**An Interlocal Agreement for a Joint Regional Support Network**

**THIS INTERLOCAL AGREEMENT FOR A JOINT REGIONAL SUPPORT NETWORK** (the “Agreement”), made and entered into this \_\_\_ day of \_\_\_\_, 201\_ by and between [insert names] Counties, (each individually, a “Party.” and collectively, the “Parties”) effective as of \_\_\_\_\_\_\_, 201\_.

 **WITNESSETH:**

 **WHEREAS,** the Parties have a mutual interest in forming a **Regional Support Network** **(RSN)** to plan, coordinate and administer Mental Health Services; and

 **WHEREAS,** [insert statute number or other legislative order reference], entitled the “[insert act or statute name]” permits local government to make the most effective use of their power by enabling them to cooperate with each other on the basis of mutual advantage, and thereby provide planning, administrative and program services in a manner that will accord best with geographic, economic and population factors;

 WHEREAS, [insert statute number or other legislative order reference] authorizes a group of counties to enter into a joint operating agreement to form a regional support network;

 NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. **PURPOSE:** The purpose of this agreement is to establish a consolidated RSN to be known as the [insert name] Regional Support Network (hereinafter “\_\_\_\_\_\_\_”) to carry out the responsibilities of a Regional Support Network as defined in [insert statute number or other legislative order reference] for the residents of [insert names] Counties. To the maximum extent authorized by law and subject to the approval of member counties as provided herein, the RSN created pursuant to contracts with the State of \_\_\_\_\_\_\_\_\_ (the “State”) or any contractor of the State in connection with services established under [insert statute number or other legislative order reference] if specifically approved by the RSN Board.
2. **DURATION OF AGREEMENT:**

**Basic Term:** This Agreement shall commence upon final approval of the Parties and shall be in force in five year terms, with renewal occurring automatically absent compliance with the notice provisions under Section 6. Any party may withdraw pursuant to Sections 6 or 9.

1. **DUTIES, POWERS, AND RESPONSIBILITIES OF THE RSN**

**a. Governing Board:**

i. Appointment. [insert RSN name] shall be governed by a Governing Board (hereinafter “Board”) consisting of three (3) members, one from each member County. The legislative body of each County shall appoint one (1) member to represent that County. Governing Board members shall serve at the pleasure of the appointing authority. Each County shall also appoint one alternate member for each appointed member. Alternate members shall have the same authority to attend, participate in, and vote at any meeting of the Board or a Committee as that County authority’s member when such member is absent from the meetings. The appointment and continuing service of Governing Board and alternate members is contingent on compliance with the conflict of interest protocol as established by the [insert RSN name] pursuant to [insert statute number or other legislative order reference], both at the time of the initial appointment and throughout their tenure. Each person so appointed shall commence service upon written notification to [insert RSN name] of the name of the appointed member and alternate member.

ii. Quorum and voting. Meetings require a quorum of three members. Except as otherwise provided in this agreement, a majority of the weighted vote of the members of the Governing Board shall be required for the Board to take action or exercise any of its powers. To ensure proportionate representation, the Board members will be weighted as follows: [insert county name] -3, [insert county name] -2, and [insert county name] -1 vote/s.

iii. Unanimous vote required in certain instances. The following actions require a unanimous vote:
**(A)** Appointment of the [insert RSN name] Administrator. However, termination of the [insert RSN name] Administrator may be done by a vote of the weighted majority;
**(B)** A change in the legal status of the RSN to a corporate or other legal structure;
**(C)** Initial adoption of bylaws. Once adopted the RSN bylaws may be changed by a majority vote; and
**(D)** The addition of parties to this agreement. The unanimity requirement shall be reconsidered six months following execution of this agreement.

**b. Financial Affairs.** The Governing Board shall be responsible for the financial affairs of the [insert RSN name]. The Governing Board shall have a business office located in at a location in northern [insert name] County to be agreed upon by the parties. [Insert RSN name] funds shall be deposited with the [insert name] County Auditor as provided for in [insert statute number or other legislative order reference]. The County Treasurer shall establish a special fund on behalf of [insert RSN name] to be designated “Operating Fund of [insert name] RSN.” Interest on investment of RSN funds shall accrue to the benefit of said operating fund.

Counties party to this Agreement retain individual county control over tax revenues collected under the provisions of [insert statute number or other legislative order reference], any other local financial contributions to mental health programs, and grant-funded programs where the application for the grant originated and is retained locally.

**c. Powers.** The powers of the Board to transact the business of the [insert name] Regional Support Network shall include:

i. Hiring, evaluating and terminating the [insert RSN name] Administrator, who shall serve at the pleasure of the Governing Board and be a point of accountability for [insert RSN name] operations and administrative structure, including all hiring and the development, approval, and implementation of all policies and procedures, service delivery plans and operating plans;

ii. Participation in the hiring of the Compliance Officer as detailed in the Bylaws. Termination of the [insert RSN name] Compliance Officer requires consent of the Governing Board;

iii. Reviewing, modifying, approving and adopting [insert RSN name] budgets and contracts developed and presented by the [insert RSN name] Administrator or the Governing Board;

iv. Reviewing drafts of all Advisory Board Bylaws as recommended for adoption by any contractually required Advisory Boards, with consent by the Governing Board;

v. Adopting [insert RSN name] Bylaws and approving amendments, alterations or repeals of the [insert RSN name] Bylaws. Any such Bylaws shall be consistent with this Agreement and shall be binding on all parties;

vi. Executing contracts for the operation of the RSN including leases and other contracts for the rental of property;

vii. Adopting within the Bylaws, policies and procedures for the use and payback of risk reserve funds, further defining the responsibilities and duties of the [insert RSN name] Administrator and Compliance Officer, and instituting any insurance requirements or coverage that the Governing Board deems prudent; and

viii. Taking any necessary or proper steps to exercise the powers of the Governing Board. If the [insert RSN name] Administrator is unable or unwilling to perform its duties, the Governing Board possesses the authority to act in the Administrator’s place. If the [insert RSN name] is failing to meet state requirements, the Governing Board has authority to take whatever action necessary to bring the RSN into compliance.

**d. Board Appointments.**

i. **Administrator.** The Governing Board shall identify, select and hire individuals to service in the position of [insert RSN name] Administrator and such other administrative officers as the Board may deem necessary. The [insert RSN name] Administrator and other administrative officers will be employees of [insert RSN name] and will be responsible for operational compliance with all applicable statutes, rules, regulations, policies, Bylaws and contract provisions. The duties and responsibilities of the [insert RSN name] Administrator shall be set forth within the Bylaws.

ii. **Compliance Officer.** The role of the Board in selecting the Compliance Officer will be addressed in the Bylaws. The Compliance Officer will monitor compliance with the contract requirements of Board executed contracts. The Bylaws shall detail the full authority and responsibilities of this position.

**e. Advisory Board:** [insert RSN name] may be required under its state contract to create one or more Advisory Boards. Consistent with the contract terms, each County, acting through its Board of County Commissioners, shall appoint members to such boards in equal proportion, or as otherwise agreed to by the Governing Board. Membership will be consistent with current contractual requirements, as applicable. An Advisory Board will meet as required under contract and may rotate the location of these meetings to be approved by the Governing Board. Each county authority shall seek local input in selecting its representatives to an Advisory Board. The mechanism for seeking local input shall be left to the discretion of each county, consistent with contractual requirements. Members of an Advisory Board shall be residents of the appointing Counties. Members of an Advisory Board shall serve at the pleasure of the appointing authority. Appointments to an Advisory Board shall be for two (2) year terms, unless otherwise required under the applicable contract. An Advisory Board shall elect its own leadership, in accord with contractual requirements.

**4.** **INSURANCE, RISK MANAGEMENT, AND INDEMNIFICATION:**

**a. Risk Reserves:** [Insert RSN name] will maintain risk Reserve Funds as required by its contracts. If at any time, the balance of said Risk Reserve Fund goes below that which is required by [insert RSN name]’s contracts, the [insert RSN name] Administrator shall immediately give notice to each party to this Agreement and shall give monthly notices of the current balance of said Risk Reserve Fund each month thereafter until the balance of said fund meets the [insert RSN name] contracted requirements. Risk Reserve Funds shall only be used as allowed in contract. In addition to risk reserves required by [insert RSN name]’s contracts, [insert RSN name] will determine and manage an Internal Risk Reserve for those funds not governed by [insert RSN name]’s contracts as set forth in Paragraph 3.vii. above. The required amount added to the Internal Risk Reserve for those additional funds received will be designated by each party. The specific percent, process and procedure for use and payback of these funds will be governed by [insert RSN name] policy and procedure. Non-Risk Reserves encumbered or slated for specific use will be identified and restricted for each party and attached as an Exhibit to this agreement.

**b.** **Responsibility for Employees:** [insert RSN name] staff members shall be employees of [insert RSN name] and shall not be considered employees of any of the member counties. [insert RSN name] shall be responsible for the actions of staff members. [insert RSN name] agrees to defend, indemnify, and hold harmless the other Parties to this Agreement against any and all claims arising out of the acts or omissions of the [insert RSN name] staff members. [insert RSN name] additionally agrees to defend, indemnify, and hold harmless each Party to this Agreement against any and all claims brought by [insert RSN name] staff members as a result of their employment, including but not limited to claims for wrongful termination and for violation of employee rights, to the extent that such claims do not relate to the direct action or inaction of the Party’s Governing Board representative.

**c.** **Claims based on acts of subcontractors:** This paragraph shall not be construed to create any rights whatsoever in any person or entity not a party to this Agreement. The sole purpose of this paragraph is to allocate contribution among the Parties to this Agreement, in the event of claims brought against [insert RSN name] as a result of the acts or omissions of [insert RSN name]’s subcontractors. It is the intent of the Parties to this Agreement that [insert RSN name] and the Parties to this Agreement are not liable for the acts or omissions of [insert RSN name]’s independent contractors. The [insert RSN name] Governing Board shall include in all subcontracts provisions requiring subcontractors to indemnify [insert RSN name] and each Party against any and all claims attributed to the acts or omissions of said subcontractors. The [insert RSN name] Governing Board shall also require all subcontractors to maintain policies of general and, where applicable, professional liability insurance with limits of not less than $1,000,000.00 per occurrence, and 3,000,000.00 in the aggregate.

**d.** **Liability, Property Damage and Governing Board member’s Errors and Omission Insurance:** The Parties agree that each Governing Board member shall serve on the Governing Board in the ordinary course of his or her employment with a Party and shall retain, to the maximum extent possible, immunity from suit for acts or omissions taken in good faith execution of his or her duties as a member of the Governing Board. The [insert RSN name] Governing Board, with [insert RSN name] Funds, shall purchase and maintain a liability and property damage policy that includes Governing Board members’ Errors and Omission Insurance with limits of liability of not less than $1,000,000.00, combined single limit. The Parties shall be included as additional named insureds on such policy and such policy shall include each county’s officials, employees, agents, and volunteers when they are performing an official function for [insert RSN name] as authorized by the [insert RSN name] Governing Board or Administrator. As an additional level of protection, [insert RSN name] shall, with [insert RSN name] funds, purchase a policy or policies of liability insurance to cover liability claims. The limits of said additional insurance shall not be less than the sum of $5,000,000, combined limit which policy shall name each of the counties as an additional named insured.

**e. Excess Liability:** Any third party claims, damages, costs, judgments, settlements, liabilities, or related attorneys fees (“Damages”) incurred by or awarded against any Party arising out of the operations of [insert RSN name] shall be considered the responsibility of [insert RSN name]. The Parties shall be jointly but proportionally liable for the amount of any Damages against [insert RSN name] that cannot be covered by [insert RSN name] funds or the insurance proceeds delineated above or proceeds from judgments against third parties. Proportional liability for the purpose of this Agreement will be determined by the ratio of the covered lives (as defined in the Bylaws) multiplied by the current rate with the product being divided by the total consideration paid under the state contract.

**f.** **Cooperation.** The Parties shall cooperate in the defense of any such claims or lawsuits. Whenever any party receives a claim or lawsuit that could arise from [insert RSN name] operations, it shall promptly give written notice thereof to each member of the Governing Board. If any Party terminates its participation under paragraph 6 below, that Party shall share in the collective responsibility only for claims, damages, costs, judgments, settlements, and other liabilities arising from [insert RSN name] operations through the date of that Part’s termination. This paragraph shall survive the termination of this Interlocal Agreement.

**g.** **Hold Harmless:** Each Party to this Agreement agrees to defend, indemnify and hold harmless all other Parties to this Agreement, their officers, agents, and employees for any claim, action, including but not limited to actions for misappropriation of funds, and provision of services, judgment, or lien for injury to persons or property damage caused by, resulting from or arising out of the sole negligence, recklessness or willful misconduct of the indemnifying Party, its officers, agents or employees.

**5.** **PROPERTY OF [insert RSN name]:**

**a. Disposal of Assets upon Termination:** Business office assets acquired on or after \_\_\_\_\_\_\_\_\_\_\_, 201\_ shall be the property of [insert RSN name], unless otherwise specified by the Governing Board at the time of acquisition of such asset. In the event of termination of this Agreement, all assets of [insert RSN name], after payment of all claims obligations, and expenses of [insert RSN name] shall be distributed to terminating member governments proportionate to their respective aggregate funds received. The Governing Board shall distribute the assets to terminating member governments within six (6) months after the disposition of the last pending claim by [insert RSN name].

**b.** **Property:** Except for business office assets held by [insert RSN name] on \_\_\_\_\_\_\_\_\_\_, 201\_ and donations of real property, [insert RSN name] shall not acquire real property. [insert RSN name] may acquire, hold and dispose of personal property subject to the same restrictions as imposed by [insert name] State law upon a County of the State of [insert name].

**c.** C**ontingent Liabilities:** Upon termination, the Governing Board shall complete and dissolve the business affairs of [insert RSN name]. If liabilities of [insert RSN name] at the time of termination exceed assets, each party shall pay its share of any additional amounts necessary for final disposition of all claims, as determined according to the contribution and indemnification principles established in Section 4 of this Agreement and after determining the appropriate share of third parties, if any, including but not limited to contractors of [insert RSN name] and the State.

**d.** **Transfer of Assets to [insert RSN name]:** Upon the effective date of this Agreement, the parties agree to transfer the following assets to [insert RSN name]:

1) [insert name] County agrees to transfer the current balances of its RSN Risk and Inpatient Reserves to [insert RSN name]:

2) [insert name] County agrees to transfer the current balances of [insert name] RSN Risk and Operating reserves to [insert RSN name].

3) [insert name] County agrees to transfer the sum of $\_\_\_\_\_\_\_\_\_\_\_ to [insert RSN name].

4) [insert name] County agrees to transfer title to all personal property purchased with [insert name] RSN funds to [insert RSN name].

5) [insert name] County agrees to transfer title to all personal property purchased with [insert name] RSN funds to [insert RSN name].

6) [insert name] County agrees to execute a novation for all of its contracts with the State of [insert name] relating to [insert name] RSN to [insert RSN name].

7) [insert name] County agrees to execute a novation for all of its contracts with the State of [insert name] relating to [insert name] RSN to [insert RSN name].

8) [insert name] County agrees to execute a novation for all of its contracts with vendors and providers held in the name of [insert name] RSN to [insert RSN name].

9) [insert name] County agrees to execute a novation for all of its contracts with vendors and providers held in the name of [insert name] RSN to [insert RSN name].

**6. WITHDRAWAL:** Any party hereto shall have the right to withdraw from this Agreement at any time, **PROVIDED** that the remaining Parties to this Agreement shall have received written notification of the Party’s intention to withdraw at least 210 days prior to the proposed effective date of such withdrawal; and **PROVIDED FURTHER**, that such notification is received at least 210 days prior to the expiration of the current fiscal year period. Withdrawal of one (1) or more Parties shall not terminate this Agreement for the remaining Parties. In the event that a Party withdraws from the [insert RSN name] the remaining parties may amend the Agreement for up to six (6) months to continue funding for services for eligible individuals residing within the geographic boundaries of the former members county so as not to disrupt services to individuals enrolled for mental health services with the contracted provider in that area of the [insert RSN name]. A new interlocal agreement must be adopted by the remaining member counties if they determine that they wish to continue [insert name] Behavioral Health Support Network. The newly adopted interlocal agreement will identify the geographic areas where mental health services will be provided under that agreement. No withdrawing Party shall be entitled to payment or return of any property contributed to [insert RSN name] or to any distribution of assets.

**7.** **NEW MEMBERS:** [insert RSN name] through its Bylaws shall provide for the reasonable admission of new member governments through amendment of this Interlocal Agreement.

**8.** **FINANCING AND BUDGET:** [insert RSN name] shall be financed from State, Federal and local public and other private funds legally available for the provision of behavioral health and other health and human services. The Governing Board shall establish and maintain such funds and accounts as may be required by good accounting practices, the State Budget Accounting Reporting System (‘BARS’), and any other relevant contractual requirements.

**9.** **TERMINATION OF THE AGREEMENT:** This Agreement may be terminated with 210 days notice by the unanimous written consent of all of the Parties. Upon termination, this Agreement and the RSN shall continue for the purpose disposing of all claims, distribution of assets, discharge of contractual requirements, and all other functions necessary to wind up the affairs of SWBH.

**10.** **LEGAL NOTICES:** Legal Notices to Parties shall be sent prepaid by certified mail to the Governing Board member of the respective Party at such addresses as may be given in writing to the [insert RSN name].

**11.** **AMENDMENTS:** This Agreement may be amended at any time by the written approval of all of the Parties.

**12. PROHIBITION AGAINST ASSIGNMENT:** No Party may assign any right, claim, or interest it may have under this Agreement. No creditor, assignee, or third party shall have any right, claim, or title to any part, share, interest, fund, or asset of [insert RSN name].

**13.** **ENFORCEMENT:** [insert RSN name] may enforce the terms of this Agreement. Any action at law, suit in equity, or judicial proceeding for the enforcement of this Agreement shall be instituted in a court of competent jurisdiction. The Parties agree that any claim or dispute relating to this agreement, or any other matters, disputes, or claims among the Parties, shall be subject to non-binding mediation, if agreed to by all Parties.

**14. COUNTERPARTS:** This Agreement may be signed in counterpart or duplicate copies, and any signed counterpart of duplicate copy shall be equivalent to a signed original for all purposes. This Agreement shall be effective upon its execution by three (3) of the named parties.

**15.** **FILING OF AGREEMENT:** A copy of this Agreement shall be filed with the County Auditor of [insert name] County as required by [insert statute number or other legislative order reference].

**16.** **COMPLETE AGREEMENT:** The foregoing constitutes the full and complete agreement of the parties. All oral understandings and agreements are set forth in writing herein.

**IN WITNESS WHEREOF,** the Parties have executed this Agreement by authorized officials thereof on the dates indicated.

 **[insert name] COUNTY BOARD OF
 COMMISSIONERS**

Approved this \_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_, 2012
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Approved as to form:

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**Insert name] COUNTY BOARD OF COMMISSIONERS**

Approved this \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_, 2012

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Approved as to form:

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