

STATE OF MONTANA
Executive Order No. 4-80
Office of the Governor

RESCINDED
2-1-82

Executive Order declaring a disaster as a result of volcanic ash fallout and flash flooding and authorizing a certain political subdivision to receive state emergency funds.

Section 10-3-311, Montana Code Annotated, authorizes the incurring of liability expenses to be paid as other claims against the state from the General Fund in the amount necessary, when authorized by the Governor and upon demonstration that:

- 1) a disaster has been declared by the Governor;
- 2) the state or political subdivision has exhausted all available emergency levies;
- 3) the disaster is beyond the financial capability of the state or political subdivision; and
- 4) no other appropriation is available in sufficient amount to meet the disaster.

In cognizance of Section 10-3-311, Montana Code Annotated, and in acknowledgement of the volcanic ash fallout and severe flash flooding which occurred after May 18, 1980, in the political subdivision named below, I, THOMAS L. JUDGE, Governor of the State of Montana, do hereby make the following findings and declarations:

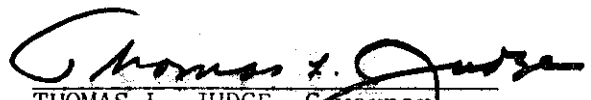
- 1) that the volcanic ash fallout was a threat to public health and safety and posed an enormous clean-up campaign, and the flash flood did cause the destruction and severe damage to many bridges and roads, both of which menace the health, welfare, and safety of a considerable number of persons in the political subdivision named below, resulting in what I hereby declare to be a disaster.
- 2) as a result of the volcanic ash fallout and severe flash flooding, the political subdivision named below has imposed and exhausted the only emergency levy available to it, a two-mill levy provided in Section 10-3-405, Montana Code Annotated.

6152
Book M-Page 521
209

- 3) in addition to the emergency mill levy, the political subdivision named below has imposed the maximum non-emergency mill levy allowed by law, and has no additional financial capacity to meet the costs of the disaster.
- 4) no state appropriation is available to meet the costs of this disaster, other than the authorization of Section 10-3-311, Montana Code Annotated.

NOW, THEREFORE, I, THOMAS L. JUDGE, by virtue of the authority vested in me as Governor of the State of Montana, do hereby authorize the payment as claims against the state from available monies in the emergency and disaster fund established in Section 10-3-311, Montana Code Annotated, those expenses necessitated by the disaster declared herein which exceed the financial capacity of the political subdivision and which has been incurred by Lake County. The payment of all such claims shall be subject to the approval of the Department of Administration, and to their determination that the expenditure by the political subdivision was reasonable and necessary in responding to the disaster.

Given under my hand the GREAT
SEAL of the State of Montana
this 24 day of June
in the year of our LORD, One
Thousand Nine Hundred and
Eight.


THOMAS L. JUDGE, Governor

ATTEST:


FRANK MURRAY, Secretary of State

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RESCINDED
2-1-82

AGREEMENT FOR THE ESTABLISHMENT AND FUNDING OF
INTERAGENCY PIPELINE TASK FORCE

THIS AGREEMENT, made and entered into this 30th day of July, 1980, between NORTHERN TIER PIPELINE COMPANY, a Delaware corporation, hereinafter referred to as Northern Tier; and the INTERAGENCY PIPELINE TASK FORCE, hereinafter referred to as IPTF, through the MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION, hereinafter referred to as DNRC, the contracting agency herein;

W I T N E S S E T H:

The parties to this agreement, in consideration of the mutual covenants and promises herein set forth, agree as follows:

1. Background. Northern Tier proposes to construct a crude oil pipeline through the State of Montana and is in the process of obtaining necessary permits and right-of-way for that construction. The crude oil pipeline proposed by Northern Tier would enter the State of Montana at a point on its northwest border and exit at a point on its eastern border after delivering crude oil supply service to petroleum refineries and pipelines within the State of Montana.

DNRC was designated by the Governor of Montana to act as the lead agency for the purposes of conducting an environmental review of the Northern Tier pipeline within the State

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of Montana. As a part of its final project review, DNRC recommended the establishment of IPTF for the purposes of coordinating the activities of and providing informational support to state agencies which have permit authority over the siting and construction of the pipeline. To accomplish these purposes, the Governor of Montana has established, by Executive Order No. ^{QW 12}5-80, IPTF and designated DNRC as the lead agency in this cooperative endeavor by state agencies.

It is the intent of IPTF and Northern Tier to work jointly with state and federal agencies having permit authority over the Northern Tier pipeline to the fullest extent possible under existing legal authorities.

2. Scope of Work. IPTF will help coordinate the activities of other state agencies and provide informational support to those agencies according to the terms and conditions set forth herein and in Exhibit "A" attached hereto and by this reference made a part hereof. Changes in the Scope of Work may be made as the work progresses by agreement of the parties in accordance with the minimum requirements of paragraphs 7 and 13 of this agreement. IPTF shall engage in only those activities expressly mentioned herein.

The work agreed to be done by the parties to this agreement will be accomplished in two phases, as follows:

A. Phase I.

(1) Phase I activities are pre-construction activities and shall commence upon hiring of the IPTF coordinator. DNRC will hire a coordinator for IPTF

as soon as practicable after the execution of this agreement. IPTF will hire such additional staff as IPTF deems necessary. Northern Tier shall review and comment on IPTF staff organization and upon all applicants for IPTF positions. The total staff of IPTF shall not exceed six (6) persons. The hiring of the staff shall be accomplished on a schedule which is reasonably calculated to allow performance of the Scope of Work herein set forth. IPTF may hire private contractors if necessary to complete the Scope of Work herein set forth. Expenditures for the payment of private contractors must be clearly expressed in the budget agreed to by the parties, and the total expenditure for private contractors shall not exceed the budget amount for private contractors. Any such contracted work and contractors for that work shall be reviewed and commented upon by Northern Tier. Other state agencies may supply existing staff or hire additional personnel for assignment to IPTF.

(2) IPTF will be a single point of contact to facilitate communications between state permitting and monitoring agencies and Northern Tier. It is contemplated that the director of each affected department will appoint one or more representatives to act as liaison between the department and IPTF. The coordinator will schedule bi-monthly or as needed coordination meetings with the departmental liaisons.

(3) IPTF and Northern Tier will cooperate in the development and implementation of an information program to provide information concerning pipeline construction to private landowners and the public affected by the project. The information program will supply such information to those requesting it.

(4) IPTF will coordinate an interagency evaluation of the centerline established on state-owned land. IPTF will also coordinate centerline evaluation activities with the Authorized Officer, Bureau of Land Management, Department of Interior, in order to promote consistency in centerline activities.

(5) IPTF and Northern Tier will cooperate in the development and implementation of a program to provide assistance to private landowners whose lands are affected by the project and who request such assistance. The assistance provided shall relate only to the lands of the landowner making the request.

(6) IPTF will coordinate an interagency review and evaluation of Northern Tier's plans affecting construction and operation of the pipeline. The following plans will be evaluated:

- (a) Oil spill contingency plans.
- (b) Reclamation plans.
- (c) Quality control plans.
- (d) Final construction drawings and specifications.

Northern Tier shall incorporate and implement suggestions made during review where appropriate. IPTF will insure that such suggestions do not conflict with federal requirements. The preliminary report of the review and evaluation of the above plans shall be issued by IPTF no later than ninety (90) days following submission of the plans to IPTF by Northern Tier, unless otherwise agreed. Final report of the review and evaluation shall be issued by IPTF no later than forty-five (45) days following any resubmission of the plans.

(7) Phase I activities shall end upon initiation of construction, with the exception of those set forth in paragraphs 2A(3), (5) and (6)(d) above. In the event of final design changes after IPTF's final report, IPTF will review and report on the design change as soon as is possible after submission. For the purposes of this subsection and section 2B of this agreement, construction shall commence upon right-of-way clearing in any of the five construction spreads in Montana.

B. Phase II.

Phase II activities are related to construction. IPTF will provide coordinated construction surveillance of permit conditions and easement stipulations. Permitting agencies will have the responsibility for their permit conditions and stipulations, but IPTF shall coordinate the logistics of permit condition

surveillance. IPTF will also coordinate permit condition surveillance activities with the Authorized Officer, Bureau of Land Management, Department of Interior, in order to promote consistency in permit condition surveillance.

3. Legal Requirements. Executive Order No. 5-80 dated July 30, 1980, directs state agencies to cooperate to the fullest extent possible in coordinating state surveillance. This agreement shall not be construed to limit, preempt, create or expand any authority of state agencies with regulatory authority over Northern Tier to act in accordance with all applicable laws, rules, regulations and standards already established. Said executive order requires each agency to appoint one (1) or more representatives to act as liaison between the permitting agencies and the coordinator of IPTF.

4. Payment. Northern Tier agrees to pay DNRC, in accordance with the budget set forth in Exhibit "B" attached hereto and by this reference made a part hereof, for all work rendered under section 2, Scope of Work, and Exhibit "A". The budget (Exhibit "B") shall fund the first six (6) months of operation of IPTF; this budget, Exhibit "B", can be amended by agreement of the parties. The parties to this agreement shall negotiate and agree as to a budget for IPTF operations thereafter.

Northern Tier agrees to provide funding in accordance with Exhibit "B" attached hereto or any subsequent budget

agreed to by the parties. Northern Tier agrees to provide an advance payment of thirty-five percent (35%) of the budget for Phases I and II at the beginning of each phase. The thirty-five percent (35%) advance payment for each phase shall be credited against the final billing for the respective phases.

DNRC shall submit an itemized billing of actual expenses to Northern Tier on a quarterly basis during the term hereof and until termination of this agreement as herein provided. The bills shall be based on the costs incurred for actual work performed and services rendered during the previous quarterly period plus indirect costs calculated at eleven percent (11%) of the incurred costs. The method of itemization of any billing notices and statements required under this section shall be compatible with the statewide budget and accounting system.

5. Time of Performance. DNRC and IPTF shall commence work on the execution of this agreement immediately upon signature and shall discharge its responsibility hereunder as is required for the timely completion of the Scope of Work set forth herein.

DNRC and IPTF acknowledge the times of performance set forth in section 2 are of the essence of this agreement. Extra work authorized by Northern Tier as set forth in section 7 hereof shall be reasonable grounds for extension of time and payment for services in excess of payments specified in section 4, Payments, and Exhibit "B".

6. Termination. This agreement shall continue in force and govern all transactions between the parties until the beginning of the transportation of oil through the Northern Tier pipeline, unless otherwise extended, canceled or terminated by either party before that date. To cancel or terminate this agreement, the terminating party must provide thirty (30) days' notice in writing, which notice is served on the other party by registered mail or personal delivery to the Director of DNRC or the President of Northern Tier. In the event of termination, DNRC shall be paid for work performed and services rendered by IPTF through the date of termination. Upon expiration or termination of this agreement, the original copies of complete field data forms, field notes, maps, specimens, photographs and data analyses prepared in section 2, Scope of Work, prior to termination shall become the property of Northern Tier and shall be delivered to Northern Tier.

7. Extra Work. The performance of work or rendering of services in connection with this agreement, other than those provided for as expressly set forth in section 2, Scope of Work, may be from time to time requested by Northern Tier and agreed to by the parties.

IPTF may perform such work as requested in writing by Northern Tier, and Northern Tier shall pay for such work as agreed by both parties. The agreement for extra work shall satisfy the conditions of section 13 hereof before it becomes a part of this agreement.

8. Access. For each need for access to Northern Tier files, the IPTF coordinator will submit a written request specifying the type of information sought. Northern Tier agrees to provide IPTF reasonable access, during normal business hours, to all personnel, files and other information, not privileged or confidential, necessary for IPTF to perform its obligations hereunder.

9. Records. IPTF shall record all information and data obtained in the performance of the work and shall make such information available to Northern Tier upon request. Upon completion of the project as defined in the Scope of Work, with all extra work and additions thereto, all information and data shall become the property of Northern Tier, but IPTF has the right to retain copies.

10. Public Information. The parties agree that any formal release of information shall be a joint and coordinated effort by Northern Tier and IPTF. Any and all data and interpretations pertaining to the work herein shall be public information. Nothing herein shall be construed to limit any person's right to know as provided by Montana statute or constitution.

11. Audit. The legislative auditor and Northern Tier shall have the authority to audit all records which IPTF keeps or has reason to maintain under the terms of this agreement.

12. Contractors. IPTF may contract any portion of section 2, Scope of Work, as IPTF deems necessary or as is

required by law. Expenditures for contractors may not exceed the amount specifically budgeted for that purpose in the budget agreed to by the parties. Northern Tier shall review and comment on all work to be contracted and all contractors to be hired.

13. Additions to Agreement. No letter, telegram or other communication passing between the parties to this agreement, concerning any matter during this contract period, shall be deemed a part of this agreement unless it is distinctly stated in such letter, telegram or communication that it is to constitute a part of this agreement and is attached as an appendix to this agreement, signed by the authorized representative of each of the parties to the agreement.

14. Limits of Agreement. This instrument contains the entire agreement between DNRC, IPTF and Northern Tier and incorporates similar agreements with other agencies relative to section 2, Scope of Work. No statement, promise or inducement made by either party or agent of either party or any other person that is not contained herein shall be valid or binding. This agreement may not be enlarged, modified or altered, except as provided by sections 7 and 13 hereof.

15. Reporting of Activities. IPTF agrees to keep Northern Tier informed of the progress of work as described in section 2, Scope of Work, and shall supply such information on a regular basis during the regular meeting held between departmental liaisons and IPTF.

16. Non-Discriminating Policy. It is mutually understood and agreed that no part of this contract shall be performed in a manner which discriminates against any person on the basis of race, color, religious creed, political ideas, sex, age, marital status, physical or mental handicap, national origin or ancestry. Any hiring shall be on the basis of merit and qualifications directly related to the requirements of the particular occupation being filled.

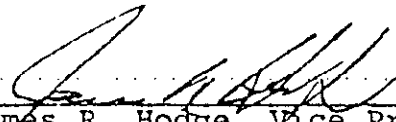
17. Montana Law and Venue. The parties agree that any action at law, suit in equity or judicial proceeding for the enforcement of this agreement or any provision hereof shall be instituted only in the courts of the State of Montana; and it is mutually agreed that this agreement shall be governed by the laws of the State of Montana, both as to interpretation and performance. In the event of litigation concerning the terms of this contract, venue shall be in the First Judicial District of the State of Montana, in and for the County of Lewis and Clark.

18. Liaison. All communications concerning this agreement shall be addressed to: Coordinator, Interagency Pipeline Task Force, Department of Natural Resources and Conservation, 32 South Ewing, Helena, Montana 59601. All communications from IPTF or agency liaisons shall be

directed to John Etchart, Northern Tier Pipeline Company,
509 Midland Bank Building, Billings, Montana 59101.

IN WITNESS WHEREOF, the parties hereto have executed
this agreement on the day and year first-above written.

NORTHERN TIER PIPELINE COMPANY

By: 
James R. Hodge, Vice President

MONTANA DEPARTMENT OF NATURAL
RESOURCES AND CONSERVATION,
for itself and on behalf of the
Interagency Pipeline Task Force

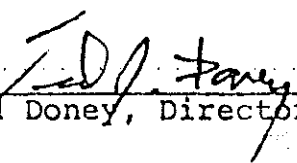
By: 
Ted Doney, Director

Exhibit "A"

INTERAGENCY PIPELINE TASK FORCE

Purpose, Scope, Objectives, Organization and Funding

1. Purpose. The Interagency Pipeline Task Force [hereinafter referred to as IPTF] described in this exhibit is established to facilitate joint, cooperative and coordinated actions by state agencies and to provide informational support for those agencies in fulfilling the legal obligations and duties imposed upon them by existing legal mandates and responsibilities in relation to the proposed Northern Tier pipeline.

2. Scope. IPTF will function entirely within existing legal authorities to coordinate the actions of and to assist state agencies in discharging their legal obligations in relation to the proposed Northern Tier pipeline. IPTF will provide support to those state agencies through an interagency approach to centerline study, review of appropriate Northern Tier Pipeline Company [hereinafter referred to as Northern Tier] plans, coordination of logistics for surveillance and monitoring of permit conditions, where they apply, and easement stipulations on state-owned or controlled lands, and also to provide public information concerning pipeline construction.

3. Objectives. IPTF is established to avoid duplication of effort among state agencies in centerline studies and evaluation on state-owned or controlled lands and in enforcement of permit conditions and stipulations. To this end, IPTF will provide informational support to permitting agencies and allow those agencies to share the skills, knowledge and expertise of all agencies involved. Further, IPTF will provide a central point of contact between state agencies, federal agencies and Northern Tier and shall coordinate the activities of state agencies in centerline selection on state-owned lands and in the enforcement of permit conditions and stipulations. Further, IPTF shall, pursuant to the terms of the agreement, provide information concerning construction of the pipeline to interested members of the public and affected landowners. Finally, IPTF will coordinate centerline selection activities with the appropriate federal agencies to promote consistency in centerline selection.

4. Authorities and Responsibilities. Each participating agency shall submit to the Department of Natural Resources and Conservation a list of all their respective

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regulatory authorities and responsibilities over the siting, design and construction of the Northern Tier pipeline within 30 days of the execution of this agreement. The list of authorities shall include permits required, conditions for issuing permits and time frames for permitting periods. The list shall be attached to this agreement as Exhibits " " " " " ". Such list shall not prevent any agency from discharging its responsibilities over the siting, design and construction of the Northern Tier pipeline as required by law. The parties to this agreement shall be notified in writing of any changes in regulatory authority over the Northern Tier pipeline. IPTF will forward said lists to Northern Tier within 20 days of receipt of all agency lists.

Exhibit "B"

INTERAGENCY PIPELINE TASK FORCE

Budget

Interagency Pipeline Task Force and Facility Siting Division:

Personnel Services

Salaries	\$39,533.00	
Benefits	<u>7,511.00</u>	
		\$47,044.00

Operating Expenses

Contracted services	\$10,000.00	
Supplies & materials	500.00	
Communications	1,600.00	
Travel	4,000.00	
Rent	3,420.00	
Utilities		
Repairs & maintenance	100.00	
Other expenses	<u>100.00</u>	
		19,720.00

Capital Equipment

4,500.00

Total Direct Cost

\$71,264.00

Indirect Costs (11%)

7,829.00

Total

\$ 79,103.00

Water Resources Division:

4,000.00

Historic Preservation Office:

2,500.00

Exhibit "B" (CONTINUED)

2/6
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INTERAGENCY PIPELINE TASK FORCE

Budget

Department of Health and Environmental Sciences:	\$ 5,000.00
Department of Highways:	2,500.00
Department of Fish, Wildlife and Parks:	3,500.00 ¹
Department of State Lands:	<u>3,500.00</u>
Grand Total	\$100,103.00

¹This figure does not include the 310 Coordinator presently under contract.