont. Code Ann. as a regional water authority for the purposes set forth in the North Central Montana Regional Water Authority Agreement ("Authority Agreement") entered into between and among the Members of the Authority dated as of 2006.

**Article II  
Offices**

The principal office of the Authority shall be located in the City of Havre, County of Hill, Montana.

The Authority may have such other offices as the Board of Directors may designate or as the business of the Authority may require from time to time.

**Article III  
Members**

Section 1. Member Entity Meetings. Member Entities (also referred to herein singularly as "Member" or collectively as "Members") shall hold at least one regular meeting each year, and the Board shall fix the date, hour and place at which each regular meeting is to be held. Members may not vote by absentee ballots. The President shall preside at all meetings of the Members. Special meetings may be called upon written request by the President, by one-third or more of the Directors, or by one-third or more of the Members.

Section 2. Member Voting. Each Member shall have one (1) vote on each matter presented to the Membership, and may not cumulate votes.

Section 3. Meeting. All meetings of the Members shall be called, noticed, held and conducted in accordance with the provisions of the Montana Open Meetings Law. Written notice stating the place, day, and hour of the Members' meeting and, in case of a special meeting the purpose or purposes for which the meeting is called shall be delivered not less than ten calendar (10) or more than fifty (50) calendar days before the date of the meeting, either personally, by mail, by telephonic or electronic means, or at the direction of the President, or the Officers or persons calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid addressed to the Member at its address as it appears on the official records of the Authority. Notices called for hereunder may be waived in accordance with Article XI of these Bylaws or by attendance at any such meeting.

Section 4. Voting Lists. The Officer or agent having charge of the official records of the Authority shall make a complete list of the Members entitled to vote at each meeting of members or any adjournment thereof. Such list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole meeting for the purposes thereof. Failure to comply with the requirements of this section shall

not affect the validity of any action taken at such meeting.

Section 5. Quorum and Conduct of Business. A quorum for purposes of a meeting of the Authority's Membership is established when one-third (1/3) of the Authority's Member Entities are represented and present at the meeting. Every act done or decision made by a majority of Members present at a meeting duly held at which a quorum is present shall be the act of the Membership unless a vote by a greater number is required by law, the Authority Agreement or these Bylaws. No business may be transacted by the Members without a quorum of the Members being present, provided, however, less than a quorum may adjourn. Meetings of the Members shall be conducted in accordance with Roberts Rules of Order, except when in conflict with applicable law, the Authority Agreement or the Bylaws.

Section 6. Voting. At all meetings of Member Entities, a Member Entity must vote in person and may not vote by proxy.

Section 7. Informal Action by Members. Any action required to be taken at a Members' meeting, or any action which may be taken at a Members' meeting, may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by all of the Members entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote of the Members.

#### **Article IV** **Board of Directors**

Section 1. General Powers. All powers shall be exercised by, or under the authority of, and the business and affairs shall be managed under the direction of the Board of Directors, in accordance with the powers and duties set forth in the Authority Agreement.

##### **Section 2. Membership of Board, Procedure for Electing and Term in Office.**

A. Membership. The Board shall be composed of a minimum of five (5) Directors, appointed as provided for in the Authority Agreement.

At such time as the number of hookups or customers of a Member exceeds 500 and 1,000 that Member shall be granted an additional one representative on the Board. The number of Directors representing a Member may not exceed three (3) Directors. The Director filling that seat shall be appointed by that Member as provided in the Authority Agreement. The expansion in the number of Directors shall occur at the next annual meeting of the Members following the submission by the Member to the Authority of information and data that established said number of hookups or customers.

B. Procedure. The nomination of the Board of Directors will be conducted at the regular annual meeting of the Authority.

C. Terms. Directors shall serve a term of two years as provided for in the Authority Agreement.

Section 3. Board Meetings. The Board shall hold at least four (4) regular meetings each year. The Board shall fix the place where each regular meeting is to be held. Special meetings may be called upon written request by the President or one-third or more of the Directors.

Section 4. Notice. All meetings of the Board shall be called, noticed, held and conducted in accordance with the provisions of the Open Meeting Law.

Section 5. Quorum and Conduct of Business. Except as provided in Article XIII, the presence of five (5) Directors at a meeting of the Board of Directors constitutes a quorum. Every act done or decision made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be the act of that body, unless a vote by a greater number is required by law, the Authority Agreement or these Bylaws. No business may be transacted by the Board without a quorum being present; provided, however, less than a quorum may adjourn. Meetings of the Board shall be conducted in accordance with Roberts Rules of Order, except when in conflict with applicable law, the Authority Agreement or these Bylaws.

Section 6. Meetings by Telephone Conference Call. In addition to any of the methods for holding a regular or special meeting of the Board of Directors otherwise set forth in these Bylaws, members of the Board of Directors, or any committee designated thereby, may participate in a meeting of such Board or committee by means of a conference telephone or other electronic means of which all persons participating in the meeting shall have an equal opportunity to hear and participate in the entire meeting; and participation by such means shall constitute presence in person at a meeting.

Section 7. Action Without a Meeting. Any action which may be taken by the Board of Directors or a committee at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors or all of the members of the committee, as the case may be, entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote.

Section 8. Resignation of a Director. A Director may resign upon giving thirty (30) calendar days' notice in writing to the President of the Board of Directors of the Authority. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or by such other officer, and the acceptance of such resignation shall not be necessary to make it effective.

Section 9. Removal of a Director. A Director may be removed from the Board by the Member who has appointed the Director when the Member provides written notice of such removal to the Board and delivered to all Members.

The Board may request that a Member remove a Director it has appointed for inefficiency, neglect of duty or malfeasance in office. Neglect of duty shall occur when a Director fails to attend a regular or special meeting for a period of six (6) consecutive months. Prior to the request for removal of a Director by the Board, the Board shall provide in writing to the Member, notice of and one opportunity to cure the Director's inefficiency, neglect of duty or malfeasance in office. If after notice and opportunity to cure have been provided to the Member and the Board in its discretion determines that the inefficiency, neglect of duty or malfeasance has not been cured, the Board may formally request the removal of the Director. Notification by the Board shall be by instrument in writing by the Board and delivered to all Members.

A vacancy created by the removal of a Director shall be filled pursuant to Article IV, Section 11 below.

Section 10. Compensation of Directors. The Directors shall receive no salary from the

Authority but may be compensated for any reasonable and necessary expenses incurred in connection with the performance of their duties.

Section 11. Vacancies. Vacancies on the Board may be filled by the Member who position has become vacant as provided for in the Authority Agreement.

Section 12. Presumption of Assent. A Director of the Authority who is present at a meeting of the Board of Directors at which action on any matter is taken is presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or forwards such dissent by registered mail to the President of the Authority immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

## **Article V**

### **Officers**

Section 1. Election. The Board of Directors shall elect from its membership a President, a Vice President, a Secretary and a Treasurer to serve one-year terms. It is preferable but not required that the Secretary and Treasurer be elected from the three (3) At-Large Members of the Executive Committee.

The President, or in his or her absence, the Vice President, or in his or her absence the Secretary, or in his or her absence the Treasurer, shall preside at and conduct all meetings of the Board, the Members and the Executive Committee.

Section 2. Removal of Officer or Agent. Any Officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Authority will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an Officer or agent shall not, of itself, create contract rights.

Section 3. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise shall be promptly filled by the Board of Directors for the unexpired portion of the term. Any Officer may resign at any time by giving written notice of such resignation to the Board of Directors, the President, or the Chief Executive Officer of the Authority. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or by such other Officer, and the acceptance of such resignation shall not be necessary to make it effective.

Section 4. Powers and Duties. The powers and duties of the several Officers shall be, as provided, by resolution or other directive of the Board of Directors. In the absence of such provisions, the respective Officers shall have the powers and discharge the duties customarily and usually held and performed by like Officers in entities similar in organization and business purposes to this Authority.

Section 5. Salaries. Any Officer who is also a Director of the Authority shall receive no salary from the Authority, but may be compensated for any reasonable and necessary expenses incurred in connection with the performance of their duties.

Section 6. Sureties and Bonds. In case the Board of Directors shall so require, any

Officer, employee, or agent of the Authority shall execute to the Authority a bond in such sum and with such surety or sureties as the Board of Directors may direct, conditioned upon the faithful performance of his or her duties to the Authority, including responsibility for negligence and for the accounting for all property, funds, or securities of the Authority which may come into his or her hands.

Section 7. Committees. The Board may establish committees, both standing and special, as appropriate with duties as specified by the Board, the Authority Agreement or the Bylaws. The President shall have the authority to appoint members to committees, both standing and special, as he or she deems appropriate, with the approval of the Board.

Section 8. Executive Committee. The Board established an Executive Committee as established and provided for in the Authority Agreement. The Executive Committee shall consist of five members: the President, the Vice President, and three At-Large members elected by the Board from its membership. All members of the Executive Committee shall represent different Member Entities.

1. Term:

- a. The term for all members of the Executive Committee shall commence at the adjournment of the meeting at which the member was elected, and shall expire at the adjournment of the meeting at which time the election is held for the next term for that position.
- b. President and Vice-President. The term of office for the President and Vice-President members of the Executive Committee shall be one year, unless that individual is elected or re-elected as President or Vice-President.
- c. At-Large Members. The three at large elected members of the Executive Agreement shall, provided they remain qualified to be a member of the Executive Committee by continuing to be a Director of the Authority, shall serve three year terms. Such terms shall be staggered with one member serving an initial term of one year, another member serving an initial term of two years, and the third member serving an initial term of three years. At the completion of the initial term for each member an election will be held to elect a member for the subsequent three year term.

2. Removal. A member of the Executive Committee may be removed from office at any time by a majority vote of the Board for inefficiency, neglect of duty or malfeasance in office. Neglect of duty shall occur when an Executive Committee member fails to attend four (4) or more regular or special meetings for a period of six (6) consecutive months.
3. Vacancies. Vacancies on the Executive Committee shall be filled in accordance to the provisions of Article V, Section 3, above.

## **Article VI**

### **Staff**

Principal Staff. The Board shall provide for the creation of positions or for contracting for services through its budget process as may be necessary for the administration of the Authority. The President or his or her designee will recommend to the Board for its approval the necessary positions for the administration of the Authority. The principal staff shall be appointed by and serve at the pleasure of the Board of Directors or if so delegated by the Board the Executive Committee.

## **Article VII**

## **Contracts, Loans, Checks and Deposits**

Section 1. **Contracts**. The Board of Directors may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, the Authority. Such authority may be general or confined to specific instances.

Section 2. **Loans**. No loans shall be contracted on behalf of the Authority and no evidences of indebtedness shall be issued in the name of the Authority unless authorized by resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. **Checks, Drafts or Orders**. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Authority shall be signed by such Officer or Officers, agent or agents, of the Authority and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. **Deposits**. All funds of the Authority not otherwise employed shall be deposited or invested to the credit of the Authority in such banks, trust companies, or other depositories as the Board of Directors may select or authorize.

## **Article VIII** **Fiscal Year**

The fiscal year of the corporation shall begin on July 1 and end on June 30 each year.

## **Article IX** **Accounts and Records**

Section 1. **Annual Budget**. The Authority shall annually adopt an operating budget not later than the commencement of the fiscal year.

Section 2. **Annual Report**. In addition to the annual audit required in the Authority Agreement, the Authority, within one hundred and eighty (180) calendar days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each Member.

## **Article X** **Waiver of Notice**

Whenever any notice is required to be given to any Member or Director of the Authority under the provisions of Montana law, the Authority Agreement or under the provisions of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

## **Article XII** **Indemnification**

Any person who at any time shall serve, or shall have served as a Director or Officer of the Authority, shall be indemnified, held harmless and defended by the Authority against all costs and expenses (including but not limited to attorney's fees of an attorney approved by the

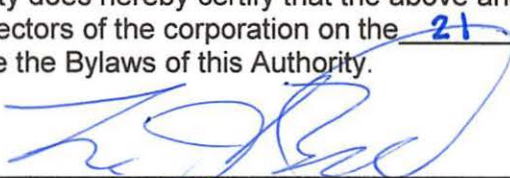


Authority), amounts of judgments, and settlements reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, administrative, or other, in which he, she, or they may be involved by virtue of such person acting within the course and scope of his or her duties as a Director or Officer. Such indemnity shall not be operative with respect to: (1) the Director or Officer gaining any personal profit or advantage in his or her capacity as Director or Officer, (2) the dishonesty of a Director or Officer, (3) a Director's or Officer's conflict of interest, (4) willful violation of a statute or ordinance committed by a Director or Officer or with the Director's or Officer's knowledge or consent, or (5) any matter as to which the Director or Officer shall have been finally adjudged in such action, suit or proceeding to be liable for misconduct in the performance of his or her duties as Director or Officer. The indemnification will not be operative for any settlement unless the settlement is approved by a majority of the Directors.

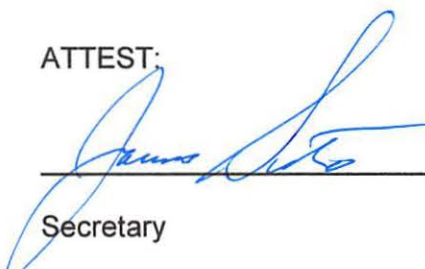
### **Article XIII** **Amendments**

These bylaws may be altered, amended, or repealed, and new bylaws may be adopted by the Board of Directors by at least two-thirds (2/3) vote of all of the members of the Board of Directors voting at any regular or special meeting of the board where one-half (1/2) or more of the Board of Directors are present, subject to repeal or change by action of the Members; provided, however, that the number of directors shall not be increased or decreased, nor shall the provisions of Article III concerning the Members be substantially altered, without approval of at least two-thirds (2/3) of all of the Members.

KNOW ALL PERSONS BY THESE PRESENT that the undersigned President of the North Central Montana Regional Water Authority does hereby certify that the above and foregoing Bylaws were duly adopted by the Directors of the corporation on the 21 day of December, 2010, and the same now constitute the Bylaws of this Authority.

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

# FILE

## INTERLOCAL AGREEMENT CREATING NORTH CENTRAL MONTANA REGIONAL WATER AUTHORITY

**THIS AGREEMENT** is made in the State of Montana by and among local political subdivisions organized and existing under the laws of the State of Montana (the State), hereinafter referred to as "Member Entities" which are parties signatory to the Agreement.

### RECITALS

**WHEREAS**, Senate Bill No. 302, enacted in 1999, allows public agencies to enter into Agreements with one or more other public agencies for the purpose of organizing a Water Authority.

**WHEREAS**, the Member Entities executing this Agreement desire to join together for the purposes of:

1. Pursuing the development, authorization, planning, design and construction of the North Central Montana Regional Water System.
2. Securing a source of water on a scale larger than is feasible for individual public agencies acting alone
3. Issuing net revenue bonds and notes to fund the non tribal component of the Rocky Boy's / North Central Montana Regional Water System.
4. Selling the water to public services districts, municipalities, publicly and privately owned water utilities, and others.
5. Providing the administration, operation and maintenance and billing and collection of the Authority.

**WHEREAS**, the governing board of each Member Entity has determined that it is in its own best interest and in the public interest that this Agreement be executed and that it participate as a member of the public entity created by this Agreement.

**NOW THEREFORE**, in consideration of the mutual benefits, promises and agreements set for the below, the parties hereby agree as follows:

### 1. DEFINITIONS

- a. "Authority" shall mean the North Central Montana Regional Water Authority created by this Agreement.



- b. "Board of Directors" or "Board" shall mean the governing body of the Authority. The Board of Director will be formed by representation of the Participating Systems based on the number of hookups with one representation per 500 hookups, or portion thereof. Representation from any one participating system can not exceed three Directors.
- c. "Bonds and Notes" shall mean bonds or Notes issued by the Authority pursuant to the Law or other enabling legislation as any hereafter be enacted on behalf of and authorized by Participating Members for the purpose of financing the construction of the North Central Montana Regional Water System.
- d. "Bylaws" shall mean the bylaws adopted by the Board prescribing the rules for the operation of the Authority.
- e. "Interlocal Cooperative Act" shall mean Title 7, Chapter 11, Part 1, M.C.A. as amended.
- f. "M.C.A." shall mean the Montana Code Annotated.
- g. "Member Entity" shall mean any political subdivision which has executed this Agreement and become a member of the Authority.
- h. "Water Purchase Agreement" shall mean the agreement between the Authority and the Member Entities which shall contain the amount of water purchased and the commencement date that the member entities will be required to pay the water rates.

## 2. DURATION

The Authority shall begin when this Agreement is signed by authorized representatives of all the Member Entities, and filed with the Secretary of State and County Clerks of Court as provided by Montana Law. The Authority shall continue in existence until all of its objectives have been accomplished unless three fourths (3/4) of the Board of Directors of the Authority decide that it's impossible or unfeasible to accomplish the Authority's objectives. If three fourths (3/4) of the Board of Directors of the Authority decide that it's impossible or unfeasible to accomplish the Authority's objectives, then the unused portion of any and all grants or funding acquired by the Authority shall be returned to the original source of funding, an the Authority shall dissolve. However, if the Authority reforms into a different entity or structure, then grants and funding are transferable to the new entity or structure.

## 3. PURPOSES

This Agreement is entered into by the Member Entities in order that they may jointly pursue the development, authorization, planning, design and construction of the North

Central Montana Regional Water System, including but not limited to:

- a. Secure a source of water on a scale larger than is feasible for individual public agencies acting alone.
- b. Issue net revenue bonds and notes to fund the planning, design and construction of the North Central Montana Regional Water System.
- c. Sell water to public services districts, municipalities, publicly and privately owned water utilities, and others.
- d. Provide the administration, operation and maintenance and billing and collection of the Authority.

All such purposes shall be accomplished through a joint exercise of powers by Member Entities pursuant to this Agreement, to be administered by a separate legal entity, the North Central Montana Regional Water Authority, as created herein.

#### 4. CREATION OF THE AUTHORITY

Pursuant to the Interlocal Cooperative Act, there is hereby created a public entity separate and apart from the parties hereto, to be known as the North Central Montana Regional Water Authority, with such powers as are hereinafter set forth.

#### 5. POWERS DELEGATED TO THE AUTHORITY

The Authority shall have all of the powers common to its Member Entities under the Law and the Interlocal Cooperative Act, and is hereby authorized to do all things necessary and proper for the exercise of said powers. Such powers include, but are not limited to the following:

- a. To make and enter into contracts. The term of any contract may not exceed forty (40) years.
- b. To incur debts, liabilities and obligations.
- c. To issue bonds and notes for the planning, development, construction, acquisition, maintenance or operation of the North Central Montana Regional Water System.
- d. To acquire, hold, or dispose of property, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities.
- e. To sue and be sued in its own name, and to settle any claim against it.

- f. To receive contributions and donations of property, funds, services and other forms of assistance from any source.
- g. Employ agents and employees.
- h. Receive, collect and disburse monies.
- i. To invest any money in its treasury that is not required for its immediate necessities, in the same manner and on the same conditions as Member Entities pursuant to law.
- j. To carry out all provisions of this Agreement.

## **6. MEMBER ENTITY RESPONSIBILITIES AND POWERS**

Each Member Entity participating shall have the following responsibilities:

- a. To pay water assessments, when due, for water delivered to the Member Entities by the Authority.
- b. To select their own representation on the Board of Directors of the Authority.
- c. For the distribution lines within its own jurisdiction.
- d. For the testing within its own distribution system for possible contamination within its distribution system.

## **7. FINANCING OF THE AUTHORITY**

- a. **Finances.** The Authority shall not be a profit making organization, nor is the Authority founded with the expectation of making a profit. The Authority shall use its funds only for the purpose specified in and allowed by this Agreement.
- b. **Bonding.** Persons entrusted with handling the Authority's funds may be required by the Board of Directors to furnish, at Authority's expense, a suitable fidelity bond.
- c. **Budget.** The Board of Directors shall establish and adopt an annual budget for the operation of the Authority.
- d. **Use of Funds.** All grants and appropriations received from federal or state entities shall be held for the purpose of the Authority. No disbursement of such funds shall be made without the consent of a majority of the Board of Directors.

- e. **Annual Audit.** The Authority shall either make or contract with a certified public accountant to make an annual fiscal year audit of all accounts and records of the Authority. A report of the audit shall be filed as a public record with each Member Entity within six months of the end of the fiscal year under examination. Costs of the audit shall be considered a general expense of the Authority.
- f. **Fund and Accounts.** The Treasurer of the Authority shall establish and maintain such funds and accounts as may be required by good accounting practices and by the Board. Books and records of the Authority shall be open to inspection at all reasonable times by authorized representatives of Member Entities.

**8. PARTIAL OR COMPLETE TERMINATION OF THIS AGREEMENT**

Public Entities shall have the authority and right to withdraw as a Member Entity from the North Central Montana Regional Water System Authority and its Interlocal Agreement without the consent or approval of the Authority, its Governing Board, its signatory members, or its Member Entities, at any time prior to the execution of a Water Purchase Agreement. Once the Water Purchase Agreement is executed between the Authority and the member entities, this Agreement will require a three fourths vote of the Board of Directors to allow member entities to withdraw from the project, subject to paragraph 13 of this agreement.

**9. ALLOWABLE WAYS TO DISPOSE OF PROPERTY UPON PARTIAL OR COMPLETE TERMINATION OF THE AUTHORITY**

If three fourths (3/4) of the Board of Directors decide that it's impossible or unfeasible to accomplish the Authority's objectives, then the Authority shall be dissolved and this Agreement shall be terminated. If three fourths (3/4) of the Board of Directors vote that it's impossible or unfeasible to accomplish the Authority's objectives, then the unused portion of any and all grants or funding acquired by the Authority shall be returned to the original source of funding, and the Authority shall dissolve. However, if the Authority reforms itself into a different entity or structure, then grants and funding may be transferred to the new entity or structure.

**10. MANNER OF ACQUIRING, HOLDING AND DISPOSING OF REAL AND PERSONAL PROPERTY**

The Authority may acquire, hold and dispose of real and personal property in accordance with the majority vote of the Board of Directors, except in the ordinary course of business.

**11. NEW MEMBERS**

This Agreement may be amended to include additional public entities by consent of two thirds (2/3) vote of the signatories to this Agreement. If the terms of the Agreement are to

be changed upon inclusion of an additional public agency or agencies, then the original public agencies and the new public agency or agencies must enter into a new agreement.

**12. COVENANT NOT TO COMPETE**

The Authority and any of its members shall not offer or provide water in competition with any other public agency signatory to this Agreement.

**13. LIABILITY FOR DEBTS**

Any entity which signs this Agreement or any successor agreements shall not be liable for debts of the Authority, as all debts, including bond indebtedness, shall be paid from the revenues and assets of the Authority only, and not from any other source of funds. However, each entity signing this agreement shall not be permitted to withdraw from the Agreement until all outstanding bonded indebtedness of the Authority is retired or the bondholders and other signatory entities are otherwise protected.

**14. AUTHORITY TO ABIDE BY THE LAW**

The Authority shall abide by all provisions of United States and Montana Law including but not limited to Montana Senate Bill No. 302. The provisions of Montana Senate Bill No. 302 are incorporated herein as part of this Agreement.

**15. NO ASSIGNMENT OR WAIVER**

The rights and responsibilities of Member Entity shall not be assigned or transferred without the prior approval and written consent of the Authority. The failure by any Member to insist upon performance of the terms of this Agreement shall not constitute a waiver of any terms or conditions.

**16. ENTIRE AGREEMENT MODIFICATION TO BE IN WRITING/SIGNED**

This Agreement constitutes the entire Agreement between the Member Entity. There shall be no modifications or amendments of this Agreement unless it's in writing and signed by an authorized representative of each Member to this Agreement.

**17. CONTROLLING LAW**

All provisions in this Agreement and the interpretation of all provision in this Agreement shall be governed by Montana Law unless otherwise required by public law.

**18. JURISDICTION**

The Montana District and Supreme Courts shall have Jurisdiction over any litigation regarding this Agreement. Venue for any litigation regarding this Agreement shall be in Hill County.

**19. ALTERNATIVE DISPUTE RESOLUTION**

The Members of the Authority and the parties hereto agree that no court action to interpret or enforce the terms and conditions of this Agreement shall be begun in a court of law without first attempting to mediate a settlement of the dispute. Further, the Members of the Authority and the parties thereto agree that binding or non-binding arbitration shall be available to interpret or resolve any disputes relating to this Agreement, should the parties agree to utilize arbitration.

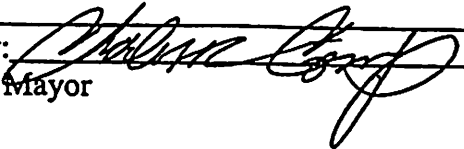
**20. AUTHORITY TO SIGN**

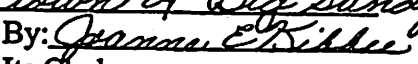
Each person who executing this Agreement has authority to represents one of the Members. Each person signing this Agreement is empowered to sign for and thereby bind that person's respective organization.



DATE: 1-6-2006

TOWN OF BIG SANDY

By:   
Its Mayor

Attest: Town of Big Sandy  
By:   
Its Clerk

DATE: December 14, 1999

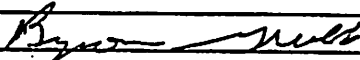
TOWN OF CHESTER


Wayne L. Wardell  
By: Wayne L. Wardell  
Its Mayor

Attest: Tonia Wickham  
By: Tonia Wickham  
Its Clerk

DATE: 2/22/00

CITY OF CONRAD

By:   
Its Mayor

Attest:   
By: Michael Eve  
Its Clerk/Treasurer

DATE: JANUARY 10, 2000

TOWN OF DUTTON

Robert C. Goodell

By: ROBERT C. GOODELL  
Its Mayor

Attest:

Jan I. Schoonover

By: JEAN I. SCHOONOVER  
Its Clerk

DATE: Feb. 10, 2007

GALATA COUNTY WATER DISTRICT

By: Robert A. Sisk, Jr.  
Its Chairman

Attest: Sara Stank  
By: Sara Stank  
Its Secretary

DATE: 1/5/00

HILL COUNTY WATER DISTRICT

Dave Jones  
By: Dave Jones  
Its Chairman

Attest: [Signature]  
By: Doug G. Rice  
Its Secretary



DATE: 1/30/2000

LOMA COUNTY  
WATER & SEWER DISTRICT

Charles Danneker  
By: \_\_\_\_\_  
Its Chairman

Attest: Juan Rowe  
By: \_\_\_\_\_  
Its \_\_\_\_\_

DATE: FEB. 21. 2000

NORTH HAVRE COUNTY WATER DISTRICT

North Havre County Water District  
By: Karl Wengberg Vice Chairman  
Its Chairman

Attest: North Havre County Water District  
By: Quinn Pearson  
Its Secretary

DATE: 2/2/00

OILMONT COUNTY WATER DISTRICT

OILMONT COUNTY WATER DISTRICT

By: Robert A. Tomscheck  
Its Chairman

Attest: Oilmont County Water  
By: Wendene M. Ringold  
Its Acting-Secretary

DATE: 2-23-2000

SAGE CREEK COUNTY WATER DISTRICT

J. M. L.  
By: JOHN M. CIGOW  
Its Chairman

Attest: Barry Van Dessel  
By: BARRY VANDESSEL  
Its SECRETARY

DATE: 2-16-2000

CITY OF SHELBY

Larry J. Bonderud  
By: Larry J. Bonderud  
Its Mayor

Attest: Melodee Robins  
By: Melodee Robins  
Its Clerk

DATE: March 14, 2000

TOWN OF SUNBURST

TOM D SMITH

By: *Tom D. Smith*  
Its Mayor

Attest:

*Rita Christoferson*  
By: Rita Christoferson  
Its Clerk/Treasurer



DATE: 12-27-99

SWEETGRASS COMMUNITY  
WATER AND SEWER DISTRICT

By: James C. Hogue  
Its Chairman PRESIDENT

Attest: James W. Atkinson  
Its Board member

DATE: Mar 17/2000

TIBER COUNTY WATER DISTRICT

Stephen B. Copenhagen Chairman  
By: \_\_\_\_\_  
Its Chairman

Attest: [Signature]  
By: [Signature]  
Its Auditor

DOCUMENT NO. 401840

STATE OF MONTANA ] ss  
COUNTY OF TETON ]  
I HEREBY CERTIFY THAT THE INSTRUMENT TO WHICH THIS CERTIFICATE IS ANNEXED IS A TRUE COMPLETE AND CORRECT COPY OF THE ORIGINAL ON FILE IN MY OFFICE.  
WITNESS MY HAND AND SEAL OF OFFICE.

APR 12 2000

DATE  
STELLA PLACHETKA  
TETON COUNTY  
CLERK & RECORDER

By [Signature] DEPUTY

State of Montana

County Clerk

Office of  
County Clerk and Recorder  
County of Pondera, Montana

I hereby certify that the within instrument was  
filed for record in this office on the 12  
day of April  
A.D. 2000 at 9:23 o'clock A M.

Janice Hoppes  
Pondera County Clerk and Recorder  
By Angela D. Brown Deputy

532496

401839

FILED APR 12 2000

At 11:08 O'clock A M

STELLA PLACHETKA

TETON COUNTY CLERK &amp; RECORDER

CHOTEAU, MONTANA 59422

Sharon Tenney DEPUTY

FEES 5.00

## INTERLOCAL AGREEMENT

STATE OF MONTANA ]  
 COUNTY OF HILL ]  
 Filed at 3:00 o'clock P. M.  
 ON MARCH 23, 2000

DIANE E. MELLEM, COUNTY CLERK

E. A. Williams

DEPUTY

FEE: \$ 5.00 PD

FILED BY:

BEAR PAW DEVELOPMENT

P. O. BOX 170, HAVRE, MONTANA

445417

Interlocal Agreement  
 Creating North Central  
 Montana Regional  
 Water Authority

118317

State of Montana

County of Liberty, ss

Filed April 5, 2000

at 10:20 A M

Maureen Ciccon

County Clerk

Fee: \$ 5.00

343155

April 11, 2000

8:55 o'clock A M.

TOOLE COUNTY, MONTANA

Co. Recorder

By

Fee \$5.00

Deputy

STATE OF MONTANA } ss.  
County of Liberty

I hereby certify that the instrument to which this certificate is annexed is a true, complete and correct copy of the original on file in my office.

Witness My Hand seal of office  
 this 5th day of April, 2000

Maureen Ciccon

(C)

STATE OF MONTANA } ss.  
County of Toole

I hereby certify that the instrument to which this certificate is annexed is a true, complete and correct copy of the original on file in my office.

Witness My Hand seal of office  
 this 12th day of April 2000

MARY ANN HARWOOD

Clerk and Recorder

By Julie Stokes DeputySTATE OF MONTANA }  
COUNTY OF CHOUTEAU } ss. OFFICE OF COUNTY CLERK

I, Chouteau County Clerk

certify that the foregoing is a whole and correct copy filed in my office on

April 3, 2000 at 10:50 AM. Document No. 445417

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of

Chouteau County, April 3, 2000

Sharon Tenney County ClerkBy Sharon Tenney DeputySTATE OF MONTANA } ss.  
COUNTY OF CHOUTEAU

Filed April 3, 2000

at 10:50 o'clock A M.

Sharon Tenney

County Clerk

By Sharon Tenney Deputy

Fee \$ 5.00 Paid

STATE OF MONTANA } ss.  
COUNTY OF HILL

I HEREBY CERTIFY THAT THE INSTRUMENT TO WHICH THIS CERTIFICATE IS ANNEXED, IS A TRUE, COMPLETE AND CORRECT COPY OF THE ORIGINAL ON FILE IN MY OFFICE

WITNESS MY HAND AND SEAL OF OFFICE  
 March 24, 2000

DATE

COUNTY CLERK AND RECORDER

BY E. A. Williams

DEPUTY

STATE OF MONTANA PONDERA COUNTY

RECORDED: 04/12/2000 9:23 MISC

CLERK AND RECORDER BY:

BEAR PAW DEVELOPMENT PO BOX 170, HAVER MT 59501

DOC #:

301343

FEE: \$5.00