REPORT

DATE: January 3, 2008

TO: Regional Council
Administration Committee
Transportation & Communications Committee (TCC)

FROM: Huasha Liu, Program Development & Evaluation Division Manager, 213-836-1838, liu@scag.ca.gov
Richard Marcus, Maglev Project Manager, 213-236-1819, marcus@scag.ca.gov

SUBJECT: Joint Exercise of Powers Agreement (JPA) creating the Southern California Regional High-Speed Transport Authority

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION FOR THE ADMINISTRATION COMMITTEE AND TCC:
Staff recommends that subject to the respective review by each committee, the Administration Committee and TCC each recommend that the Regional Council approve in substantial form the attached Joint Exercise of Powers Agreement creating the Southern California Regional High-Speed Transport Authority.

RECOMMENDED ACTION FOR THE REGIONAL COUNCIL:
Staff recommends that the Regional Council approve the JPA in substantial form, and authorize the Executive Director to execute the document on SCAG's behalf.

BACKGROUND:

Since 1998, SCAG has included as part of the Regional Transportation Plan, discussion regarding the development of an intra-regional high speed rail system. In 2002, SCAG's Regional Council selected an Initial Operating Segment ("IOS") for the system. This IOS comprises a 54-mile segment starting in West Los Angeles and ending at the Ontario airport. The IOS consists of four stations located respectively at West Los Angeles, Union Station, West Covina and the Ontario Airport. SCAG has undertaken planning studies related to the IOS, including an alternatives study to determine the optimum regional high-speed transport system (also known as a "RHST").

During the last several months, the jurisdictions of Los Angeles, Ontario and West Covina have been in discussions regarding the creation of the joint powers agency *"for the purpose of overseeing the continued planning activities related to the IOS, and the general evaluation, construction and operation of an intra-regional high-speed transport system."* (Emphasis added). SCAG staff has also participated in these discussions, along with staff of other interested stakeholders such as applicable transportation commissions.

The result of such discussions is the attached "Joint Exercise of Powers Agreement Creating the Southern California Regional High-Speed Transport Authority" ("Authority"). The purpose of the JPA is to create a joint powers entity which would provide for the development of RHST that coordinates with the state-wide rail service to be developed by the State High-Speed Rail Authority. More specifically, the goals of the

Authority include completion of the planning process developed by SCAG, along with the implementation, management, administration, construction and operation of the regional high-speed transport system.

The initial composition of the Authority comprises elected officials from Los Angeles, Ontario and West Covina given the current stations proposed for the IOS. Similarly, the signatories of the JPA include Los Angeles, Ontario and West Covina. SCAG is also proposed to be a signatory to the JPA given its commitment to provide initial funding to the Authority subject to the certain limitations. Under the terms of the JPA, the actual amount of this initial funding is yet to be determined and SCAG anticipates defining this amount once meetings of the JPA are commenced.

SCAG staff supports the creation of the Authority as this serves to support SCAG's efforts over the course of several years to make an intra-regional high-speed transport system become more viable. It is also significant for the purpose of demonstrating progress with the proposed development of a High-Speed Regional Transport in the RTP. Therefore, staff recommends that the TCC, the Administration Committee and the Regional Council approve the JPA in substantial form, and that the Regional Council authorize the Executive Director to sign the JPA on SCAG's behalf. SCAG's execution of the JPA shall be subject to the approval and execution of the JPA by representatives of the cities of Los Angeles, Ontario and West Covina, as the JPA shall not become effective until executed by all respective signatories.

FISCAL IMPACT:
Work related to the development of the JPA is included in the current Overall Work Program.

Reviewed by:

Division Manager

Reviewed by:

Department Director

Reviewed by:

Chief Financial Officer

JOINT EXERCISE OF POWERS AGREEMENT
CREATING THE SOUTHERN CALIFORNIA REGIONAL
HIGH-SPEED TRANSPORT AUTHORITY

This Joint Exercise of Powers Agreement (the "Agreement") dated as of _____, 2008, is made by and among the City of Los Angeles, a municipal corporation ("Los Angeles"), the City of Ontario, a municipal corporation ("Ontario"), the City of West Covina, a municipal corporation ("West Covina"), and the Southern California Association of Governments, a joint powers agency ("SCAG") hereinafter collectively known as "Contracting Parties" and individually as "Contracting Party."

RECITALS

WHEREAS, Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (section 6500 et seq.) (the "Act") permits two or more public agencies by agreement to exercise jointly powers common to the public agencies; and

WHEREAS, there is within the State of California an entity known as the High-Speed Rail Authority ("HSRA") created pursuant to the California High-Speed Rail Act (California Public Utilities Code section 185000 et seq.) for the purpose of developing and implementing an intercity high-speed rail service that is fully integrated with the state's existing intercity rail network and coordinated with rail transit services developed by local agencies; and

WHEREAS, SCAG is a joint powers agency and a federally designated Metropolitan Planning Organization ("MPO") for the Southern California region. As the MPO, SCAG is statutorily required to prepare the regional transportation plan ("RTP") for the counties of Los Angeles, Orange, San Bernardino, Riverside, Ventura, and Imperial; and

WHEREAS, starting in 1998, SCAG has included as part of the RTP, discussion regarding the development of a intra-regional high speed rail system to improve surface transportation and meet air quality requirements within Southern California. In 2002, SCAG's Regional Council selected an Initial Operating Segment ("IOS") for the intra-regional high speed rail system; and

WHEREAS, the IOS comprises a 54-mile segment starting at West Los Angeles and ending at the Ontario Airport. The IOS consists of four stations located respectively at: (1) West Los Angeles, (2) Los Angeles Union Passenger Terminal (better known as Union Station), (3) West Covina, and (4) the Ontario Airport; and

WHEREAS, the municipalities of Los Angeles, West Covina and Ontario currently are proposed to have stations along the IOS, and each desires to enter into a joint exercise of powers agreement providing for the creation of an entity known as the Southern California Regional

High-Speed Transport Authority ("JPA"), for the purpose of overseeing the continued planning activities related to the IOS, and the general evaluation, construction and operation of an intra-regional high speed transit system in the Southern California area that coordinates with the state-wide rail service to be developed by the HSRA; and

WHEREAS, Los Angeles, West Covina and Ontario recognize that SCAG has undertaken planning studies related to the IOS and is evaluating alternatives to determine the optimum regional high-speed transport system ("RHST") that would improve mobility needs and meet the congestion and air quality improvement goals in the Southern California region while also decentralizing aviation demand to regional airports; and

WHEREAS, the RHST planning process, as developed by SCAG consists of four (4) phases: Phase 1 – Pre-deployment Analysis (preliminary feasibility analysis); Phase 2 - Preliminary Engineering (engineering necessary to prepare Environmental Impact Report); Phase 3 - Deployment Plan (investment grade analysis necessary for project deployment); and Phase 4 - Environmental Impact Report; and

WHEREAS, SCAG has completed Phase 1,and has substantially completed Phase 2 of the RHST planning process; and

WHEREAS, it is the goal of the Contracting Parties to complete the RHST planning process developed by SCAG, including completion of Phases 3 and 4, and to provide a coordinated approach to the evaluation, planning, design and securing of funding for the development of the RHST system;

WHEREAS, the JPA is intended to assume the completion of the RHST planning process along with the implementation, administration, management, construction and operation of the RHST system, starting with the IOS which connects West Los Angeles to the Ontario Airport.

NOW, THEREFORE, in consideration of the above premises and of the mutual promises herein contained, each of the Contracting Parties does hereby agree as follows:

ARTICLE I. DEFINITIONS

Section 1.01 Definitions. The words and terms defined in this Article shall have the following meanings for the purposes of this Agreement:

"Act" means Articles 1 through 4, Chapter 5, Division 7, Title 1 of the California Government Code (commencing with Section 6500).

"Agreement" means this Joint Exercise of Powers Agreement.

"Board of Directors" or "Board" means the governance board for the JPA.

"California High-Speed Rail Act" means Division 19.5 of the California Public Utilities Code (commencing with Section 185000).

"CEQA" means the California Environmental Quality Act (Division 13, Chapter 1 of the California Public Resources Code commencing with Section 21000).

"Chairperson" means the Chairperson of the Board of the JPA.

"Committee" means a standing or ad hoc committee of the Board established by the Board.

"Contracting Party" or "Contracting Parties" means Los Angeles, Ontario, West Covina, SCAG and/or any other Public Agency(ies) that becomes a party to this Agreement pursuant to Section 8.12 of this Agreement.

"Director" means the Director to the Board appointed pursuant to Section 3.01 of this Agreement.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"IOS" means the initial operating segment of the RHST, representing approximately 56 miles and connecting West Los Angeles to the Los Angeles Union Station to West Covina to the Ontario Airport.

"JPA" means the Southern California Regional High-Speed Transport Authority established pursuant to Section 2.02 of this Agreement.

"Political Reform Act" means the Political Reform Act of 1974 (Title 9 of the California Government Code, commencing with Section 81000).

"Public Agency" or "Public Agencies" means a public agency as that term is defined in Section 6500 of the California Government Code.

"Ralph M. Brown Act" means Chapter 9 of part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 54950.

"RHST" means a regional high-speed transport system to be further defined by the JPA Board, and as may be amended from time to time.

ARTICLE II. GENERAL PROVISIONS

Section 2.01 Purpose. This Agreement is made pursuant to the Act to provide for the creation of a public joint powers entity separate from the Contracting Parties, to provide for the development of an intra-regional RHST system in the Southern California area that coordinates

with the state-wide rail service to be developed by the HSRA, and to provide for the exercise of all common powers possessed by the Contracting Parties that are municipalities and all powers provided to the JPA by the Act, by the California High-Speed Rail Act, or by any other law now in effect or hereafter enacted.

Section 2.02 Creation of Authority. Pursuant to Sections 6506 and 6507 of the Act, there is hereby created a public entity to be known as the "Southern California Regional High Speed Transport Authority." The JPA shall be a public entity separate and apart from the Contracting Parties and shall administer this Agreement.

Section 2.03 Board of Directors. This JPA shall be governed and administered by a governance board ("Board") consisting of a number of Directors as herein provided. Except for SCAG, each Contracting Party shall appoint one (1) voting Director per station identified on the RHST. The initial composition of the Board shall be consistent with the stations proposed for the IOS, and shall comprise of two (2) Directors from the City of Los Angeles, one Director from the City of West Covina, and one Director from the City of Ontario. Except for SCAG, each Contracting Party shall also appoint an alternate, who may act in the Director's absence in accordance with Section 2.04(c) herein. As new stations are identified and added to the RHST by affirmative decision of the Board, those affected jurisdictions shall have the opportunity to appoint one (1) voting Director to the Board per station. The Board will also include one (1) non-voting Director appointed by each of the following Public Agencies: SCAG, San Bernardino Associated Governments ("SANBAG"), Caltrans, and the Los Angeles County Metropolitan Transportation Authority ("Metro"). The Board may also include additional non-voting Director(s) as approved by the Board. Except for SCAG, entities having non-voting Directors shall not be a party to this Agreement. Non-voting Directors shall also not affect the quorum requirements of this Agreement. No individual shall be appointed to hold the position of more than one (1) Director, and all voting Directors shall be elected officials. In addition to the requirements of Section 4.04 to this Agreement, no person who receives salary income (exclusive of stipends or per diems) from a private transit or transportation planning agency may be a Director. However, each Director may receive a per diem for each Board meeting attended. The amount of the per diem shall be fixed from time to time by the Board and shall not exceed One Hundred Dollars ($100.00) per meeting with a maximum amount equal to two (2) meetings a month.

Section 2.04 Terms of Directors. Each Director to the Board shall serve for a two-year term, with no limit on the number of terms served. Nothing herein shall prevent a Director from being replaced by their respective Public Agency during the course of their term, provided written notice thereof is provided to the JPA.

Section 2.05 Meetings of the Board. At its first meeting, and as needed thereafter, the Board shall establish by resolution the dates, place and time of its regular meetings. Special or emergency meetings may be called at the request of the Chairperson or of a majority of the Board in accordance with the provisions of the Ralph M. Brown Act. At least one (1) annual meeting shall be held.

(a) Procedures. All meetings of the Board shall be called, noticed and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the California Government Code). The Board may adopt from time to time such additional rules and regulations for the conduct of its meetings, as may be required.

(b) Minutes. The Secretary to the Board shall cause to be kept minutes of any open meeting of the Board and shall, as soon as reasonably possible after each meeting, cause a copy of said minutes to be kept on file in accordance with state law, for access by each Director and the public.

(c) Voting. Each Director, other than the appointees of SCAG, SANBAG, Caltrans, and Metro, shall have one (1) vote. Each Public Agency may appoint an alternate Director ("Alternate") for each of its allocated Directors. The Alternate shall be authorized to act in place of the respective Director, if the Director is unable to be present at a Board meeting or is unable to act due to ethical restrictions set forth in Section 4.04 of this Agreement. Alternates may also serve on any Committee.

Section 2.06 Quorum; Required Votes; Approvals. The presence of at least a simple majority of the voting Directors representing each of the Contracting Parties shall constitute a quorum for the purposes of conducting business at a meeting, except that less than a quorum may adjourn a meeting. A simple majority is defined as a majority of the voting Board membership, plus one, and cannot be composed of a single jurisdiction. All actions of the Board shall be approved upon the affirmative vote of a simple majority of Directors, unless a greater number is required by law, or a supermajority of votes for any of the following actions: (a) adoption of annual work plan and budget, (b) mid-year revisions to the annual budget, (c) contract awards, (d) hiring staff, (e) environmental approvals, including but not limited to Environmental Impact Reports, or (f) termination of this Agreement. A supermajority is defined as two-thirds (2/3) of the Board membership.

Section 2.07 Bylaws. The Board may adopt, from time to time, such bylaws, rules and regulations for the conduct of its meetings as are necessary for the purposes hereof.

Section 2.08 Annual Budget and Administrative Expenses. The Board shall adopt a budget for administrative expenses prior to the commencement of each Fiscal Year.

ARTICLE III. CHAIRPERSON, DIRECTORS AND OFFICERS

Section 3.01 Chairperson and Directors. At its first meeting, and at the anniversary of the first meeting in every other succeeding calendar year or as soon thereafter as practicable, the Board shall elect, from among the voting Directors, a chairperson to preside over the meetings of the Board ("Chairperson" or "Chair"), and a vice-chairperson to preside over the meetings in the absence of the Chairperson. The Chairperson and vice-chairperson shall be from different jurisdictions. The Chair of the Board may speak on behalf of the JPA only when authorized by the Board. The Chairperson shall serve a two-year term, and shall rotate between the voting

Directors only. The chairmanship will not be held by a jurisdiction for more than two (2) consecutive terms. A Director from Los Angeles, however, will serve as the initial Chair.

Section 3.02 Secretary. At its first meeting, and at the anniversary of the first meeting in every other succeeding calendar year or as soon thereafter as practicable, a secretary to the Board ("Secretary") shall be appointed from either Directors or employees of the JPA. The Secretary shall perform such duties as may be determined by the Board and shall cause a copy of this Agreement to be filed with the California Secretary of State within thirty (30) days of its effective date pursuant to Section 6503.5 of the Act.

Section 3.03 Treasurer. A treasurer for the JPA ("Treasurer") shall be appointed from those persons eligible under Sections 6505.5 or 6505.6 of the Act, and provided the person is deemed qualified by the Board to serve as Treasurer of the Board. The Treasurer shall have the custody of all monies of the JPA and shall perform all duties and responsibilities set forth in Section 6505.5 of the Act. The appointment shall be made by resolution at the first meeting of the Board.

Section 3.04 Auditor-Controller. An auditor-controller for the JPA ("Auditor-Controller") shall be appointed from those persons eligible under Sections 6505.5 or 6505.6 of the Act, and provided the person is deemed qualified by the Board to serve as Auditor-Controller of the Board. The auditor-controller shall draw warrants to pay demands against the JPA when the demands against the JPA have been approved by any authorized person or entity authorized to approve such demands in accordance with this Agreement. The Auditor-Controller shall also make or cause to be made an independent audit of the accounts and records of the JPA pursuant to Section 5.05 herein. The appointment shall be made by resolution at the first meeting of the Board.

Section 3.05 Other Employees. The Board shall have the power by resolution to appoint and/or employ such other officers, employees, consultants and independent contractors as may be necessary for the purpose of the this Agreement.

ARTICLE IV. POWERS

Section 4.01 General Powers. The JPA shall have the powers which are common to the Contracting Parties that are municipalities and shall do all acts necessary for the accomplishment of the purposes of this Agreement, subject to the restrictions set forth in Section 4.03 of this Agreement and to the extent not in conflict with powers held by the HSRA.

Section 4.02 Additional and Specific Powers. The JPA shall have all additional powers provided in the Act or in any other law now in effect or hereafter enacted. Specifically, the JPA shall have the power to make and enter contracts; employ or engage contractors, agents, or employees; apply for, receive and utilize grants and loans from Federal, State, or local governments, or from any other available source; incur liabilities, debt and other contractual obligations such as issuance of bonds; sue and be sued in its own name; and exercise any other

powers common to the Contracting Parties that are municipalities and promulgate, adopt and enforce any rules and regulations, as may be necessary and proper to implement and effectuate the terms, provisions and purposes of this Agreement.

Section 4.03 Exercise of Powers. The powers of the JPA shall be exercised in the manner provided in the Act and as forth herein, and subject to, however, to the restrictions and limitation upon the manner of exercising such powers as are applicable to the City of Los Angeles.

Section 4.04 Standards of Conduct and Conflicts of Interest. Every Board member, officer, employee and consultant of the JPA shall comply with the Political Reform Act.

Section 4.05 Obligations of Authority. As provided in Section 6508.1 of the Act, the debts, liabilities and obligations of the JPA shall not be the debts, liabilities and obligations of any of the Contracting Parties; provided, however, that any of the Contracting Parties may contract separately for, assume responsibility for, specific liabilities or obligations of the JPA. The provisions of California Government Code Section 6513 are hereby incorporated into this Agreement.

Section 4.06 Lead Agency and Regulatory Approvals. The JPA shall be the lead agency for the purposes of compliance with the California Environmental Quality Act ("CEQA") for any discretionary acts of the JPA which may have an effect on the environment.

Section 4.07 Separate Entity and Insurance. The JPA is a separate legal entity from each of the Contracting Parties. The JPA shall procure such general liability insurance, as the Board may approve.

ARTICLE V. CONTRIBUTIONS, ACCOUNTS, FUNDS AND REVENUE PARTICIPATION

Section 5.01 Contributions to JPA. Subject to the approval of its Regional Council, the Federal Highway Administration and the Federal Transit Authority, SCAG shall contribute initial funding to the JPA, in an amount to be determined at a later date, to assist in the JPA's planning activities related to the RHST system. Any future funding obligations determined to be necessary above any initial SCAG funding shall be provided proportional to voting rights established in Section 2.03 of this Agreement unless otherwise determined by the Board. The Contracting Parties acknowledge that any SCAG contribution to the JPA shall not limit or otherwise diminish SCAG's obligation, responsibility or ability to continue to study an intra-regional high speed rail system as part of its role as the federally designated MPO for the Southern California region.

Section 5.02 Contracting Parties Contributions. The Contracting Parties may: (a) make contributions to the JPA from their respective treasuries for the purposes set forth herein; (b) make payments of public funds to defray the cost of such purposes; (c) make advances of public

funds for such purposes, such advances to be repaid as provided herein; and (d) use their respective personnel, equipment or property in lieu of other contributions or advances. Unless otherwise agreed to by the Contracting Parties, funding for the operations of the JPA will be proportionate to the voting rights of the Contracting Parties, as well as other source both public and/or private.

Section 5.03 Custody of Funds. Subject to the applicable provisions of any instrument or agreement into which the JPA may enter that otherwise may provide for a trustee to receive, have custody of and disburse JPA funds, the Treasurer of the JPA (as described in Section 3.03 of this Agreement) shall receive, have custody of and disburse JPA funds as nearly as possible in accordance with generally accepted accounting practices and shall make the disbursements required by this Agreement or to carry out any of the provisions of this Agreement. Any and all funds maintained by the Treasurer of the JPA shall be in an independent interest bearing trust account or fund.

Section 5.04 Revenue Participation. Any net revenue above operating expenses and debt service may be distributed proportional to voting rights established in Section 2.05(c) of this Agreement unless otherwise determined by the Board.

Section 5.05 Audits and Reports. There shall be strict accountability of all funds and reporting of all receipts and disbursements. Complete books and accounts shall be maintained by the JPA in accordance with practices established by or consistent with those utilized by the Controller of the State of California for like public agencies, and any practices or procedures required by law. The Auditor-Controller shall make or contract for an annual audit of the accounts and records of the JPA in accordance with Section 6505 of the Act.

Section 5.06 Inspection of Records. At any time during normal business hours and as often as any of the Contracting Parties deems necessary, the JPA shall, make available to the Contracting Party(ies) for examination, at reasonable locations to be determined by the JPA, all of the data and records with respect to the JPA and all matters covered by this Agreement. The JPA shall permit the Contracting Party(ies) to make audits of all invoices, materials, payrolls, records of personnel and consultants, and other data and media relating to the matters covered by this Agreement, at the cost and expense of the Contracting Party(ies) seeking the audit and inspection.

ARTICLE VI. TERM

Section 6.01 Term. This Agreement shall become effective on the date that this Agreement has been approved by the Contracting Parties, and shall continue in perpetuity, or until terminated in accordance with Section 6.04 of this Agreement.

Section 6.02 Withdrawal or Cancellation. Any Contracting Party may withdraw from the JPA and terminate its participation in this Agreement by adoption of a resolution of withdrawal by the governing body of the withdrawing Contracting Party, and the provision

thereof to all other Contracting Parties at least thirty (30) days prior to the effective date of withdrawal. Upon the effective date of withdrawal, this Agreement shall be deemed automatically amended to reflect the deletion of the withdrawing Contracting Party.

Section 6.03 Effect of Withdrawal or Cancellation. Upon a Contracting Party's withdrawal, any assets represented by the accumulated capital contribution account of the withdrawing Contracting Party, shall remain subject to the JPA control, use and depreciation without compensation until this Agreement is terminated. Withdrawal shall not relieve the withdrawing Contracting Party of any financial obligations or liability arising prior to withdrawal. Each Contracting Party agrees to negotiate in good faith and execute such amendments to this Agreement as may be necessary to equitably adjust the appointment and voting procedures for Directors as set forth in this Agreement, necessitated by a Contracting Party's withdrawal.

Section 6.04 Termination. Except as otherwise provided in this Agreement, this Agreement may be terminated by a majority of the Contracting Parties after issuance of a 90-day Notice of Intent to Terminate Participation is issued by one of the Contracting Parties to the remaining Contracting Parties. In the event that the JPA has outstanding liabilities or obligations, such liabilities or obligations must be satisfied or provided for prior to termination of this Agreement.

Section 6.05 Distribution of Assets. Upon termination of this Agreement, and after the payment of all outstanding debts, liabilities, obligations, or other expenses incurred by the JPA , any assets of the JPA shall be distributed among the Contracting Parties in the same proportion as that reflected in the Contracting Parties' accumulated capital contribution accounts, as shown in the JPA's book of accounts.

ARTICLE VII. PLANNING, DEVELOPMENT AND CONTRACTS

Section 7.01 Existing Agreements. SCAG shall provide the JPA with copies of documentation and information relative to any extant agreements, actions and on-going efforts to secure additional funding and financing for RHST. SCAG shall also provide the JPA with all background information and documentation regarding Phases 1 and 2 of the RHST planning process undertaken by SCAG. The JPA shall assume management of the planning process when the initial SCAG funding is received.

Section 7.02 Annual Work plan and Budget. The Board shall annually prepare, or cause to be prepared, a work plan and budget. The budget shall indicate the anticipated sources of revenues and the anticipated uses of such revenues. The work plan shall outline the activities and priorities of the JPA for the following year. The work plan shall be consistent with the adopted mission, vision and goals and must comply with all Board adopted policies, goals and objectives. Both the work plan and budget shall be prepared in sufficient detail to constitute an operating outline for the JPA, and shall identify the sources and amount of funds available to the JPA, if any, and expenditures to be made during the ensuing fiscal year, if any, to effectuate the

purposes of this Agreement. The Board shall adopt the annual work plan and budget by June 30th of each year.

Section 7.03 Committees. The Board may form technical and/or policy committees to conduct detailed work and make preliminary recommendations to the Board. The Board may delegate representation on such committees and set the terms of its membership.

Section 7.04 Procurement Authority. Final authority for purchasing actions and decisions rests with the Board. The Board may adopt procurement and materials management procedures and guidelines needed to implement and supplement the policies and standards set forth in this Agreement. Any such procedures and guidelines shall provide for timely review and processing of all procurement actions, and shall ensure that materials, services, and construction are obtained timely, efficiently and economically, while adhering to principles of good public policy and practices and sound business judgment. The JPA shall comply with all applicable laws in its procurement activities, including but not limited to the provisions of Part 1 of Division 2, commencing with Section 1100, and Articles 1, 1.5, 1.7, and 1.8 of Chapter 1 of Part 3 of Division 2, commencing with Section 20100, of the California Public Contract Code.

ARTICLE VIII. MICELLANEOUS PROVISIONS

Section 8.01 Notices. Whenever a notice is required under this Agreement, such notice shall be in writing and shall be sufficient if delivered to the addresses specified below. Notice shall be effective on the next business day after delivery by whatever means prior to 5:00 p.m. to the addresses specified below. Any change of address shall be given in writing in accordance with this Section 8.01.

Los Angeles:	City of Los Angeles Department of Transportation 100 South Main Street, 10th Floor Los Angeles, CA 90012 Attn: General Manager City of Los Angeles Office of the City Attorney 200 North Main Street Los Angeles, CA 90012 Attn: General Counsel Practice Group
With copies to:	City of Los Angeles Office of the City Administrative Officer 200 North Main Street Los Angeles, CA 90012 Attn: City Administrative Officer

City of Los Angeles
Office of the Chief Legislative Analyst
200 North Spring Street, Suite 255
Los Angeles, CA 90012
Attn: Chief Legislative Analyst

City of Los Angeles
Office of the Mayor
200 North Spring Street, Suite 303
Los Angeles, CA 90012
Attn: Transportation

Ontario:

City of Ontario
Office of the City Manager
303 East B Street
Ontario, CA 91764
Attn: City Manager

With copy to:

City of Ontario
Office of the City Attorney
c/o Best Best & Krieger
400 Mission Square
3750 University Avenue
P. O. Box 1028
Riverside, CA 92502
Attn: City Attorney

West Covina:

City of West Covina
City Hall
1444 West Garvey Avenue
P.O. Box 1440
West Covina, CA 91793
Attn: City Manager

With copy to:

City of West Covina
Office of the City Attorney
c/o Alvarez-Glasman & Colvin
13181 Crossroads Parkway North
Suite 400, West Tower
City of Industry, CA 91746
Attn: City Attorney

SCAG: Southern California Association of Governments
818 West Seventh Street, 12th Floor
Los Angeles, CA 90017
Attn: Executive Director

Section 8.02 Section Headings. All section headings in this Agreement are for convenience or reference only and are not to be construed as modifying or governing the language in the section referred to or defining or limiting the scope of any provision of this Agreement.

Section 8.03 Consent. Whenever in this Agreement any consent of approval is required, it shall be made in writing.

Section 8.04 Laws Governing. This Agreement is made in the State of California under the constitution and laws of the State of California and is to be construed and interpreted in accordance with the laws of the State of California. Any legal disputes arising from or related to this Agreement shall be resolved in the State of California by an administrative or judicial body.

Section 8.05 Dispute Resolution. If a dispute arises between the JPA and a Contracting Party, the following procedures are to be followed:

(a) Request for Reconsideration. The Contracting Party will make a written request to the JPA to reconsider its position, citing the arguments in favor of the Contracting Party and any applicable case law that applies. The matter will be brought to the Board of Directors for reconsideration upon request of the Contracting Party. The Board member(s) appointed by the Contracting Party requesting reconsideration shall be deemed to have a conflict and shall be excluded from any vote. The Contracting Party can also request a personal presentation to the Board, if it so desires.

(b) Mediation. If the Contracting Party is not satisfied with the outcome of the reconsideration, the next step in the appeals process is mediation. The matter will be submitted to a mutually-agreed-upon mediator for determination. The cost of the mediation will be shared equally by the involved Contracting Party and the JPA.

(c) Litigation. If, after following the dispute resolution procedures set forth above, either party is not satisfied with the outcome of the mediation, either party may consider litigation as a possible remedy to the dispute.

Section 8.06 Amendments. This Agreement may be amended at any time, or from time to time, by one or more supplemental written agreements executed by the Contracting Parties either as required in order to carry out any of the provisions of this Agreement or for any other purposes of this Agreement.

Section 8.07 Enforcement by JPA. The JPA is hereby authorized to take any or all legal or equitable actions, including but not limited to injunction and specific performance, necessary or permitted by law. The rights and remedies of any party hereto are cumulative and not in the alternative.

Section 8.08 Severability. Should any part, term or provision of this Agreement be deemed by any court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby and shall remain in full force and effect.

Section 8.09 Waiver. Neither the failure nor the delay by any party hereto, in exercising any right, power or privilege will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege.

Section 8.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute one and the same Agreement.

Section 8.11 Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors of each of the Contracting Parties, respectively. No Contracting Party may assign any right or obligation hereunder without the written consent of the other Contracting Parties.

Section 8.12 New Contracting Parties. As new stations are identified and added to the IOS by affirmative decision of the Board, those affected municipal jurisdictions or public agencies shall be provided an opportunity to participate as a Contracting Party to this Agreement. If any station is deleted from the IOS by affirmative decision of the Board, the affected municipal jurisdiction shall withdraw from this Agreement pursuant to the procedures set forth in Section 6.02.

Section 8.13 Privileges and Immunities. All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits that apply to the activities of officers, agents or employees of a public agency when performing their respective functions within the territorial limits of their respective public agencies, shall apply to the officers, agents or employees of the JPA to the same degree and extent while engaged in the performance of any of the functions and duties of such officers, agents or employees extraterritorially under this Agreement.

Section 8.14 Fiscal Year. The fiscal year of the JPA, unless and until changed by the JPA, shall commence on the 1st day of July of each year and shall end on the 30th day of June of the next succeeding year.

Section 8.15 Legal Services. The JPA may contract to employ independent legal counsel to advise and/or represent the JPA. The costs of independent counsel shall be divided according to the proportional voting rights of the Contracting Parties as set forth in Section 2.03 of this Agreement.

Section 8.16 Staff. The JPA shall not be obligated to employ existing individuals currently working at or for SCAG on RHST or Maglev (a high-speed elevated monorail system to move people and/or goods) projects. The JPA shall provide appropriate office space for its staff with necessary equipment, including telephones, furniture, computers and other office supplies.

Section 8.17 Further Assurances. The Contracting Parties agree, promptly upon request, to furnish, execute and deliver to each other all such further information, and to perform or refrain from performing all such actions, as the requesting Contracting Party may reasonably request for the purpose of carrying out the intent of this Agreement.

IN WITNESS WHEREFORE, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized and their official seals to be hereto affixed as of the date herein above written.

Dated: _____

APPROVED AS TO FORM:
ROCKARD J. DELGADILLO,
CITY ATTORNEY

By: _____
City Attorney

CITY OF LOS ANGELES:
CITY OF LOS ANGELES, a municipal corporation

By: _____

Its: _____

Dated: _____

APPROVED AS TO FORM:

_____,
CITY ATTORNEY

By: _____
City Attorney

CITY OF ONTARIO:
CITY OF ONTARIO, a municipal corporation

By: _____

Its: _____

Rev. 12/11/07

Dated: _____

APPROVED AS TO FORM:

_____,
CITY ATTORNEY

By: _____
City Attorney

CITY OF WEST COVINA:
CITY OF WEST COVINA, a municipal corporation

By: _____

Its: _____

Dated: _____

APPROVED AS TO FORM:

_____,

By: _____
Legal Counsel

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS:
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS, a joint powers agency

By: _____

Its: _____