

SACRAMENTO TRANSPORTATION AUTHORITY
MEMORANDUM OF UNDERSTANDING

**MEASURE A
ON-GOING ANNUAL PROGRAMS**

This Memorandum of Understanding is made as of June 8, 2009 by and between the *Sacramento Transportation Authority*, a local transportation authority formed pursuant to the provisions of Public Utilities Code 180000 et seq., hereinafter called "Authority", and the *Sacramento Regional Transit District*, hereinafter called "Entity."

THE PARTIES AGREE AS FOLLOWS:

1. Purpose. The purpose of this Memorandum of Understanding (MOU) is to provide for the allocation by the Authority of sales tax revenue for On-going Annual Programs and the expenditure thereof by Entity.
2. Definitions. Unless the context otherwise requires, as used in this MOU, the following terms shall have the following meanings:
 - a. "Act" means the Local Transportation Authority and Improvement Act set forth in the provisions of the Public Utilities Code commencing with Section 180000.
 - b. "Board" means the Governing Board of the Sacramento Transportation Authority.
 - c. "On-going Annual Programs" means the following programs established by New Measure A as defined in Attachment A to this MOU:
 - Transit Operations, Maintenance & Safety
 - d. "Distribution Factor" means the percentage of annual formula-based program revenue to be allocated to Entity as set by the Ordinance.
 - e. "Measure A" or "New Measure A" or "Ordinance" means Sacramento Transportation Authority Ordinance No. STA 04-01.
3. Revenue Allocations. The amount of revenue allocated to Entity for the effected On-going Annual Program shall be determined annually by the Board based on gross Measure A revenue projections and the Distribution Factor. Gross Measure A revenues for FY 2009-10 are estimated to be **\$92,000,000.**

In the event that STA subsequently concludes that total revenues for On-going Annual Programs in any fiscal year are likely to be less than originally estimated, STA shall give notice to Entity of the expected change. Entity will be required to adjust its annual expenditures for On-going Annual Programs accordingly.

4. Disbursements. Allocations for On-going Annual Programs shall be disbursed as funds are received from the State (currently monthly).
5. Entity Obligations.
 - a. Allocations for the On-going Annual Program shall be expended by Entity only for purposes that are consistent with the Definitions of Eligible Expenditures set forth in Attachment A.
 - b. Entity shall keep a separate account for each On-going Annual Program. Interest earned on unexpended funds in each account shall be retained in the account and expended only on qualified expenditures for that Program.
 - c. The use and expenditure of Measure A sales tax revenue by Entity shall be in full compliance with the provisions of the Act, the Ordinance, applicable resolutions of the Board, this MOU, and all other applicable contractual and legal requirements.
 - d. Entity shall file with the Authority an annually updated five-year capital and operating business plan for the expenditure of Measure A revenues.

6. Entity Certifications - Maintenance of Effort

Entity certifies that it is currently in compliance, and will remain in compliance throughout the term of this Contract, with the maintenance of effort requirements set forth in the Ordinance:

- Entity shall not reduce the amount of its non-federal, non-state, non-Measure A transportation expenditure while receiving sales tax revenue.

7. Reporting. Entity shall submit quarterly status reports in approved STA format for the On-going Annual Program for which Entity receives funding. Reports shall include:

- Amount of funds received
- Interest earned
- Amount of funds expended
- Specific listing of expenditures made, including type of expenditure, quantity of work accomplished, and location of work accomplished, if applicable

8. Audits. Annual audits of the Measure A program will be performed by an independent auditor and reviewed by the Independent Taxpayer Oversight Committee (ITOC). As part of that audit, Entity expenditures will also be audited. Expenditures found to be in noncompliance with this MOU shall be disqualified and may be withheld from future payments.

9. Designation of Measure A Manager. Entity shall designate a Measure A program manager who shall be the responsible representative of Entity to Authority staff in connection with administration of this MOU.

10. Signs. At each specific *capital* project site, Entity shall post signage stating that the project is funded with Measure A funds. Transit vehicles purchased or operated with Measure A funds shall display signs with like wording clearly visible to riders. The signs shall be substantially similar to those depicted in Attachment B.

11. Indemnity and Hold Harmless. Entity shall indemnify and save harmless the Sacramento Transportation Authority, its officers, employees, and agents, and each and every one of them, from and against all actions, damages, costs, liability, claims, losses, and expenses of every type and description to which any or all of them may be subjected, by reason of or resulting from, directly or indirectly, the performance of this MOU by Entity whether or not caused in part by passive negligence of a party indemnified hereunder. The foregoing shall include, but not be limited to, any attorney fees reasonably incurred by Authority.

The parties promise and agree to abide by the terms of this Memorandum of Understanding as set forth above.

SACRAMENTO TRANSPORTATION AUTHORITY

By _____

Dated: _____

SACRAMENTO REGIONAL TRANSIT DISTRICT

By: _____

(Authorized Officer)

(Officer's Printed Name)

(Officer's Title)

Attachment A: Definitions of Eligible Expenditures

Attachment B: Public informational sign template