MEMORANDUM OF UNDERSTANDING
BETWEEN
SAN BERNARDINO ASSOCIATED GOVERNMENTS
AND
CITY OF REDLANDS

This memorandum of Understanding (MOU) is entered on this 4th day of December, 1996, by and between the City of Redlands ("City") and the San Bernardino Associated Governments (SANBAG).

RECITALS

1. Assembly Bill 1671, Chapter 980, Statutes of 1995, provided grant funding for a project titled "San Bernardino Associated Governments Metrolink Extension" referred to in this MOU as Project.

2. Funds in the amount of $350,000 were made available to SANBAG through a contract (Caltrans District Agreement No. 08PV02) with Caltrans which is attached hereto and incorporated herein by reference as Exhibit "A".

3. The parties desire that the City of Redlands take over the duties and obligations of SANBAG under the above referenced Caltrans contract except as limited by the MOU.

UNDERSTANDINGS

1. City agrees to and shall perform and be responsible for all of the duties and obligations of SANBAG, including the preparation of semi-annual progress reports satisfactory to Caltrans and SANBAG, under the contract referred to in Recital 2 of this MOU except for direct billing of Caltrans which shall be done by SANBAG. The parties shall work together in order to efficiently meet the billing requirements of the SANBAG/Caltrans agreement. The parties hereto shall each designate an employee to be responsible for meeting its duties and obligations under this MOU. SANBAG shall participate in the Project in an advisory role.

2. It is mutually understood that of the $350,000 of grant funds from Caltrans, not more than five percent (5%) or $17,500 is available for administrative costs and that SANBAG shall retain $5,000 for its administrative purposes. Of the remaining $345,000 of grant funds, City may receive up to $12,500 for its administrative cost and the balance shall be available for purposes of completing the project.

3. City agrees that it will see to it that the project is satisfactorily completed within the resources covered by the MOU. City may use "in kind" services to augment grant funds to insure that project is completed. SANBAG shall forward to the City funds received from the Caltrans contract in a timely manner after receipt from Caltrans.

4. This MOU may only be amended by written amendment signed by authorized representatives of the governing bodies of the parties.

5. This MOU shall remain in effect until all obligations and responsibilities under Exhibit "A" attached to this MOU have been completely performed.

6. It is understood and agreed that neither City nor any officer, employee, consultant or agent thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by SANBAG under or in connection with any work, authority or jurisdiction delegated to SANBAG under this MOU. It is understood and agreed that, pursuant to Government Code section 895.4, SANBAG shall fully defend, indemnify and save harmless City and all its officers, employees, consultants and agents from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined in Government Code section 810.8) occurring by reason of anything done or omitted to be done by SANBAG under or in connection with any work, authority or jurisdiction delegated to SANBAG under this MOU.

7. It is understood and agreed that neither SANBAG nor any officer or employees thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by City under and in connection with any work, authority or jurisdiction delegated to City under this MOU. It is understood and agreed that, pursuant to Government Code section 895.4, City shall fully defend, indemnify and save harmless SANBAG and all its officers, employees, consultants and agents from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined in Government Code 810.8) occurring by reason of anything done or omitted to be done by City under or in connection with any work, authority or jurisdiction delegated to City under this MOU.

8. This MOU constitutes the entire agreement and understandings between the parties hereto relating to the subject matter hereof and supersedes any previous agreements or understandings.

CITY OF REDLANDS

By: [signature]
William Cunningham
Mayor

Date: December 15, 1998

ATTEST:

By: [signature]
Lorrie Poyzer
City Clerk

SAN BERNARDINO ASSOCIATED GOVERNMENTS

By: [signature]
Kathy A. Davis
President

Date: 1-5-99

By: [signature]
Ronald D. Reitz
SANBAG Counsel

A97028.MAB
9735250

SANBAG Contract No. 97-027
TN 9735250

A/R $350,000.00

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

GRANT AGREEMENT NO. 08PV02
FOR
STRIPPER WELL FUNDS
PETROLEUM VIOLATION ESCROW ACCOUNT (PVEA)

TERMS AND CONDITIONS

I. Background

A. Assembly Bill 1671, Chapter 980, Statutes of 1995, appropriated $3,825,000 from the Petroleum Violation Escrow Account (PVEA) held in the Federal Trust Fund to the State Department of Transportation, hereafter called "Caltrans", for allocation to various local entity transportation projects.

B. This Agreement, entered into on December 9, 1996, is between Caltrans and the SAN BERNARDINO ASSOCIATED GOVERNMENTS (SANBAG) a political subdivision of the State of California, hereafter called the "Recipient".

II. Project Description and Scope of Work

A. The Recipient will be responsible for implementing the project as designated herein below.

B. The work to be performed under this agreement shall be in accordance with the Recipient's project proposal entitled Metrolink Extension, which also includes the project budget and timeline, which are included as a part of this agreement as Attachment A. The project proposal was approved by the U.S. Department of Energy (DOE) as being in compliance with the PVEA regulations on September 18, 1996.

C. Project implementation shall conform to the description contained in the Recipient's project budget and timeline.

SOURCE DIST	SOURCE UNIT	CHARGE DIST	CHARGE UNIT	EXP AUTH: GEN LED / SUB ACCT / WORK ORDER NO	SPECIAL DESIGNATION: SUB JOB NO. / LOCATION	SPECIAL DESIGNATION: R/W PARCEL NO. / BRIDGE NO.	OBJECT	AMOUNT	FISCAL YEAR	ENCUMBRANCE DOCUMENT NUMBER
08	804	08	804	920501	36002		6049	350,000.00	96	PV089602

I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.

ITEM	CHAPTER	STATUTES	FISCAL YEAR 95/96	SIGNATURE OF ACCOUNTING OFFICER	DATE
2660-612-0853004	980	1995	1995	[signature]	9/18/96

D. The Recipient shall submit a written request for approval to the Caltrans District PVEA Project Manager prior to any changes in project scope. All changes are subject to Federal approval and are to be submitted following the Federal format.

E. The Project Manager for the Recipient will be Michael Bair, Deputy Executive Director.

F. The Caltrans District PVEA Project Manager for the State will be Marie J. Petry, Associate Transportation Planner.

III. Schedule of Reports

A. The Recipient shall prepare and submit to the Caltrans District PVEA Project Manager a six-month progress report. This report will allow Caltrans to determine if the project is being performed as expected, and will be due every July 15 and January 15 until the project is completed.

B. The Recipient shall also submit an Annual Report by July 5th of each year. This annual report will cover activities that began from July 1 and ending June 30 of each fiscal year until the project is completed, and is to be submitted in the format requested by the Caltrans District PVEA Project Manager.

C. The Recipient shall meet with the Caltrans District PVEA Project Manager as needed to discuss progress on the project, any problems, or anticipated problems which could lead to delays in the schedule.

D. The Recipient shall submit for Caltrans to review all pertinent documents relating to this project to assure compliance with State and Federal laws and regulations.

E. The Recipient and Caltrans agree to conduct on-site reviews of all aspects of the progress of this project to allow Caltrans to review whether the activities are within the scope of the project.

F. Upon completion of the project, the Recipient shall submit to Caltrans a Final summary report.

IV. Period of Performance

A. This agreement shall begin no earlier than the DOE approval date (Article II.B.), contingent upon approval by Caltrans, and terminate on June 30, 1998 unless extended by supplemental agreement.

B. The strategies and dates for implementation of the project are specified in the Recipient's project budget and timeline. Recipient shall notify the Caltrans District PVEA Project Manager in writing in advance of any proposed changes in scheduled completion dates.

V. Payment Provisions

A. Funds disbursed shall be used to supplement and not supplant funds otherwise available for the project.

B. If included in the Recipient's approved project proposal, the Recipient is allowed no more than 5 percent of the funds allocated by Chapter 980, Statutes of 1995 (AB 1671) for this project for administrative expenses. "Administrative expenses" are those expenses which are considered necessary in developing, implementing, managing, monitoring, and directing proposed programs. If the Recipient decides to use that 5 percent of the funds for administrative expenses, the Recipient will submit a full auditable report on the use of the funds for administrative purposes, thereby assuring compliance with Federal regulations.

C. The Recipient shall not commence performance of PVEA-funded project work or services until this agreement has been executed and approved by Caltrans. No payment of PVEA funds will be made for any PVEA-funded work performed prior to execution or following termination of this agreement.

D. Total reimbursement under this agreement to be provided by the funding legislation shall not exceed $350,000. The method of payment under this contract will be based upon reimbursement at actual cost.

E. Caltrans will make progress payments monthly in arrears based on work performed and actual costs incurred. Caltrans will withhold 10 percent of each progress payment. The retention amount will be paid to the Recipient upon satisfactory completion of the project and agreement. Monthly payments will be made as promptly as fiscal procedures permit upon receipt by the Caltrans District PVEA Project Manager of an itemized invoice in triplicate. Invoices shall be mailed to the Caltrans District PVEA Project Manager at the following address:

California Dept. of Transportation
Public Transportation
P.O. Box 231
San Bernardino, CA 92402
ATTENTION: Marie Petry

F. Recipient will provide vouchers of actual expenditures incurred and a narrative description of work completed.

VI. Subcontracting

A. Any work not described as subcontracted under the Recipient's approved project proposal which is pertinent to this agreement, and which is intended to be subcontracted must first be reviewed and approved by Caltrans to assure compliance with project scope before that work commences.

B. Any work subcontracted in excess of $25,000 by the Recipient shall be held to the same provisions as found in this agreement.

VII. Nondiscrimination

A. During the performance of this agreement, Recipient and its Contractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age (over 40), or sex. Recipient and its Contractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code. Section 12900 et seq.) and applicable regulations promulgated thereunder (California Administrative Code, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990, set forth in Chapter 5 of Division 4 of Title 2 of the California Administrative Code are incorporated into this agreement by reference and made a part hereof as if set forth in full. Recipient and its Contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

B. Recipient shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this agreement.

VIII. Drug-Free Workplace Certification

A. By signing this agreement, the Recipient certifies under penalty of perjury under the laws of the State of California that the Recipient will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350, et seq.), and will provide a drug-free workplace by doing the following:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations , as required by Government Code Section 8355(a).

2. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b), to inform employees about all of the following:

   a. The dangers of drug abuse in the workplace;
   b. The person's or organization's policy of maintaining a drug-free workplace;
   c. Any available counseling, rehabilitation and employee assistance programs; and
   d. Penalties that may be imposed upon employees for drug abuse violations.

3. Provide as required by Government Code Section 8355(c) that every employee who works on the proposed contract or grant:

   a. Will receive a copy of the Recipient's drug-free policy statement; and
   b. Will agree to abide by the terms of the Recipient's statement as a condition of employment on the contract or grant.

B. Failure to comply with these requirements may result in suspension of payments under this agreement or termination of the agreement or both. The Recipient may be ineligible for award of any future PVEA funding if Caltrans determines that any of the following has occurred: (1) the

Recipient has made a false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

IX. Cost Principles

A. The Recipient agrees to comply with Federal procedures in accordance with Office of Management and Budget Circular A-87, Cost Principles for State and Local Governments and CFR 49, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, also known as the Common Rule.

B. Any costs for which payment has been made to the Recipient and its Contractors that are determined by subsequent audit to be unallowable under OMB A-87, Cost Principles for State and Local Governments or CFR 49, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, are subject to repayment by the Recipient to Caltrans.

C. Should Recipient be declared to be in breach of this Agreement or otherwise default any material portion thereof by either Caltrans or DOE, any project costs for which payment has been made to the Recipient are to be repaid by the Recipient to Caltrans.

D. Should Recipient breach this Agreement and fail to pay monies due to Caltrans, or fail to repay funds provided hereunder, within 30 days of demand, or within such other period as may be agreed upon between the parties hereto, Caltrans, acting through the State Controller, the State Treasurer or any other public agency, may withhold or demand transfer of an amount equal to the amount owed to Caltrans from future apportionments, grants, or any other funds due Recipient from the Highway Users Tax Fund, or from any other funds and/or withhold approval of future PVEA or Federal-aid projects of the Recipient, as applicable.

X. Disputes

A. Any dispute concerning a question of fact arising under this agreement that is not disposed of by agreement shall be decided by Caltran's Headquarters Contract Officer who may consider any written or verbal evidence submitted by the Recipient. The decision of the Contract Officer, issued in writing, shall be conclusive and binding on both parties to the agreement on all questions of fact considered and determined by the Caltran's Contract Officer.

B. Any dispute concerning a question of fact arising under an interim or post audit of this contract that is not disposed of by agreement shall be reviewed by the Chairperson of the Audit Review Committee (ARC). The ARC will consist of the Assistant Director, Audits & Investigations (Chairperson); Deputy Director of Transportation Engineering or designated alternate; the Chief Counsel, Legal Division or designated alternate; and two representatives from private industry will be advisory in nature only and will not have voting rights. Additional members or their alternates may serve on the ARC. Not later than 30 days after issuance of the final audit report, the contractor may request a review by the ARC of unresolved audit issues. The request for review will be submitted in writing to the following:

Audits Review Committee Chairperson
Department of Transportation
Office of Audits and Investigations, MS-2
P.O. Box 942874
Sacramento, CA 94274-0001

The request must contain detailed information of the factors involved in the dispute as well as justifications for reversal. A meeting by the ARC will be scheduled if the Chairperson concurs that further review is warranted. After the meeting, the ARC will make recommendations to the Chief Deputy Director. The Chief Deputy Director will make the final decision for the Department. The final decision will be made within 3 months of receipt of the notification of dispute.

C. Neither pendency of a dispute nor its consideration by Caltrans will excuse the contractor from full and timely performance, in accordance with the terms of this contract.

XI. Retention of Record/Audits

The Recipient, its Contractors, Caltrans, and the State shall maintain all books, documents, paper, accounting records, and other evidence pertaining to the performance of the agreement, including but not limited to, the costs of administering the agreement. All parties shall make such materials available at their respective offices at all reasonable times during the agreement period and for three years from the date of final payment under the agreement. Caltrans, the State, the State Auditor General, FHWA, or any duly authorized representative of the Federal Government shall have access to any books, records, and documents of the Recipient that are pertinent to the agreement for audits, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested.

XII. Funding Requirements

It is mutually understood between the parties that this agreement may have been executed before ascertaining the availability of congressional or legislative appropriation of funds for the mutual benefit of both parties in order to avoid program and fiscal delays that would occur if the agreement were executed after that determination was made.

This agreement is valid and enforceable only if sufficient funds are made available to Caltrans by the United States Government, or are appropriated by the California State Legislature for the purpose of this program, and if the previously mentioned Statement of Work was approved by the U.S. Department of Energy. In addition, this agreement is subject to any additional restrictions, limitations, conditions or any statute enacted by the Congress or the State Legislature that may affect the provisions, terms or funding of this agreement in any manner.

XIII. Change in Terms

It is mutually agreed that if Congress or the State Legislature does not:

A. Appropriate sufficient funds for the program, this agreement shall be amended to reflect any reduction in funds.

B. Caltrans has the option to void the agreement under the 30-day cancellation clause contained in Article XIV.A., below, or to amend the agreement to reflect any reduction of funds.

XIV. Termination

A. This agreement may be terminated for breach of any obligation, covenant or condition hereof, upon written notice to the breaching party. With respect to any breach which is reasonably capable of being cured, the breaching party shall have 30 days from the date of the notice to initiate steps to cure, such party shall be allowed a reasonable time to cure, not to exceed 60 days from the date of the initial notice, unless a further extension is granted.

B. In the event this agreement is terminated by Caltrans without cause, reimbursement shall be made to the Recipient for all project expenses incurred up to the time of termination, subject to the expenditure limits applicable to this agreement.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION (CALTRANS)
DISTRICT 8

Richard P. Doyle ______________________ 12/9/96

Richard Doyle, District Division Chief   Date

SAN BERNARDINO ASSOCIATED GOVERNMENTS

Jon D. Mikels ______________________ 12-6-96

Jon D. Mikels, President   Date

Attachment A

PROJECT TITLE

San Bernardino Associated Governments
Metrolink Extension

PROJECT OVERVIEW

This project takes advantage of a unique public/private opportunity to ensure an appropriate amount of parking for the implementation of future passenger rail service between the Cities of Redlands and San Bernardino and the creation of a transit center. PVEA funds will be used to join two privately owned parking lots, guaranteeing a specified number of spaces for transit patrons and to contract the necessary improvements for a bus transfer facility.

The City of Redlands has approved the development of a 14-screen theater complex on property located just west of the historic Santa Fe depot constructed in 1910. A portion of the project will include physical improvements necessary to connect the parking lots for the proposed theater and depot which will result in approximately 300 spaces being available for transit patrons. In addition, the project will provide for the construction of a transit center on Oriental Street. The transit center, one of seven timed-transfer points recommended in the Omnitrans Comprehensive Operational (COA) Analysis completed this past March, will include four bus bays and other site amenities to encourage use of public transit.

PROJECT SAVINGS AND BENEFITS

	Short Term	Long Term
Daily Patronage	63	720
Annual Energy Savings	5,664	64,730
Annual Fuel User Savings	$7,307	$83,500

The project summarized above will provide the following energy related benefits:

In the short term, benefits will consist of increased transit (bus) ridership of approximately 63 per day. Omnitrans is proposing implementation of the COA in January 1997. For the Redlands community, bus service will consist of one local circulator route and three east/west intercommunity routes, all operating on a thirty minute frequency. Long term benefits will begin once passenger rail is implemented (October 2001) Once implemented, daily transit ridership is expected to increase by 720 and the trip lengths and energy savings will increase significantly.

The energy savings estimates are derived from the following data sources: initial increase in transit ridership provided by Omnitrans, forecasts of automobile fuel efficiency and fuel prices provided by SANBAG staff. Initial energy savings will be realized in the year 1997 when the project has been completed. (See Exhibit "A" for more detail.)

Attachment A

PROGRAM FUNDS AND MILESTONES

Local:	$0
State:	$0
Other Funds:	$0
Miscellaneous PVE (includes 5% administrative costs):	$350,000
Total:	$350,000

The following milestones are proposed for the completion of this project:

- Lead agency, along with participation from SANBAG, coordinate parking lot construction activities to ensure joint use (November 1996).
- Transit center construction complete (April, 1997).
- Extension of passenger rail service (October, 2001)

RESTITUTION/TARGET POPULATION

The project will benefit the residents of Redlands traveling to other portions of the San Bernardino Valley as well as visitors to the Redlands community.

COGNIZANT AGENCY/CONTACT PERSON

This project will be administered by the San Bernardino Associated Governments (SANBAG). The SANBAG contact is Michael Bair, Deputy Executive Director, (909) 884-8276.

Attachment A

EXHIBIT A

CALCULATION OF ANTICIPATED ENERGY SAVINGS

KEY ASSUMPTIONS:

Existing Daily trips using Redlands Transit Center (1): 630

DAILY GALLONS SAVED ESTIMATE:

(630) Existing Daily Transit Trips x (10% Increase (2)) = 63 Net New Transit Trips

(63 Net New Transit Trips) / (21.3 Average MPG (3)) x (7.66 Average Trip Length (4)) = 23 Daily Gallons Saved.

ANNUAL GALLONS SAVED ESTIMATE:

(23 Daily Gallons Saved) x (250 Work Days) = 5,664 Gallons Saved Annually

ANNUAL FUEL USER SAVINGS:

(5,664 Gallons Saved Annually) x ($1.29 Per Gallon (5)) = $7,307

Notes:
(1) Number of average daily transit trips at transit center based counts obtained during the Omnitrans COA - October/November, 1995.
(2) Estimated increase in ridership due to COA route restructuring and frequency improvements.
(3) Estimated average miles per gallon, SANBAG.
(4) Estimated average transit trip length for riders with one end of their trip in the City of Redlands, COA survey.
(5) Estimated average fuel cost per gallon, SANBAG.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

GRANT AGREEMENT NO. 08pv02

AMENDMENT NO. 1

FOR
STRIPPER WELL FUNDS
PETROLEUM VIOLATION ESCROW ACCOUNT (PVEA)

The Grant Agreement No. 08PV02, executed on December 9, 1996 between the State Department of Transportation and the San Bernardino Associated Governments (SANBAG) a political subdivision of the State of California, hereafter called the "Recipient," to implement the project entitled Metrolink Extension is amended as follows:

1. Extend termination date of the Grant Agreement No. 08PV02 from June 30, 1998 to June 30, 1999.

2. All other Terms and Conditions of Grant Agreement No. 08PV01 shall remain the same.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION (CALTRANS)

Joan Marie Borucki — 2SE98
(Signature of Authorized Representative) — Date

JOAN BORUCKI, Program Manager
Print Name/Title of Person Signing

Kathy A. Davis — 11-10-98
(Signature of Authorized Recipient) — Date

Kathy A. Davis, President
Print Name/Title of Person Signing for Recipient

San Bernardino Associated Governments
Print Name of Grant Recipient Organization

Note: Authorizing legislation (Chapter 980, Statutes of 1995) will preclude payment of any claims against this project after June 30, 2000.