

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY**

DEPT: Public Works

BOARD AGENDA:5.C.2
AGENDA DATE: January 26, 2021

SUBJECT:

Approval of a Joint Powers Agreement with the City of Modesto Forming the Stanislaus Regional Transit Authority

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2021-0030

On motion of Supervisor Grewal----- Seconded by Supervisor B. Condit-----
and approved by the following vote,
Ayes: Supervisors: B. Condit, Withrow, Grewal, C. Condit and Chairman Chiesa-----
Noes: Supervisors: None-----
Excused or Absent: Supervisors: None-----
Abstaining: Supervisor: None-----

- 1) X Approved as recommended
- 2) Denied
- 3) Approved as amended
- 4) Other:

MOTION:

ATTEST: Kelly Rodriguez
Kelly Rodriguez, Assistant Clerk of the Board of Supervisors

File No. J-09-1

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Public Works

BOARD AGENDA:5.C.2
AGENDA DATE: January 26, 2021

CONSENT:

CEO CONCURRENCE: YES

4/5 Vote Required: No

SUBJECT:

Approval of a Joint Powers Agreement with the City of Modesto Forming the Stanislaus Regional Transit Authority

STAFF RECOMMENDATION:

1. Approve a Joint Powers Agreement with the City of Modesto forming the Stanislaus Regional Transit Authority.
2. Authorize the Chief Executive Officer to sign the Joint Powers Agreement.

DISCUSSION:

In 2018, the Stanislaus Council of Governments (StanCOG) initiated a transit study to assess the Stanislaus region's transit needs, the efficiencies of operations provided by the three transit operators, Turlock, Modesto and the County, and to meet the requirements for Senate Bill 903 (SB 903) legislation. SB 903 gave the region three years of fare box recovery relief as a trial. Furthermore, the study was to assess current transit operations and provide recommendations for service integrations and/or consolidations based on the collection of the data from the operators. After a Request for Proposals (RFP) process was completed in September 2018, the StanCOG Policy Board awarded a contract with the consulting firm, McGuire Management Consultancy, to prepare an independent study of the transit systems in Stanislaus County. McGuire Management Consultancy teamed with Nelson\Nygaard Consulting Associates to focus on fixed route efficiencies and data management issues.

The Transit Efficiency and Innovations Study was submitted and accepted by the StanCOG Policy Board on October 23, 2019. Transit consolidation was a key issue to be evaluated throughout the study. The analysis of all operations resulted in the recommendation for the formation of a Joint Powers Authority (JPA) to consolidate all three operators into a single transit operating agency. A Joint Powers Authority would provide a central governance with a transit focus. Consolidation of services would increase efficiencies for contract negotiations, standardize fares throughout the region and allow for more effective route planning and reduction of duplicated services. Additionally, the newly-formed JPA would become responsible for meeting state and federal performance mandates, alleviating concerns faced by the current transit operators to meet the Fare Box Recovery Ratio, and remove potential Fare Box Recovery penalties from being imposed on local jurisdictions that are part of the JPA.

The formation of the Stanislaus Regional Transit Authority (SRTA) enables the members to take advantage of the opportunities for more economical provision of transit services through economies of scale and to improve and expand the provision of a variety of transit services including, but not limited to, normal and customary intra-city bus transit, intercity transit, paratransit services, dial-a-ride, and connecting transit to other transportation providers such as BART and/or the ACE commuter train in such manner and at such time as the members may decide necessary and appropriate for public benefit.

Public Works' Transit Division operates the County's public transportation system, Stanislaus Regional Transit (StaRT). StaRT provides intercity service within the County and links with city transportation systems to provide coordinated transit service for County residents. The formation of the new SRTA would absorb the personnel, equipment and other assets of the joining members, which currently would be StaRT and Modesto Area Express (MAX).

The formation of a new Transit Authority aligns with the County's Mission which is to: *"...to serve the community through public and private partnerships that promote public health, safety, welfare and the local economy in an efficient, cost-effective manner."*

On December 28, 2020, the Stanislaus Regional Transit Authority Advisory Committee considered the attached Joint Powers Agreement and unanimously recommended that it be formally considered by the Stanislaus County Board of Supervisors and Modesto City Council during their respective January 26, 2021 regular meetings. The Advisory Committee is comprised of two members of the Stanislaus County Board of Supervisors (Chairman Vito Chiesa and Supervisor Terry Withrow), two members of the Modesto City Council (Councilmember Bill Zoslocki and Councilmember Jenny Kenoyer) and one member representing the other incorporated cities (Riverbank Mayor Richard O'Brien).

Upon approval of the Joint Powers Agreement, Stanislaus County will continue to work with the City Modesto and the consulting firm on the consolidation of transit services per the transition plan with full implementation anticipated by July 1, 2021. The transition period may be extended by mutual written agreement of the governing bodies of the members.

POLICY ISSUE:

Board of Supervisor's approval is necessary to create a Joint Powers Agreement with another public agency in accordance with Government Code 6500 et seq.

FISCAL IMPACT:

Transit has its own funding revenue sources including Local Transportation Funds, Transit Development Act Funds and Measure L with no General Fund participation.

The Fiscal Year 2020-2021 Local Transit budget includes \$11.2 million of appropriations funded by \$8.8 million in department revenue and \$2.4 million in department retained earnings. The Budget Year 2021-2022 Spending plan includes \$8.7 million in appropriations funded by \$6.6 million in estimated revenue and \$2.1 million in retained earnings.

BOARD OF SUPERVISORS' PRIORITY:

The recommended actions are consistent with the Board's priority of *Delivering Efficient Public Services and Community Infrastructure* by regionalizing Transit services within Stanislaus County.

STAFFING IMPACT:

The formation of the Joint Powers Agency and future actions of the Joint Powers Agency will have staffing impacts on current County employees and be addressed as set forth in the Joint Powers Agreement and transition plan.

CONTACT PERSON:

David A. Leamon, Public Works Director

Telephone: (209) 525-4151

ATTACHMENT(S):

1. JPA Agreement Forming Stanislaus Regional Transit Authority

STANISLAUS REGIONAL TRANSIT AUTHORITY

JOINT POWERS AGREEMENT

This Joint Powers Agreement (“Agreement”) creating the “Stanislaus Regional Transit Authority (“Authority”) is made by and between the CITY OF MODESTO, a California municipal corporation (hereinafter “Modesto” or “City”), and the COUNTY OF STANISLAUS (hereinafter “County”) (collectively “Members” or “Member Agencies”). The City and County are sometimes referred to individually as a “Party” and collectively as “Parties.” Each Party to this Agreement is a public agency organized and operating under the laws of the State of California and each is a public agency as defined in California Government Code section 6500.

RECITALS

- A. Section 6500 *et seq.*, of the California Government Code (Title 1, Div. 7, Chapter 5, Article 1) provides for agreements between two or more public agencies to jointly exercise any power common to the contracting parties, subject to certain mandatory provisions contained therein; and, thereby, authorizes the Parties to enter into this Agreement; and
- B. In the performance of their essential governmental functions, Modesto and the County each provide transit services within their respective boundaries and to areas outside of said boundaries to perform or participate in intra-city, inter-city and regional transit services; and
- C. The Parties desire to provide transit and related services in a cooperative and coordinated manner, to best manage the public resources committed and necessary for delivery of such transit services; and
- D. The formation of the Authority enables the Members to take advantage of the opportunities for more economical provision of transit services through economies of scale and to improve and expand the provision of a variety of transit services including, but not limited to, normal and customary intra-city bus transit, intercity transit, paratransit services, dial-a-ride, and connecting transit to other transportation providers such as the ACE commuter train in such manner and at such time as the Members may decide necessary and appropriate for the public benefit; and
- E. The legislative body of each Member has determined that it is in the Member’s best interest and in the public interest, that this Agreement be executed, the Authority be created and they become Members of the Authority.

AGREEMENT

Section 1. Formation of the Stanislaus Regional Transit Authority (“Authority”).

1.1. Pursuant to Chapter 5, Division 7, Title 1 of the Government Code of the State of California (commencing with Section 6500) as amended from time to time, and commonly known as the Joint Exercise of Powers Act (“Act”), there is hereby created a joint powers agency

which is named the “STANISLAUS REGIONAL TRANSIT AUTHORITY” and may otherwise be referred to as “Authority” or such other acronym, brand or identifier as determined appropriate by the Board. Upon the Effective Date of this Agreement, the Authority will operate as a public entity separate and apart from the Members for the purpose of providing public transportation and related services, including but not limited to bus, dial-a-ride and shuttle service, and the provision of facilities and personnel for such services.

Section 2. Parties to Agreement.

2.1. The Members of the Authority are the City of Modesto and the County of Stanislaus. Each of the Members are a public agency as defined by Government Code section 6500 *et seq.*, and are each authorized and empowered to contract for the joint exercise of powers common to each agency. Each Party to this Agreement individually has the statutory authority to provide transit and related services, as well as provide facilities and personnel for such services. In accordance with the Act, the Members enter this Agreement to jointly exercise their common powers in the manner set forth in this Agreement. Each Member represents that any new member agencies that may join after the Effective Date, as provided in Section 26 of this Agreement, or that may later withdraw pursuant to Section 27, does not affect the terms of this Agreement or the then-existing Members’ rights or obligations under this Agreement.

Section 3. Purpose.

3.1. The Authority shall function as a regional transit authority with the power and authority to own, operate and administer a public transportation system on a regional level for the benefit of the Members. Upon the Effective Date of this Agreement, the Authority will operate as a public entity separate and apart from the Members.

Section 4. Term.

4.1. Effective Date. This Agreement shall be dated as of the date it is approved by the Stanislaus County Board of Supervisors and shall become effective (“Effective Date”) upon approval by the City of Modesto City Council.

4.2. Term. This Agreement shall continue until terminated or dissolved in accordance with section 28 herein.

Section 5. Boundary.

5.1. The Authority shall exercise its powers within its service area. The Authority’s service area boundary shall be all the area within the Members’ boundaries as designated by the Authority Board.

Section 6. Transition Plan; Use Agreements; Transfer of Assets; Succession to Existing Contracts.

6.1. Upon the Effective Date of this Agreement, the Members and the Authority will convey or enter into use agreements, as applicable, for the assets designated in a “Transition Plan” created by the Members, for the transition period which will begin on the Effective Date of

this Agreement through July 1, 2021. The transition period may be extended by mutual written agreement of the governing bodies of the Members. Once the Authority receives approval of its status as a “qualified grantee” by necessary grantors, including the Federal Transit Administration (FTA), Modesto and the County may transfer, and the Authority will receive and accept, only those Member designated transit related assets, personal property, rolling stock and equipment of the Member’s presently operating transit service.

6.2. Unless prohibited by law, all existing agreements and contracts involving transit services by the Members or its personnel shall be assigned to the Authority as of the date specified in the Transition Plan, with any service or obligation to be provided or performed thereafter by the Authority. A list of all such contracts and agreements shall be identified by the Members during the transition period and identified in the Transition Plan. The Authority agrees to assume all of the obligations, duties and liabilities of the Members under said agreements and contracts. Such agreements may include, but are not limited to, service operating contracts between Member agencies and contracting companies which may be assigned to the Authority no sooner than July 1, 2021.

Section 7. Existing Levels of Service.

7.1. The services delivered by the Authority will be consistent with the expectations of each Member. Each Member will be involved in all decisions regarding service levels and service deployment within its jurisdiction. The initial service to be provided by the Authority shall be the same as that currently provided by the Members until such time as the Authority carries out a region-wide planning process at which time services may be restructured under the direction of the Authority.

Section 8. Transit Employees.

8.1. To the extent allowed by law and any existing labor agreements and requirements, or otherwise set forth in the Transition Plan, not earlier than 30 days after the Effective Date, the Authority may offer employment to some or all of the existing public transportation system employees of the Member jurisdictions. The employment by the Authority of each such employee shall endeavor to be of substantially the same kind and level as the employment currently enjoyed by the employees. Salary, fringe benefits and seniority rights shall be comparably provided to the fullest extent possible.

8.2. Notwithstanding Section 25 of this Agreement (indemnification), the Authority accepts responsibility for any claims arising due to such transfer of employment post formation of the Authority, including, but not limited to, any Federal Section 13(c) claims or any employee association claims regarding changes in wages, benefits or working conditions.

Section 9. Powers.

9.1. The Authority shall have the common power of the Parties to plan, establish, administer, and operate an independent public transportation system and related services and in the exercise of that power, the Authority is authorized, in its own name, to do all acts necessary to fulfill the purposes of this Agreement including, but not limited to, each of the following:

- 9.1.1 Exercise the common powers of its Members in providing public transportation and related services, including related operational services, and any service to contracting entities and those powers that may be conferred upon it by subsequently enacted legislation;
- 9.1.2 Employ an Executive Director or Chief Administrative Officer;
- 9.1.3 Employ agents and employees and contract for professional services;
- 9.1.4 Make and enter into contracts, including contracts with its Members;
- 9.1.5 To assume any existing applicable contracts of its Members relating to the provision of transportation and related services as otherwise permitted under this Agreement;
- 9.1.6 Incur debts, liabilities and obligations; provided that no debt, liability or obligation of the Authority is a debt, liability or obligation of the Parties either singly or collectively except as may be agreed to by the governing body of the Member or otherwise required by law;
- 9.1.7 Acquire, own, lease, hold, convey, construct, manage, maintain, operate, sell or otherwise dispose of real and personal property by any lawful means, excepting only eminent domain;
- 9.1.8 Receive or apply for gifts, grants or loans, contributions and donations of real and personal property, funds, services and other forms of assistance from any public or private source including, the United States, the State of California or any department, instrumentality or agency thereof, for the purposes of financing the Authority's activities;
- 9.1.9 Sue and be sued in its own name, but not in the name or stead of any Member agency;
- 9.1.10 Invest money pursuant to California Government Code section 6505.5 that is not required for the immediate necessities of the Authority, as the Authority determines is advisable, in the same manner and upon the same conditions as local agencies, pursuant to section 53601 of the California Government Code as it now exists or may hereafter be amended;
- 9.1.11 Issue revenue bonds or other forms of indebtedness, as provided by law;
- 9.1.12 To levy and collect payments and fees for services;
- 9.1.13 To impose new special taxes or assessments as authorized by law;
- 9.1.14 Claim transit funds from local, state and federal sources;

9.1.15 Cooperate with other agencies and participate in joint projects as necessary;

9.1.16 Prepare and support legislation related to the purposes of the Agreement;

9.1.17 Exercise all other powers necessary and proper to carry out the provisions of this Agreement;

9.1.18 These powers will be exercised in the manner allowed by applicable law and as expressly set forth in this Agreement.

Section 10. Board of Directors and Voting.

10.1. The powers of the Authority are vested in its Board of Directors ("Board"). The Board of the Authority is comprised of seven (7) voting directors which shall be appointed as follows:

- a. Two (2) Directors from the City of Modesto with each Director having one vote.
- b. Two (2) Directors from the Board of Supervisors of the County of Stanislaus with each Director having one vote.
- c. One (1) Director who shall be jointly appointed by the Board of Supervisors and the City of Modesto to represent the cities in Stanislaus County other than Modesto and Turlock with said Director having one vote. The appointed representative shall be an elected official serving on the City Council of the city.
- d. Two (2) Citizen Directors shall be appointed by the Authority Board of Directors representing Modesto and the County. The Citizen Director shall have one vote. The criteria for selection of these citizen Directors shall be specified in the Authority's bylaws.

10.2. Appointment. Directors shall be appointed by the governing body of each Party and shall serve at the pleasure of their appointing body or until their respective successors are appointed. If a vacancy occurs, it shall be filled by a new appointment made by the appropriate Member agency.

10.3. Alternate Representatives. Each Member shall designate at least one alternate representative. The alternates, except for the Citizen Director alternates, shall be elected officials of the Member. Members may designate more than one alternate for each representative, as deemed prudent by that Member. When a Director is absent, the alternate may act in his or her place. To be eligible to cast the vote of the Member, alternates must be designated and notice of that designation given to the Executive Director prior to the meeting at which that alternate is to attend on behalf of the Member's designated representative.

10.4. Quorum and Majority Requirements. The presence of a majority of the Directors, or in the absence of a Director his or her alternate, shall constitute a quorum, except that there must be at least one Director/Alternate from each Member for a quorum to be present. All actions of the Board require the affirmative vote of a majority of the Directors

10.5. Director's Terms. Directors shall serve a term of two (2) years unless earlier removed or replaced by the appointing Member Agency in accordance with that Member Agency's procedures. A Director is automatically removed if he or she is no longer an elected official. Directors may serve any number of terms consistent with the appointment process of the Director's appointing governing body.

10.6. Director Compensation. The Board may approve a stipend of up to \$100 per meeting with a maximum of one compensated meeting per month for the Directors and Alternates. The Board may authorize actual and reasonable reimbursement of expenses and costs incurred by Directors or Alternate Directors on behalf of the Authority for which receipts are provided.

10.7. Delegation of Powers. The Board may delegate certain powers to specified committees but may not delegate the power to amend the Bylaws of the Authority, to approve the budget, to appoint the Executive Director, or to appoint the citizen Directors.

10.8. Time and Place of Meetings. The Board shall establish by resolution the date, time and place for regular meetings which shall occur at a minimum of four (4) times per year. Special meetings may be called by the Chair or by a majority of the Directors. All meetings of the Board shall be in conformance with the Ralph M. Brown Act (California Government Code sections 54950 et seq.).

10.9. Minutes. The Secretary/Clerk of the Authority shall cause minutes of all meetings of the Board to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board, the Members, and other parties upon request.

Section 11. Conflicts of Interest.

11.1. In accordance with state law, Directors and Officers are "public officials" within the meaning of the Political Reform Act of 1974("PRA"), as amended, and its regulations, for purposes of financial disclosure, conflict of interest and other requirements of the PRA and regulations. The Authority shall adopt a conflicts of interest code in compliance with the Political Reform Act and all other applicable laws and regulations, including, but not limited to, the restrictions on the acceptance or solicitation of contributions.

Section 12. Committees.

12.1. The Board may create committees from time to time as necessary or desirable.

12.2. Technical Advisory Committee. To help the Authority achieve the appropriate level of transit services consistent with the expectations of each Party, a Technical

Advisory Committee (“TAC”) shall be established, which will coordinate with Authority staff and make recommendations to the Board regarding transit service and operations issues. The composition of the TAC shall be established in the Authority Bylaws. In addition to the TAC, each Party shall have the right to perform an annual review, audit, and inspection of the services and transit services report prepared by the Authority.

Section 13. Officers.

13.1. Chair. The Board shall elect from among its elected members a Chair of the Board. A citizen Director may not serve as Chair. The initial term of the Chair shall be two-years. Thereafter, the Chair shall serve a one-year term of office beginning at the first regular meeting of each calendar year (*i.e., January meeting*). The Chair may serve more than one term if re-elected by the Board.

13.1.1 The Chair shall preside at all meetings of the Board and such other meetings as approved by the Board.

13.1.2 The Chair shall serve as the official spokesperson for the Board.

13.1.3 The Chair shall designate Directors or others to represent the Board at various meetings, hearings and conferences.

13.1.4 The Chair shall perform such other duties as necessary to carry out the work of the Board or as prescribed by law.

13.2. Vice Chair. The Board shall elect from among their elected members a Vice-Chair of the Board. A Citizen Director may not serve as Vice-Chair. The initial term of the Vice-Chair shall be two-years. Thereafter, the Vice-Chair shall serve a one-year term of office beginning at the first regular meeting in each calendar year (*i.e., January meeting*). The Vice-Chair may serve more than one (1) term if re-elected by the Board.

13.2.1 The Vice-Chair shall act in the place of and have all the powers and duties of the Chair in the absence of the Chair.

13.3. The Chair and Vice Chair assume their office upon election by the Authority Board. If either the Chair or Vice-Chair ceases to be a director, the resulting vacancy will be filled at the next meeting of the Authority Board.

Section 14. Additional Officers.

14.1. The Board may create such offices and appoint individuals to such offices it considers either necessary or convenient to carry out the purposes of this Agreement.

Section 15. Executive Director.

15.1. The Executive Director shall be selected by and shall serve at the pleasure of and upon the terms prescribed by the Board. The powers and duties of the Executive Director are:

15.1.1 To serve as the Chief Administrative officer of the Authority and to be responsible to the Authority Board for the proper administration of all affairs.

15.1.2 To appoint, supervise, suspend, discipline or remove Authority employees subject to those policies and procedures, from time to time, adopted by the Authority Board.

15.1.3 To appoint the Treasurer/Chief Financial Officer of the Authority.

15.1.4 To supervise and direct the preparation of the annual budget for the Authority and to be responsible for its administration after adopting by the Authority Board.

15.1.5 To formulate and present to the Authority Board plans for Authority activities and the means to finance them.

15.1.6 To supervise the planning and implementation of all Authority activities.

15.1.7 To attend all meetings of the Authority Board and designate an employee to act as the Clerk to the Authority Board.

15.1.8 To prepare and submit to the Authority Board periodic financial reports and, as soon as practicable after the end of each fiscal year, an annual report of the activities of the Authority for the preceding year.

15.1.9 To have custody and charge of all Authority property other than money and securities.

15.1.10 To transmit to the Executive Director's successor all books and records of Authority in his or her possession.

15.1.11 To file an official bond in an amount determined by the Board, which shall not be less than the smallest bond required of the chief financial officer, treasurer or other fiscal officer of Authority or, upon the approval of the Authority Board of Directors, satisfy this requirement pursuant to Government Code section 1463.

15.1.12 To perform such other duties as the Authority Board may require in carrying out the policies and directives of the Authority Board.

Section 16. Treasurer and Auditor-Controller.

16.1. Pursuant to Government Code section 6505.5, the Treasurer of the County of Stanislaus is hereby designated as Treasurer of the Authority. The Treasurer shall have the powers and duties set forth in Government Code section 6505.5. The Auditor/Controller of the County of Stanislaus is designated as the Auditor of the Authority pursuant to Government Code

section 6505.5.

Section 17. By-Laws.

17.1. The Board of Directors shall adopt Bylaws as necessary for the efficient and effective functioning of the Authority. The Bylaws may be amended from time to time as necessary by a majority vote of the Board.

Section 18. Limitation on Liability of Members for Debts and Obligations of the Authority.

18.1. Except as otherwise prohibited with respect to a public retirement system, pursuant to Government Code sections 6508.1 and 6508.2, the debts, liabilities, and obligations of the Authority do not constitute debts, liabilities, or obligations of any Member Agency. However, a Member may separately contract for or assume responsibility for specific debts, liabilities, or obligations of the Authority.

18.2. Except as expressly authorized by the Member Agencies, no Member Agency shall be responsible for the acts and omissions of another Member Agency's officers or employees nor shall a Member Agency incur any liabilities arising out of the services and activities of another Member Agency's officers or employees.

Section 19. Limitation of Financial Commitment.

19.1. The Authority shall not look to Member Agencies for financial contributions from their general fund, or any other fund, unless each Member Agency separately contracts for and agrees to set aside and commit for the Authority transit moneys as part of its annual budgetary process.

Section 20. Fiscal Year.

20.1. The first fiscal year of the Authority is the period from the Effective Date of this Agreement through June 30, 2021. Each subsequent fiscal year of the Authority begins on July 1st and ends on June 30th unless the Board of Directors provides otherwise by resolution.

Section 21. Budget.

21.1. Within sixty (60) days after the first meeting of the Board, a preliminary general budget for the initial fiscal year shall be adopted by majority vote of the Board. For each fiscal year thereafter, the Board shall adopt a budget not later than sixty (60) days before the beginning of a fiscal year. In the Board's sole discretion, the budget may be an annual or multi-year budget.

Section 22. Annual Audit.

22.1. The Authority shall cause an annual audit to be prepared and filed in accordance with Government Code section 6505 and Public Utilities Code section 99245. The minimum standards of the audit shall be those prescribed by the Controller for special districts under section 26909 of the Government Code and shall conform to generally accepted auditing

practices. A report of the audit shall be filed as public record with each of the Agencies within 12 months of the end of the Fiscal Year under examination. Any costs in making an audit in accordance with this Agreement shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for the purpose.

Section 23. Annual Report.

23.1. The Executive Director shall prepare and submit an annual report of the operations to the Authority Board, Members, StanCOG and State Controller within 90 days of the end of the fiscal year pursuant to Public Utilities Code, section 99243.

Section 24. Regional Service Planning.

24.1. The Authority shall cause to have prepared a Regional Service Plan periodically but in no event less frequently than every five years. A SRTP (Short Range Transit Plan) may be used to fulfill this requirement. The Plan shall contain the baseline levels of transit service to be provided and shall include days of service; hours of service, areas to be served, types of transit service to be provided and rates of passenger fares to be charged for said service. The Board shall review said Plan and either approve and adopt said plan as presented or approve and adopt said Plan with modifications. The Plan may be expanded, modified, or reduced by the Board. The Technical Advisory Committee shall also make recommendations to the Board regarding the SRTP.

Section 25. Indemnification.

25.1. By Authority. From and after the Effective Date, the Authority shall hold each Member, its officers, agents and employees, harmless from any loss, damage, injury, claim, demand, litigation or liability and all expenses and costs relating thereto arising out of or in any way related to any Member asset transferred to the Authority, including but not limited to any agreement or contract assumed by or otherwise transferred to Authority, real property, personal property, equipment and apparatus.

25.2. The Authority shall defend, hold harmless and indemnify, to the fullest extent permitted by law, each Member Agency from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, damages, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees, where the same arise out of, or are in any way attributable in whole or in part, to the operation of the Authority or its employees, officers or agents or the employees, officers or agents of the Member Agencies while acting within the course and scope of an agency relationship with the Authority.

25.3. By Members. Each Member Agency shall defend, indemnify and hold harmless the Authority, its Boards, officers, agents, representatives and employees and each other individual Member, and its respective officers, employees, agents and representatives from any loss, damage, injury, demand, litigation liability or claims for damage for any tort, personal injury, including death, as well as from claims from property damage, and all expenses and costs relating thereto (including attorneys' fees) which may arise from the acts or omissions of the Members employees, contractors, subcontractors or agent's operations occurring prior to the Effective Date

of the Authority. This section does not apply to matters arising out of or related to employment.

Section 26. New Members.

26.1. For the purpose of this section only, all Members admitted after the initial creation of the Authority are “New Members”. The Authority Board shall establish the number of Directors each New Member can appoint, with each Director having one vote. Any other public entity providing, or proposed to provide, transit in Stanislaus County is eligible for membership in the Authority.

26.2. A public entity meeting the criteria established by the Authority Board may be admitted as a New Member upon a two-thirds (2/3) vote of the Authority Board and upon complying with all other requirements established by the Board and the Bylaws.

26.3. Each applicant for membership as a New Member must pay all fees and expenses, if any, set by the Board in order to pay for the costs of adding the New Member and to address its participation in the ownership of the Authority’s assets and liability for any debt of the Authority upon approval as a New Member.

Section 27. Withdrawal from Membership.

27.1. Members may withdraw from the Authority by providing written notice to all other Member agencies by resolution of intent to withdraw adopted by the governing board of the withdrawing party. The notice of resolution of intent to withdraw shall be given at least 180 days before the start of the fiscal year in which it shall be effective. Such a withdrawal shall be effective at the start (July 1st) of the fiscal year after the 180-day period has passed. Withdrawal of a Member shall not affect the remaining Members of the Authority.

27.2. Upon the effective date of withdrawal, the withdrawing Member shall cease to be bound by this Agreement, except for any long-term financing obligations or other voluntarily assumed obligations placed upon and agreed to by the withdrawing party under the Agreement, or otherwise required by law. Notwithstanding the foregoing, any future long-term financing obligations incurred by the Authority, will not be an obligation of the withdrawing member. The withdrawing member shall only be obligated on existing debt up to the date of its termination and the date its withdrawal from the Authority becomes effective. Any remaining debts shall be the obligation of the Authority.

27.3. A withdrawn Member shall not be entitled to the return of any grant funds previously or historically allocated to it provided that the Authority is the current grantee for those funds at the time of withdrawal. However, the return of assets previously contributed by the Member Agency to the Authority shall be provided for in a withdrawal plan, prepared by the Authority, to address return of funds or assets from the Authority to the withdrawing Member. Such withdrawal plan may include 1) the compensation for real property whose title has passed to the Authority with such value determined by a competent real property appraiser who is familiar with local property values and licensed in the state of California; 2) the purchase of a withdrawing Member's assets used by but not yet transferred to the Authority; or 3) compensation for the depreciated value of assets or rolling stock transferred as of the Effective Date. The Authority and the withdrawing Member will negotiate in good faith a withdrawal plan to address return of funds

or assets from the Authority to the Member and assignment of liabilities associated with those funds or assets to that Member. In the event of a disagreement regarding the amount of compensation due for real property, the parties may resolve the matter via alternative dispute resolution or any other mutually acceptable means.

27.4. Any Member who has withdrawn from the Authority in accordance with the provisions of this section may resume its membership upon sixty (60) days written notice to the then-existing members, which notice may be waived by a majority vote of the Authority Board.

Section 28. Termination and Distribution.

28.1. This Agreement may be terminated by the written consent of two-thirds (2/3) of the governing bodies of the Members; provided, however, that this Agreement and the Authority shall continue to exist after termination for the purpose of disposing of all claims, distribution of assets and all other functions necessary to conclude and wind down the obligations and affairs of the Authority.

28.2. Upon termination of the Agreement, and after payment of debts, a dissolution plan shall be prepared by the Authority and reviewed and approved by the Members to address the surplus property owned by the Authority, both real and personal, including all funds on hand, after payment of all liabilities, costs, expenses, and charges validly incurred under this Agreement, and such surplus property shall be returned to the respective Members as nearly as possible in proportion to their cash contributions and property (if any) transferred (at market value when contributed less any depreciation) to the Authority. The Board shall determine such distribution within six (6) months after disposal of the last pending claim or other liability covered by the plan.

28.3. After termination or dissolution of the Authority, any surplus money on deposit in any fund or account of the Authority will be returned to the Members as required by law. The Board is vested with all powers of the Authority for the purpose of concluding and dissolving the business affairs of the Authority.

Section 29. Notices.

29.1. Notice to each Member under this Agreement is sufficient if mailed to the Member and separately to the Member's Directors at their respective addresses on file with the Authority, or by such other means the Member has agreed to. All notices required by Government Code sections 6503.5 and 53051 shall be filed by the Authority with the California Secretary of State.

Section 30. Prohibition Against Assignment.

30.1. No Member may assign a right, claim, or interest it may have under this Agreement. No creditor, assignee or third-party beneficiary of a Member has a right, claim or title to any part, share, interest, fund or asset of the Authority. However, nothing in this section prevents the Authority from assigning any interest or right it may have under this Agreement to a third party.

Section 31. Amendments.

31.1. This Agreement may be amended by the Members acting pursuant to a resolution of their respective governing bodies. A proposed amendment must be submitted to each Member at least thirty (30) days in advance of the date when the Member considers it. An amendment is to be effective upon execution unless otherwise designated.

Section 32. Successors and Assigns.

32.1. This Agreement shall be binding upon and shall inure to the benefit of any successors to or assigns of the Parties.

Section 33. Titles and Headings.

33.1. The section titles and headings of this Agreement are for convenience only and shall not be used in interpreting this Agreement.

Section 34. Severability.

34.1. If a portion, term, condition or provision of this Agreement is determined by a court to be illegal or in conflict with a law of the State of California, or is otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions and provisions is not affected.

Section 35. Liability of the Authority.

35.1. Subject to limitations thereon contained in any trust agreement or other documents pursuant to which financing of the Authority is implemented, funds of the Authority may be used to defend, indemnify, and hold harmless the Authority, any Member, any Director or Alternate, and any employee or officer of the agency for actions taken within the scope of their duties and acting on behalf of the Authority.

Section 36. Governing Law.

36.1. This Agreement will be governed by and construed in accordance with the laws of the State of California.

Section 37. Counterparts.

37.1. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes but one and the same instrument.

Section 38. Integration

38.1. This Agreement represents the full and entire Agreement among the Member Agencies with respect to the matters covered herein.

Section 39. Execution.


39.1. The legislative bodies of the Member Agencies have each authorized execution of this Agreement, as evidenced by the respective signatures attested below.

[Signatures on next page]

IN WITNESS WHEREOF, the parties, pursuant to resolutions of their respective governing boards, have caused this Agreement to be executed this 26th day of January, 2021.

County of Stanislaus

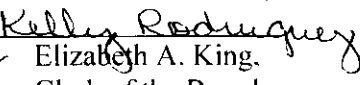
City of Modesto

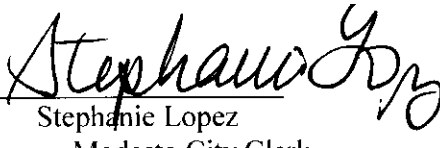
By: 
Jody Hayes, Chief Executive Officer

By: 
Joseph P. Lopez, City Manager

ATTEST:
Elizabeth King
Clerk of the Board of Supervisors of the
County of Stanislaus, State of California

ATTEST:
Stephanie Lopez
Modesto City Clerk

By: 
for Elizabeth A. King,
Clerk of the Board
Dated: January 26, 2021

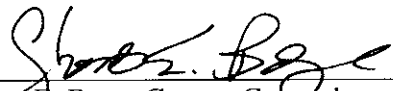
By: 
Stephanie Lopez
Modesto City Clerk
Dated: February 3, 2021

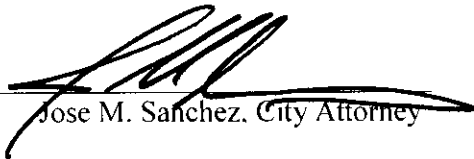
Approval as to Form:

Approval as to Form:

THOMAS E. BOZE
County Counsel

Office of the City Attorney

By: 
Thomas E. Boze, County Counsel

By: 
Jose M. Sanchez, City Attorney