

AGREEMENT REGARDING TRANSIT SERVICES

THIS AGREEMENT is entered into effective July 1, 2007, by and between the YUBA-SUTTER TRANSIT AUTHORITY (**THE AUTHORITY**) and the CITY OF WHEATLAND, CA (**THE CITY**).

RECITALS

On May 6, 1996, **THE PARTIES** entered into a Transit Service Agreement, a copy of which is attached hereto as **EXHIBIT "A" (THE PRIOR AGREEMENT)**.

Under **THE PRIOR AGREEMENT**, **THE CITY** controlled the scope of transit service and passenger fares. The scope of service under **THE PRIOR AGREEMENT** had few changes over the years and currently consists of one morning trip and one afternoon trip between Wheatland and Marysville each Tuesday with service provided only by reservation. The parties contemplate that the scope of service will increase under this Agreement.

Under **THE PRIOR AGREEMENT**, **THE AUTHORITY** is compensated for all service provided based on the fully allocated cost (including depreciation) per vehicle service hour (VSH) minus any fare revenue received as determined by the most recently completed fiscal audit. The primary funding source has been State Transit Assistance (STA) Revenues which can only be used for transportation planning and mass transportation uses.

Under **THE PRIOR AGREEMENT**, **THE CITY** was responsible to the Sacramento Area Council of Governments (SACOG) for all Transportation Development Act (TDA) obligations including all unmet transit needs that are reasonable to meet, satisfying the minimum farebox recovery ratio requirements and complying with efficiency standards for use of the STA funds for operating assistance.

Currently **THE CITY** has failed to meet the required ten percent (10%) minimum farebox recovery ratio which has required **THE CITY** to use non-TDA Revenue for transit services; is unable to use STA revenues for operating expenses; and, has amassed a significant balance of STA revenue that currently can only be used for transit capital expenses.

The purpose of this Agreement is for **THE CITY** to designate **THE AUTHORITY** as the claimant for all STA funds available to **THE CITY** (past, present and future). In exchange, **THE AUTHORITY** would accept responsibility for the operation of all public transportation services provided, except as limited herein, for the benefit of **THE CITY** residents.

In light of the foregoing, **THE PARTIES** agree as set forth below.

SECTION 1

Incorporation of Recitals

The foregoing recitals are not merely recitals, but are contractual in nature and are incorporated into this Agreement.

SECTION 2

Termination of Prior Agreements

By mutual agreement of **THE PARTIES**, the **PRIOR AGREEMENT** (i.e., the Transit Service Agreement of May 6, 1996, attached hereto as **EXHIBIT "A"**) is terminated effective June 30, 2007. **THE PARTIES** agree, retroactive to July 1, 2007, that this Agreement shall establish the relationship between **THE PARTIES** with regard to public transportation services provided for the benefit of **THE CITY** residents.

SECTION 3

Designation of Authority as Recipient for Available Funding

THE CITY assigns to and designates **THE AUTHORITY** as Claimant for all STA funds to which **THE CITY** is entitled (past, present and future). **THE CITY** will cooperate with and execute any and all documents reasonably necessary to allow **THE AUTHORITY** to receive such funds.

SECTION 4

Agreement to Provide Public Transportation Services

THE AUTHORITY agrees to accept full authority and responsibility for the operation of all public transportation services provided for the benefit of **THE CITY** residents. By way of example and not by way of limitation, this would include the following:

- a. The initial establishment or subsequent modification of the days and hours of service; the type and amount of service provided; and, the passenger fare structure for such service;
- b. The funding and provision of all materials, equipment and personnel necessary to provide the established service level up to the amount of STA funds allocated to **THE CITY**, including all previous fund balances;
- c. The assumption of the farebox recovery ratio requirement for all public transportation services provided for the benefit of **THE CITY** residents; and,

- d. The satisfaction of all unmet transit needs that are reasonable to meet in **THE CITY** as determined by SACOG under the Transportation Development Act up to the amount of STA funds allocated to **THE CITY**, including all previous fund balances.

THE AUTHORITY's obligation to provide transportation services under this Agreement is limited to those services reasonably able to be provided with the funds received by **THE AUTHORITY** under Section 3, above. **THE AUTHORITY** shall not be required to spend funds beyond those provided under this Agreement with regard to its obligations to provide transportation services to **THE CITY** residents. When the costs of services provided, requested or required under this Agreement exceeds the amount of available funding received by **THE AUTHORITY** under this Agreement, (including all previous fund balances), the calculation for such additional costs shall be based on the fully allocated cost per VSH, including depreciation for **THE AUTHORITY's** entire operation as determined from the most recent fiscal audit minus any fare revenues received from passengers of **THE CITY** service. **THE CITY** is responsible to pay the costs of services to the extent that such costs exceed the amount of STA funds allocated to **THE CITY** and received by **THE AUTHORITY** pursuant to Section 3, above; however, if **THE CITY** is unwilling to commit the additional funds necessary to support that level of service, then either the level of service shall be reduced to be consistent with the available funding under Section 3; **THE AUTHORITY** shall provide the necessary funding from other sources; or, either party may terminate this Agreement upon ninety (90) days written notice to the other party.

THE AUTHORITY agrees to meet and confer with **THE CITY** when changes to the services provided are being considered by **THE AUTHORITY** or desired by **THE CITY**, although **THE AUTHORITY** retains ultimate responsibility for establishing service levels and passenger fares under this Agreement.

SECTION 5

Effective Date of Agreement and Termination

THIS AGREEMENT is effective as of July 1, 2007, and shall continue thereafter until terminated by mutual consent of **THE PARTIES**. Either party may terminate this Agreement unilaterally, to be effective at the end of any fiscal year by giving a preliminary notice of their intent to terminate to the other party no later than December 31, prior to the date of termination and, thereafter, by giving a final notice of intent to terminate to the other party no later than March 31, prior to the date of termination. If this Agreement is terminated pursuant to this section or Section 4, and upon termination there are unexpended funds that were received by **THE AUTHORITY** under Section 3, then the balance of the unexpended funds shall be remitted to SACOG upon termination with the intent that such funds shall be made available by SACOG for reallocation to **THE CITY** although **THE AUTHORITY** cannot guarantee such reallocation.

SECTION 6

Notice

Any notices to be given under this Agreement shall be in writing and shall either be personally delivered or sent by first-class mail, postage prepaid, addressed as follows:

IF TO THE AUTHORITY:

**YUBA-SUTTER TRANSIT AUTHORITY
ATTENTION: TRANSIT MANAGER
2100 B STREET
MARYSVILLE, CA 95901**

IF TO THE CITY:

**CITY WHEATLAND
ATTENTION: CITY MANAGER
P.O. BOX 395
WHEATLAND, CA 95692**

SECTION 7

Compliance with Laws

THE AUTHORITY shall provide the services under this Agreement in compliance with all applicable federal, state and local laws and regulations. **THE AUTHORITY** also shall possess, maintain and comply with all federal, state and local permits, licenses and certificates that may be required for it to provide the services.

SECTION 8

Indemnification and Insurance

THE CITY understands and acknowledges that **THE AUTHORITY** administers the transportation services to be provided under this Agreement by and through a subcontractor. The present subcontractor is Veolia Transportation Services, Inc. (Veolia). Veolia, as part of its agreement with **THE AUTHORITY**, has agreed to defend and indemnify **THE AUTHORITY** from and against claims arising out of the performance of its services. **THE AUTHORITY** agrees that it shall cause Veolia to extend its indemnification obligations to **THE CITY**, for operations covered by this Agreement. Additionally, Veolia provides insurance to cover its transit operations in its agreement with **THE AUTHORITY**.

THE AUTHORITY shall provide for Veolia's insurer to endorse its general and automobile liability policies to name **THE CITY** and its officers, employees, volunteers and agents as additional insureds regarding liability arising out of the transit service operations under this Agreement. **THE AUTHORITY** shall provide to **THE CITY** the following proof of insurance and indemnification: (a) certificate(s) of insurance and endorsement(s) (on forms acceptable to **THE CITY** and signed by a person authorized to bind coverage on behalf of the insurer) evidencing the additional insured coverage; and (b) written verification that Veolia has extended its indemnification obligation (with a scope comparable to that provided to **THE AUTHORITY**) to **THE CITY** and its officers, employees, volunteers and agents. These indemnification and insurance requirements shall apply to Veolia and other subsequent transit service operators if **THE AUTHORITY** changes the operator. **THE CITY** periodically may request and **THE AUTHORITY** agrees to provide updated proof of insurance and indemnification.

SECTION 9
State Audit Contingency

In accordance with California Government Code section 8546.7, the parties acknowledge that this Agreement, and performance and payments under it, are subject to examination and audit by the State Auditor General for three years following final payment pursuant to this Agreement.

SECTION 10
Entire Agreement

This writing represents the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract between the parties concerning the subject matter of the Agreement, and supersedes all prior oral and/or written negotiations, representations or contracts. This Agreement may be amended only by a subsequent written contract approved and executed by both parties. Amendment by **THE CITY** requires approval of its City Council.

IN WITNESS WHEREOF, THE PARTIES have executed this Agreement on the date set forth below.

Dated: 11/20/07

CITY OF WHEATLAND

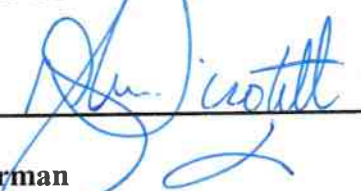
BY: 
Its Mayor

ATTEST: 

CITY CLERK

Dated: 11/20/07

YUBA-SUTTER TRANSIT AUTHORITY

BY: 
Chairman