

Humboldt Transit Authority

Governing Board of Directors

AGENDA

Regular Meeting – March 21, 2012
HTA Conference Room - 133 V Street Eureka
9:00 a.m.

I. Call meeting to Order

II. Roll Call & Introductions

III. Approval of minutes

Page 01

- a. Minutes from the February 15, 2012 regular board meeting
***Action Recommended: Make corrections, if necessary.
Approve minutes.***

IV. Citizens Communications

Members of the community are invited to comment on items or issues not on the agenda

V. Consent Calendar

Recommended Action: By motion, recommend the approval of the following items considered to be routine and enacted on one motion. Items may be removed from the Consent Calendar upon request and will be heard separately.

- a. 5311 (f) Operating Assistance Application for the Southern Humboldt Intercity Bus System

Page 04

The Federal Transit Administration has funding available for Intercity services through the Section 5311(f) program. HTA staff wishes to apply for these funds for the Southern Humboldt Intercity Bus System.

Action Recommended: Adopt Resolution 12-03 authorizing staff to apply for FTA Section 5311(f) funds in the amount of \$163,224 for the Southern Humboldt Intercity Bus System.

- b. 5311 (f) Operating Assistance Application for the Willow Creek Extension

Page 06

The Federal Transit Administration has funding available for Intercity services through the Section 5311(f) program. HTA staff wishes to apply for these funds for the Willow Creek Extension.

Action Recommended: Adopt Resolution 12-04 authorizing staff to apply for FTA Section 5311(f) funds in the amount of \$78,898 for the Willow Creek Extension.

- c. Amendment to 10/11 State Transportation Improvement Program (STIP) Resolution Page 08
Staff is requesting an amendment to the adopted Resolution 10-03(a) authorizing General Manager Greg Pratt to sign all contracts or agreements.
Action Recommended: Adopt Resolution 10-03(b) amending the resolution to authorize General Manager Greg Pratt to sign all contracts or agreements
- d. Amendment to Quail Bus Purchase Page 10
Staff is requesting an amendment to the adopted resolution authorizing General Manager Greg Pratt to sign all contracts or agreements.
Action Recommended: Adopt Resolution 11-09(a) amending the resolution to authorize General Manager Greg Pratt to sign all contracts or agreements.
- e. Willow Creek Extension Bus Replacement Page 12
Staff is requesting using Restricting funds in the amount of \$168,815 and \$16,185 in Murray Method Money to purchase a replacement bus for the Willow Creek Extension.
Action Recommended: Authorize General Manager Greg Pratt to purchase a replacement bus for the Willow Creek Extension by using 168,815 in Restricted Funds and \$16,185 in Transportation Development Act Funds.
- VI. Items Removed from the Consent Calendar
- VII. Discussion Agenda
- a. Year to date financial statements for all systems operated by HTA (Enclosed)
Year to date ridership statistics for all systems operated by HTA
Action Necessary: Receive, receive, and file
- b. Responses to the 2010-11 Fiscal and Compliance Audit Page 13
Staff has prepared responses to the finding from the 2010-11 Fiscal and Compliance Audit.
Action Recommended: 1.) Review and discuss. 2.) If approved, direct staff to prepare the responses as recommended above and authorize the General Manager to notify the affected member entities for this request. 3.) Authorize the restriction of funds as follows:
Willow Creek: \$18,094 for Capital Purchases
Southern Humboldt Deviated: \$1,720 for Capital Purchases
- c. Legal Counsel for the Humboldt Transit Authority Page 15
Humboldt Transit Authority's former legal counsel's contract ended in October 2011. Since that time HTA has utilized the services of special counsel to fill the gap. The board will address the matter of securing a contractual relationship for dedicated legal counsel services.
Action Recommended: Approve the contract between Attorney Nancy Diamond and The Humboldt Transit Authority for legal Services

d. Joint Powers Agreement Shared Costs

Councilmember Michael Winkler from Arcata requested that the Humboldt Transit Authority discuss updating the Joint Powers Agreement to reflect data from the 2010 Census.

Action Recommended: Review, Discuss and Direct Staff

VIII. Communications

a. Board:

b. Staff:

i. Operations – Southern Humboldt

ii. Maintenance – Bus Acquisitions

IX. Adjournment

MINUTES FOR THE HUMBOLDT TRANSIT AUTHORITY

BOARD MEETING

February 15, 2012

ROLL CALL

PRESENT

Board Members

Linda Atkins, Eureka

Michael Winkler, Fortuna

Bud Leonard, Rio Dell, Alt

Jimmy Smith, Humboldt County

Mark Lovelace, Humboldt County

ABSENT

Julie Fulkerson, Trinidad

Staff

Greg Pratt, General Manager

Laura Shodall, Administrative and Finance Manager

Jim Wilson, Equipment and Facilities Manager

Brenda Fregoso, Secretary to the Board

Karen Wilson, Operations Manager

CALL TO ORDER

Chairperson Atkins called the meeting to order at 9:04 a.m.

INTRODUCTIONS

An introduction from each board member was given and the following introductions were made; Larry Pardi, Arcata Transit, Neleen Fregoso, Fortuna resident, Barbara O'Neal, Humboldt Transit Authority's Consultant and Rod Christensen from the public.

MINUTES

Motion by Councilmember Lovelace, second by Councilmember Leonard to approve the corrected minutes from the September 30, 2011 special board meeting, October 19, 2011 regular board meeting and January 18, 2012 regular board meeting.

Motion carried unanimously

CITIZENS COMMUNICATIONS

Rod Christensen from the public thanked Chairman Lovelace and staff for last year's service.

DISCUSSION AGENDA

a. Fiscal and Compliance Audit

Pursuant to the Transportation Development Act Section 99260, the California Administrative Code; and, the rules and regulations of the Humboldt County Association of Governments, the Humboldt Transit Authority is audited on an annual basis to determine compliance with the same. The audit is conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and the provisions of the *Office of Management and Budget Circular A-128, Audits of the State and Local Government* to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Keith Borges from the firm Anderson, Lucas, Somerville and Borges was present at the board meeting to address the 2010-11 audit. Borges reviewed highlights as well as issues that were noted during the course of the audit.

The board directed staff to prepare the appropriate responses to the notes listed in the audit.

b. Classification Plan, Salary Schedule and Personnel Policy Manual for Unrepresented Employees.

The board considered rescinding the Salary Manual (adopted as Resolution 08-06) and replacing it with three separate tools; a Classification Plan, Salary Schedule and Personnel Policy Manual for Unrepresented Employees and Job Descriptions. Councilmember Glaser requested several changes he would like to see in the policy manual. Councilmember Winkler also made some corrections to the spelling.

Motion by Councilmember Glaser and second by Councilmember Winker to adopt Resolution 12-01 Rescinding the Humboldt Transit Authority Salary Manual and Adopting a Personnel Policy Manual for Unrepresented Employees with the following changes; correction of typos, Veteran and Armed Forces Reservist right to employment following active duty, remove the language that unrepresented retirees receive a lifetime bus pass and consult legal counsel regarding children in the workplace.

Motion carried unanimously

c. STIP Application

Staff recommended submitting an application for State Transportation Improvement Program Funds in the amount of \$425,000 to purchase one (1) diesel electric hybrid bus.

Motion by Councilmember Glaser, second by Councilmember Winkler to adopt Resolution 12-02; authorizing Humboldt Transit Authority inclusion in the 2011-2012 Regional Transportation Improvement Program and the submission of an application for capital equipment.

Motion carried unanimously

d. 5311 Operation Assistance

Staff recommended submitting an application for 5311 Regional Apportionment in the amount of \$259,929 to be used for operating assistance for RTS.

Motion by Councilmember Leonard, second by Councilmember Lovelace authorizing Humboldt Transit Authority to submit an application for 5311 Regional Apportionment in the amount of \$259,929.

Motion carried unanimously

e. Transit Consultant Contracts

Staff requested assistance from transit consultants to provide short-term, on-call training and assistance for newly appointed General Manager, Greg Pratt.

Pratt explained that he was requesting the services of two different consultants inasmuch as they are specialized in their areas of expertise. Pratt also advised the board that he took a voluntary reduction in salary when he accepted the General Manager's position knowing he would need training.

Motion by Supervisor Smith, second by Councilmember Leonard, authorizing General Manager Pratt to sign consulting contracts with Neleen Fregoso and Doug Langille.

Ayes: Winkler, Atkins, Leonard, Smith and Lovelace

Noes: Glaser

Abstained: none

Motion passed

COMMUNICATIONS

Staff:

JPA shared Costs

Pratt advised the board that the possible revisions to the HTA JPA member's share of cost will go to the SCC and TAC for recommendations.

RTS Sunday Service

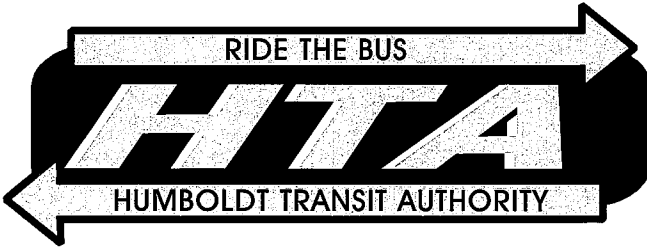
Pratt advised the board that the RTS Sunday service will go to the TAC subcommittee for funding recommendations.

Board:

Councilmember Winkler requested that a non taxable employee benefit that would be for employees who ride the bus be added to a future board agenda.

ADJOURNMENT

Chairperson Atkins adjourned the meeting at 10:25 a.m.



*A Public Entity Serving
Humboldt County Since 1976*

133 "V" Street, Eureka, CA 95501-0844

(707) 443-0826

TO: Linda Atkins, Chairperson
All Governing Board Members

FROM: Greg Pratt, General Manager

DATE: March 21, 2012

SUBJECT: Federal Transit Administration Section 5311(f) Grant Funds for the
Southern Humboldt Intercity Bus System

The California Department of Transportation has notified it's subrecipients that there are FTA Section 5311(f) grant funds available for intercity bus services. Staff is requesting authorization to apply for these funds in the amount of \$163,224 to partially fund the Eureka/Garberville intercity bus service.

Staff Recommendation: Staff is recommending that HTA apply for this funding source. If our grant application is successful this program will provide 55% of the funding necessary to operate the Southern Humboldt intercity bus system.

Action Recommended: Adopt Resolution 12-03 authorizing staff to apply for FTA Section 5311(f) funds in the amount of \$163,224 for the Southern Humboldt Intercity Bus System

RESOLUTION NO. 12-03

AUTHORIZING APPLICATION FOR FTA SECTION 5311(f) GRANT FUNDS AND
THE GENERAL MANAGER TO SIGN THE GRANT AGREEMENT

WHEREAS, the Humboldt Transit Authority (hereinafter "HTA"), a joint powers public entity consisting of the Cities of Arcata, Eureka, Fortuna, Rio Dell and Trinidad and the County of Humboldt, operates a public bus service called the Redwood Transit System; and,

WHEREAS, HTA desires to make use of such Federal Transit Administration ("FTA") Section 5311(f) grant funds as may be available to operate an intercity bus service.

NOW THEREFORE, BE IT RESOLVED that the HTA Governing Board authorizes the HTA General Manager, Greg Pratt, to submit an application to the Humboldt County Association of Governments for inclusion in the Regional program of projects, and thereafter to CalTrans, for FTA Section 5311(f) grant funds to be used to operate an intercity commuter bus service between Eureka and Garberville, CA. of which \$163,224 is to be paid with grant funds, and of which \$131,776 is to be paid with matching funds; and,

BE IT FURTHER RESOLVED that upon award of the grant for this application for FTA Section 5311(f) operating assistance, and subject to the terms and conditions thereof, the HTA General Manager, Greg Pratt, is hereby authorized to sign, on behalf of HTA, the Standard Agreement with the California Department of Transportation.

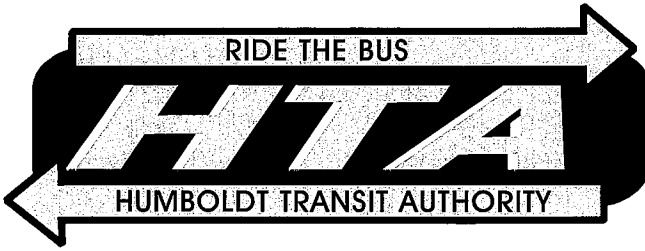
PASSED, APPROVED AND ADOPTED this twenty-first day of March, 2012, on the following vote:

AYES:
NOES:
ABSENT:

Chairman of the HTA Board of Directors

ATTEST:

HTA Secretary



*A Public Entity Serving
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133 "V" Street, Eureka, CA 95501-0844

(707) 443-0826

TO: Linda Atkins, Chairperson
All Governing Board Members

FROM: Greg Pratt, General Manager

DATE: March 21, 2012

SUBJECT: Federal Transit Administration Section 5311(f) Grant Funds for the Willow Creek Extension

The California Department of Transportation has notified it's subrecipients that there are FTA Section 5311(f) grant funds available for intercity bus services. Staff is requesting authorization to apply for these funds in the amount of \$78,898 to partially fund the Willow Creek Extension bus service. \$22,902 in FTA Section 5311(f) Grant Funds have already been programed to HTA for 2012.

Staff Recommendation: Staff is recommending that HTA apply for this funding source. If our grant application is successful this program will provide 55% of the funding necessary to operate the Willow Creek Extension bus service.

Action Recommended: Adopt Resolution 12-04 authorizing staff to apply for FTA Section 5311(f) funds in the amount of \$78,898 for the Willow Creek Extension.

RESOLUTION NO. 12-04

AUTHORIZING APPLICATION FOR FTA SECTION 5311(f) GRANT FUNDS AND
THE GENERAL MANAGER TO SIGN THE GRANT AGREEMENT

WHEREAS, the Humboldt Transit Authority (hereinafter "HTA"), a joint powers public entity consisting of the Cities of Arcata, Eureka, Fortuna, Rio Dell and Trinidad and the County of Humboldt, operates a public bus service called the Redwood Transit System; and,

WHEREAS, HTA desires to make use of such Federal Transit Administration ("FTA") Section 5311(f) grant funds as may be available to operate an intercity bus service.

NOW THEREFORE, BE IT RESOLVED that the HTA Governing Board authorizes the HTA General Manager, Greg Pratt, to submit an application to the Humboldt County Association of Governments for inclusion in the Regional program of projects, and thereafter to CalTrans, for FTA Section 5311(f) grant funds to be used to operate an intercity commuter bus service between Arcata and Willow Creek, CA. of which \$78,898 is to be paid with grant funds, and of which \$82,187 is to be paid with matching funds; and,

BE IT FURTHER RESOLVED that upon award of the grant for this application for FTA Section 5311(f) operating assistance, and subject to the terms and conditions thereof, the HTA General Manager, Greg Pratt, is hereby authorized to sign, on behalf of HTA, the Standard Agreement with the California Department of Transportation.

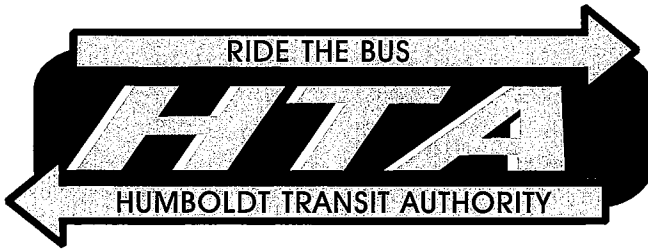
PASSED, APPROVED AND ADOPTED this twenty-first day of March, 2012, on the following vote:

AYES:
NOES:
ABSENT:

Chairman of the HTA Board of Directors

ATTEST:

HTA Secretary



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133 "V" Street, Eureka, CA 95501-0844

(707) 443-0826

TO: Linda Atkins, HTA Chairperson
All Governing Board Members

FROM: Greg Pratt, HTA General Manager

DATE: March 21, 2012

SUBJECT: Amendment to 2010/11 State Transit Improvement Program (STIP)
Resolution

In August of 2010 staff requested authorization to purchase one transit bus using programmed State Transportation Improvement Project Funds in the amount of \$379,000. These funds were solicited back in 2008. When staff submitted the application in 2010, Neleen Fregoso was the General Manager and was given authorization by the board to sign and execute all contracts pertaining to the STIP funds.

The diesel/electric bus is scheduled for production at the end of this year and contracts and agreements will need to be signed. An amendment to Resolution 10-03 (a) needs to be made to give the current General Manager Greg Pratt the authorization to do so.

Action Recommended: Adopt Resolution 10-03(b) amending the resolution to authorize General Manager Greg Pratt to sign all contracts or agreements

RESOLUTION NO. 10-03(b)

AUTHORIZING HUMBOLDT TRANSIT AUTHORITY INCLUSION IN THE 2010-
2011
REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM
AND THE SUBMISSION OF AN APPLICATION FOR CAPITAL EQUIPMENT

WHEREAS, the Humboldt Transit Authority (hereinafter "HTA"), a joint powers entity consisting of the Cities of Arcata, Eureka, Fortuna, Rio Dell and Trinidad and the County of Humboldt, operates a public bus service called the Redwood Transit System; and,

WHEREAS, HTA desires to make use of such State and Regional Transportation Improvement Program funds as may be available to make necessary equipment purchases;

WHEREAS, HTA desires to submit an application for funding to purchase a replacement bus, specifically: one 40-foot diesel/electric hybrid transit bus, equipped with a wheelchair lift and two-way radio. The application is for grant funds in the amount of \$379,000, with a required local match of \$200,000 resulting in a total project cost of \$579,000.

NOW THEREFORE, BE IT RESOLVED that the HTA Governing Board authorizes the HTA General Manager, Greg Pratt, to submit an application to the Humboldt County Association of Governments for inclusion in the Regional Transportation Improvement Program and the State Transportation Improvement Program to purchase one transit bus.

BE IT FURTHER RESOLVED that the Board authorizes General Greg Pratt to sign necessary contracts or agreements for such program inclusion. General Manager Greg Pratt is authorized to submit applications, to sign necessary contracts or agreements for procurement of the capital equipment purchased within the program guidelines and restrictions. General Manager Greg Pratt is authorized to utilize the HTA Equipment Reserve Fund for local match portion requirement for such purchases.

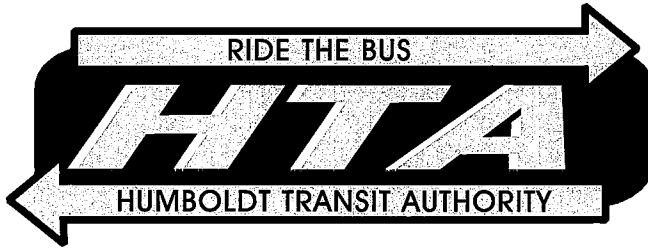
PASSED, APPROVED AND ADOPTED this twenty first day of March, 2012, on the following vote:

AYES:
NOES:
ABSENT:

Chairman of the HTA Governing
Board of Directors

ATTEST:

HTA Secretary



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133 "V" Street, Eureka, CA 95501-0844

(707) 443-0826

TO: Linda Atkins, HTA Chairperson
All Governing Board Members

FROM: Greg Pratt, HTA General Manager

DATE: March 21, 2012

SUBJECT: Amendment to Quail Bus Purchase

At the November 16, 2011 Humboldt Transit Authority's regular board meeting, the board authorized, then Chairman Mark Lovelace, to replace the old Quail bus which was over 9 years old and past it's useful life for operation. Restricted net assets were to be used in the amount of \$151,501.

The Quail bus replacement bus is in production and is due to be finished by April of this year and contracts and agreements will need to be signed to complete the purchase. At the time that Resolution 11-09 was adopted, Greg Pratt was the interim General Manager and did not have the authority to sign contracts over \$1,000 and Supervisor Mark Lovelace is no longer the Chairman.

To better expedite this process, staff is requesting an amendment be made to give the current General Manager Greg Pratt the authority to sign.

Action Recommended: Adopt Resolution 11-09(a) amending the resolution to authorize General Manager Greg Pratt to sign all contracts or agreements

RESOLUTION NO. 11-09 (a)

AUTHORIZING HUMBOLDT TRANSIT AUTHORITY GENERAL MANAGER TO
PURCHASE A REPLACEMENT BUS FOR THE SOUTHERN HUMBOLDT DEVIATED
FIXED ROUTE

WHEREAS, the Humboldt Transit Authority (hereinafter "HTA"), a joint powers entity consisting of the Cities of Arcata, Eureka, Fortuna, Rio Dell and Trinidad and the County of Humboldt, operates a public bus service called the Southern Humboldt Deviated Fixed Route; and,

WHEREAS, HTA desires to make use of Restricted for Capital Purchase funds as may be available to make necessary equipment purchases;

WHEREAS, HTA desires to purchase a replacement bus, specifically: one 25-foot transit bus, V10 gasoline-powered and equipped with a wheelchair lift, two-way radio and gps/avl equipment. The request is for Restricted funds in the amount of \$91,034.62,

NOW THEREFORE, BE IT RESOLVED that HTA purchase one 25-foot transit bus with restricted funds dedicated to that purpose.

BE IT FURTHER RESOLVED that the Board authorizes HTA General Manager Greg Pratt to complete purchase transactions and to sign necessary contracts or agreements.

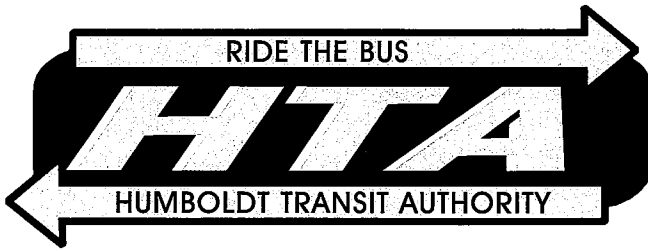
PASSED, APPROVED AND ADOPTED this twenty-first day of March 2012, on the following vote:

AYES:
NOES:
ABSENT:

Chairman of the HTA Governing
Board of Directors

ATTEST:

HTA Secretary



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133 "V" Street, Eureka, CA 95501-0844

(707) 443-0826

TO: Linda Atkins, HTA Chairperson
All Governing Board Members

FROM: Greg Pratt, HTA General Manager

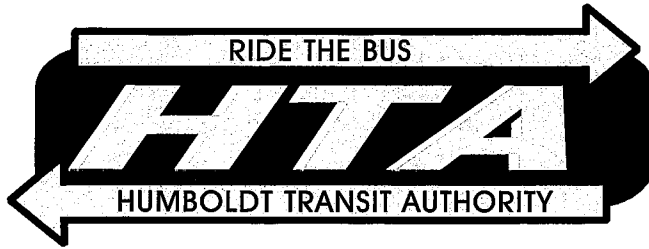
DATE: March 21, 2012

SUBJECT: Willow Creek Extension Bus Replacement

Currently, the Willow Creek Extension has two buses that are past their useful life and are in need of being replaced. Coupled with the fact that 8 hours of driving on Saturday will be added to the schedule in July, new equipment will ensure the continued reliability the service has had over the years.

There is \$168,815 in Restricted Reserves for Willow Creek that can be used along with utilizing \$16,185 that is available in the Murray Method account to pay for a new 32-foot diesel bus.

Action Recommended: Authorize General Manager Greg Pratt to purchase a replacement bus for the Willow Creek Extension by using 168,815 in Restricted Funds and \$16,185 in Transportation Development Act Funds.



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133 "V" Street, Eureka, CA 95501-0844

(707) 443-0826

TO: All Governing Board Members
FROM: Laura Shodall, Administration & Finance Manager
DATE: March 21, 2012
SUBJECT: Responses to the FY 2010-11 TDA Fiscal and Compliance Audit

This is to acknowledge the management letter (attached) of November 4, 2011, from Anderson, Lucas, Somerville, & Borges, LLP the certified public accounting firm who performed the audit. Staff has reviewed the report of the Audit of the Humboldt Transit Authority for the Year Ended June 30, 2011, and related comments regarding their findings. The following represents our recommended responses to the same:

CURRENT YEAR FINDINGS

1. Reevaluation and Improvement of Financial Accounting and Reporting

Finding: HTA's accounting department is bogged down with day to day responsibilities of a growing and expanding agency, which negatively impacts it's ability to produce data and reports as quickly and efficiently as HTA needs. This fact also results in HTA's inability to coordinate longer-range analysis, reporting and planning into normal routine.

Solution: Staff is moving towards the goal in integrating software products currently used. Eliminating differing products and streamlining financial functions will ultimately save staff time, creating a venue for tabulating information timelier, reducing errors or requiring edits, and setting in motion a more formal closing process. Streamlining will also create the ability to look further out into the future in regards to planning and forecasting. To this end we have:

- a. Improved tracking of ticket card stock by implementing a new bus ticket inventory system.
- b. Purchased with grant funds, HTA is currently implementing new payroll software that coordinates with the existing accounting software.
- c. Re-evaluating other currently used financial software with an eye towards eliminating it altogether, or replacing it with Excel.

- d. Implemented new internal processes and controls related to employee documentation related to staff vacations and advances.
- e. Currently redefining our chart of accounts and certain reporting techniques to further come into compliance with GAAP (Generally Accepted Accounting Principals). We will also evaluate the need to hire an outside professional as we did (based on Auditor suggestion) for the FY 2010-11 audit preparation.
- f. We have redefined individual staff roles with regard to more segregation of duties.

2. Compliance with TDA Fund Eligibility

Finding: Excess operating funds received. \$1,720 for the SoHum Local and \$18,094 for the Willow Creek Extension.

Solution: Staff recommends following the auditor's solution (b) for both systems, by requesting that the member entities amend their 2011-12 claims to reflect the restricting of the excess funds for capital expenditures.

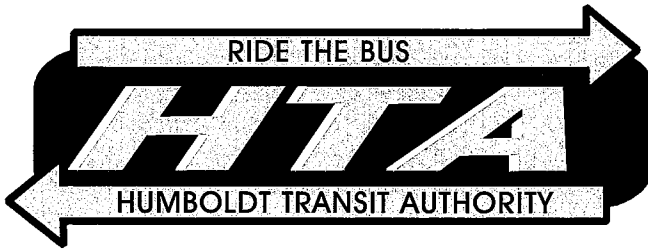
3. Compliance with TDA Minimum Farebox Recovery Ratio

Finding: Per TDA section 99268.8, minimum farebox ratios do not apply to extension services until two years after the end of the fiscal year in which the extension service was put into operation. The SoHum Local service did not meet it's required farebox ratio, but is exempted from the requirement until June 30, 2012.

Solution: Staff is currently analyzing population needs in the SoHum Local service area. We are also acquiring more funding for additional bus stop improvements, redefining schedules, coordinating advertising schemes, and are in dialogue with HCAOG. We are also closely monitoring the SoHum Local farebox ratio as the months progress.

Action Necessary: 1. Review and discuss. 2. If approved, direct staff to prepare the responses as recommended above and authorize the General Manager to notify the affected member entities of this request. 3. Authorize restriction of funds as follows:

SoHum Local	\$1,720 for Capital Purchases
Willow Creek	\$18,094 for Capital Purchases



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Humboldt County Since 1976*

133 "V" Street, Eureka, CA 95501-0844

(707) 443-0826

TO: Linda Atkins, Chairperson
All Governing Board Members

FROM: Greg Pratt, General Manager

DATE: March 21, 2012

SUBJECT: Legal Counsel for the Humboldt Transit Authority

Jason Garlick served as Humboldt Transit Authority's Legal Counsel until October 28, 2011 when he terminated his contract. Attorney Nancy Diamond has acted as Special Counsel when needed since that time.

At the October 19, 2011 Regular HTA meeting, the Board directed the Executive Personnel Subcommittee to have discussions with Nancy Diamond about obtaining her services as legal counsel for the Humboldt Transit Authority.

Action Recommended: Approve the contract between Attorney Nancy Diamond and The Humboldt Transit Authority for legal Services.

**CONTRACT FOR LEGAL SERVICES
HUMBOLDT TRANSIT AUTHORITY
AND
LAW OFFICES OF NANCY DIAMOND**

THIS CONTRACT FOR LEGAL SERVICES, effective _____ is made by and between HUMBOLDT TRANSIT AUTHORITY, hereinafter referred to as "HTA," and the LAW OFFICES OF NANCY DIAMOND, hereinafter referred to as "Law Firm."

I. SCOPE OF SERVICES

HTA shall retain Law Firm as its counsel, and Law Firm shall provide HTA with advice, counsel and representation in HTA legal matters and litigation pursuant to the terms and conditions hereafter set forth. Nancy Diamond of Law Firm shall be appointed General Counsel to the HTA, hereinafter referred to as "Attorney."

A. Basic Legal Services: Law Firm shall provide the following basic legal services:

Preparation of Documents: Law Firm shall develop, review or comment on ordinances, resolutions, contracts, agreements and other documents at the request of HTA.

Legal Advice: Law Firm shall provide HTA with advice and counsel in oral, written, or electronic form pertaining to Authority legal matters at the request of the General Manager, including but not limited to resolutions, ordinances, claims for damages, and contracts. Law Firm shall be available for consultation with HTA.

B. Other Legal Services: Law Firm shall be available to provide other legal services to HTA as follows:

- Legal review and documents for audits, grant applications and matters pertaining to funding sought or obtained from other governmental entities.
- Legal advice in connection with planning, zoning, and environmental review of major projects proposed for HTA.
- Legal advice in connection with HTA Board meetings and notices, personnel matters, and general operation issues.
- Monitor legal services provided by other attorneys in connection with pending or threatened litigation, including appeals.
- Legal advice to HTA on conflict of interest statutes and financial disclosure laws to insure timely and proper filing of reports.

C. Meetings: Upon request of the Chair of the Board of Directors, the Board of Directors, or the General Manager, Law Firm shall attend meetings of the Board of Directors. Law Firm shall attend staff meetings when requested by the General Manager.

- D. Services Not Covered: It is expressly understood and agreed that Law Firm shall have no general responsibility for overseeing HTA's operations; and that Law Firm shall have no duty or authority to prosecute criminal violation of any law or ordinance, except as otherwise expressly provided by ordinance or resolution of the Board of Directors. It is also understood and agreed that HTA may obtain legal services from time to time from other attorneys concerning special matters.

II. COMPENSATION AND EXPENSE REIMBURSEMENT

- A. Hourly Fee Schedule: HTA agrees to compensate Law Firm for services and expenses incurred on HTA's behalf based on the fee schedule in Exhibit A, attached hereto and incorporated herein.
- B. Travel Reimbursement: If Law Firm is requested by HTA to travel outside of Humboldt County on HTA's business, HTA shall reimburse Law Firm for all travel expenses actually incurred, including reasonable charge for meals (at a maximum equal to the HTA per diem rate), lodging, mileage (at current IRS business rate), airfare, taxi service, ground transportation, parking fees, bridge tolls, and other similar charges. Such reimbursement will only be paid upon submission of an itemized bill and appropriate receipts to the General Manager.
- C. Miscellaneous:
1. Office Expenses: HTA shall reimburse Law Firm for all reasonable costs advanced by Law Firm on HTA's behalf including but not limited to long distance telephone charges, facsimile charges, copying charges, charges for recordation and certification of documents and postal expenses.
 2. Litigation Expenses: HTA shall reimburse Law Firm for all litigation expenses actually advanced by Law Firm on HTA's behalf, including but not limited to court filing fees, jury fees, witness fees, deposition costs, costs of obtaining documents by subpoena and other ordinary and necessary litigation services.
- D. Payment : HTA will pay Law Firm within thirty (30) days after receiving an invoice that itemizes services, time and charges. Law Firm will invoice monthly.

III. CONFLICT OF INTEREST

Law Firm shall be entitled to maintain an active private law practice but will not represent private clients who have a claim adverse to or against HTA. It is understood by HTA that Law Firm represents numerous public agencies within the region, some of which may be member agencies of the HTA. Law Firm may continue to represent other public agencies to the extent that there are no issues between the agencies that would create a conflict of interest. Law Firm believes that the zealousness and commitment with which it will represent HTA will not be impaired by its representation of other public agencies. By signing this contract, HTA acknowledges its understanding of the nature of Law Firm's potential conflicts raised by other agencies. In the event issues arise that may create a conflict of interest, Law Firm shall provide notice to HTA and seek a waiver or disqualification for matters relating to that issue.

If a former client of Law Firm asserts a claim adverse to or in conflict with an interest of HTA or against HTA, and representation of HTA would pose a conflict of interest for Law Firm, Law Firm will promptly disclose the potential conflict to HTA and assist HTA in obtaining separate legal representation acceptable to HTA.

IV. PROFESSIONAL LIABILITY INSURANCE

At all times during this Contract, Attorney shall maintain a policy of professional errors and omissions insurance in the amount not less than Two Million Dollars (\$2,000,000.00) per claim and Two Million Dollars (\$2,000,000.00) annual aggregate.

V. INDEMNIFICATION

Law Firm agrees to indemnify and hold HTA harmless from any and all claims, demands, causes of action, suits and judgments, advanced by any person or person other than Law Firm, whether or not meritorious, which arise in any way out of Law Firm's performance of his duties under this agreement, or out of Attorney holding the office of General Counsel. Law Firm's duty to indemnify shall include a duty to defend HTA in any threatened or pending litigation, and to pay for or reimburse HTA for counsel fees and litigation expenses reasonably incurred in defense of suit threatened or pending litigation.

VI. TERM

This Contract shall be effective through December 31, 2016, unless terminated as provided under Section VII.

VII. TERMINATION OF AGREEMENT

Either party may terminate this Contract by giving thirty (30) days written notice to the other party. In the event of termination, Law Firm shall receive compensation and reimbursement for all services rendered and expenses due at the time of termination.

VIII. CONTRACT TERMS TO BE EXCLUSIVE

This written Contract contains the sole and entire agreement between the parties. It supersedes any and all other agreements between the parties. The parties acknowledge and agree that neither of them has made any representation with respect to the subject matter of this agreement or any representations inducing the execution and delivery hereof except such representations as are specifically set forth herein; and each party acknowledges that it has relied on its own judgment entering into this Contract.

IX. WAIVER OR MODIFICATION INEFFECTIVE UNLESS IN WRITING

No waiver or modification of this Contract or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the party to be charged therewith.

X. CONTRACT GOVERNED BY LAW OF STATE OF CALIFORNIA

This Contract and performance hereunder, and all suits and special proceedings hereunder, shall be construed in accordance with the laws of the State of California. In any action, special proceeding, or other proceeding that may be brought arising out of, in connection with, or by reason of this agreement, the laws of the State of California shall be applicable and shall govern to the exclusion of the law of any other forum, without regard to the jurisdiction in which the action or special proceeding may be instituted.

XI. LAW FIRM IS INDEPENDENT CONTRACTOR

The parties intend that Law Firm shall perform the services required by this Agreement as an independent contractor engaged by HTA and not as an officer or employee of HTA nor as a partner of or joint venturer with Authority. No employee or agent of Law Firm shall be deemed to be an employee, agent, subagent or servant of HTA. Law Firm shall have the exclusive control over the manner and means of performing its obligations hereunder. Law Firm shall be solely responsible for the acts and omissions of its officers, employees, subcontractors and agents. Neither Law Firm nor its officers, employees, subcontractors and agents shall obtain any rights to retirement benefits, workers compensation benefits, or any other benefits which accrued to HTA employees. Nothing herein shall be construed as creating the duty of the HTA to supervise or control the acts or omissions of Law Firm or any person performing performance obligations hereunder.

XII. CONFIDENTIALITY

The Law Firm's services, advice, and representation shall be provided exclusively to the HTA and all records, data, and information coming into Law Firm's possession or knowledge for the HTA during the course of Law Firm's performance of services hereunder, shall be maintained in strictest confidence, except as needed or required for case preparation or presentation, and shall not be disclosed or furnished to any persons, firm, or agency without the express consent of HTA.

XIII. COMPLIANCE WITH APPLICABLE LAW

In the performance of services pursuant to the terms and provisions of this Agreement, Law Firm shall comply with all applicable Federal, State, county, and municipal laws, regulations, rules, and ordinances.

IN WITNESS WHEREOF, the parties have entered into this Contract as of the date above written.

**HUMBOLDT TRANSIT
AUTHORITY:**

ATTEST:

Linda Atkins, Chairperson

, Clerk

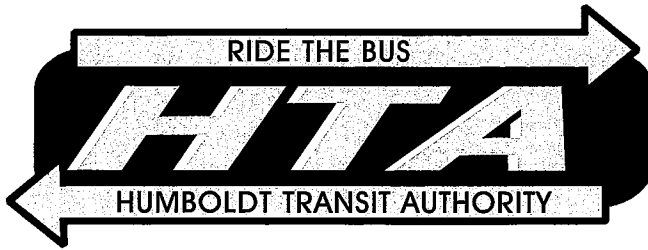
Date

Date

LAW FIRM

Nancy Diamond

Date



*A Public Entity Serving
Humboldt County Since 1976*

133 "V" Street, Eureka, CA 95501-0844

(707) 443-0826

TO: Linda Atkins, Chairperson
All Governing Board Members

FROM: Greg Pratt, General Manager

DATE: March 21, 2012

SUBJECT: Joint Powers Agreement Shared Costs

At the January 2012 Regular HTA Board Meeting, Councilmember Michael Winkler from Arcata has requested that the Humboldt Transit Authority update the Joint Powers Agreement to reflect data from the 2010 Census.

As directed by the board, staff worked with HCAOG to have the Service Coordination Committee (SCC) and the Technical Advisory Committee (TAC) give their recommendation to the HTA Board. The HCAOG notes from the two committees are as follows:

SCC

Review of Humboldt Transit Authority's (HTA) Regional Transit System Contributions

Motion was made (Woods/Tucker) to recommend to the Board *table 3 with 50% for the county and the balance to the cities using the 2010 Census, to be reviewed every ten years unless the Board decides to review more frequently.

Motion carried

TAC

Review of the Humboldt Transit Authority's (HTA) Regional Transit System Contributions

Motion was made (Knight/Ward) to recommend *table 3, consistent with the Service Coordination Committee's recommendation for review every ten years using the US Census.

Amendment: to review every ten years using the US Department of Finance's annual projected census.

Amended Motion passed

* table 3 (see next page)

Table 1. Current Assessment

Jurisdiction	Current Assessment (%)	Current Cost to Jurisdiction
City of Arcata	13.10%	\$ 141,428
City of Eureka	25.60%	\$ 276,379
City of Fortuna	8.10%	\$ 87,448
City of Rio Dell	2.80%	\$ 30,229
City of Trinidad	0.40%	\$ 4,318
County of Humboldt	50.00%	\$ 539,803
TOTAL	100.00%	\$ 1,079,606

Table 2. Assessment based on current population

Jurisdiction	Current Population Data	Assessment based on current population (%)	Cost to Jurisdiction	Difference compared to current assessment
City of Arcata	17,318	13.06%	\$ 140,976	(452.71)
City of Eureka	27,283	20.57%	\$ 222,095	(54,284.25)
City of Fortuna	11,977	9.03%	\$ 97,498	10,049.64
City of Rio Dell	3,382	2.55%	\$ 27,531	(2,698.09)
City of Trinidad	368	0.28%	\$ 2,996	(1,322.75)
County of Humboldt	72,295	54.51%	\$ 588,511	48,708.16
TOTAL	132,623	100.00%	\$ 1,079,606	(0.00)

Table 3. Assessing the cities based on current population, holding the County at 50%

Jurisdiction	Current Population Data	Assessment based on current population (%) w/County held at 50%	Cost to Jurisdiction	Difference compared to current assessment
City of Arcata	17,318	14.35%	\$ 154,958	13,529.65
City of Eureka	27,283	22.61%	\$ 244,123	(32,256.25)
City of Fortuna	11,977	9.93%	\$ 107,168	19,719.74
City of Rio Dell	3,382	2.80%	\$ 30,261	32.50
City of Trinidad	368	0.30%	\$ 3,293	(1,025.63)
County of Humboldt	N/A	50.00%	\$ 539,803	0.00
TOTAL	60,328	100.00%	\$ 1,079,606	(0.00)

Section 6.3. Restrictions on Exercise of Powers. Such powers shall be exercised as provided in the Act and shall be subject, in accordance with Section 6509 of the Act, to such restrictions upon the manner of exercising such powers as are imposed upon County in the exercise of similar powers.

Section 6.4. Obligations. The debts, liabilities and obligations of the Authority shall not be the debts, liabilities or obligations of any party to this Agreement.

Section 6.5. Advances of Funds. On request of the Governing Board, any party hereto may advance its public funds to the Authority for the purpose of meeting the Authority's operating expenses. Any such advance of funds shall be repaid by the Authority from revenues as they become available.

ARTICLE VII - COSTS

Section 7.1. Shared Costs. All costs which were properly budgeted and which were incurred by the Authority in connection with the operation of the Redwood Transit System, less fare box revenues and other sources of funds, shall be shared by the parties on the following basis: County fifty percent (50%) and participating cities fifty percent (50%). The portion to be paid by each city shall be determined by its population relative to the other participating cities, as shown by the latest U.S. Census or by another source of official population data designated by the Governing Board. In the event that the population of the unincorporated area of the County increases or decreases five percent (5%) or more from such population as shown by the

1980 U.S. Census, the cost sharing formula provided for herein shall, on request of any party hereto, be renegotiated among the parties to more accurately reflect their respective populations.

Section 7.2. Non-Shared Costs. The Authority and any party hereto may enter into a contract for transit services to be provided by the Authority which are not otherwise provided for in the budget adopted by the Authority for operation of the Redwood Transit System. Any costs incurred by the Authority in providing such contract services shall be the sole responsibility of the party requesting such services, and the terms of payment and other terms for the provision of such services shall be as provided in said contract.

Section 7.3. Source of Funds. Each party hereto shall individually determine whether to pay its share of the costs determined in accordance with Sections 7.1 and 7.2 of this Article from Mills-Alquist-Deddeh Act allocations or from other appropriate funds

ARTICLE VIII - ADDITIONAL MEMBERS

Section 8.1. Additional Members. Additional general purpose governments within the County may become parties to this Agreement on approval of the parties hereto and on such terms and conditions as are mutually agreed upon. Any new member will be represented on the Board by the addition of one (1) member and one (1) alternate, as provided in Section 3.2 hereof.

ARTICLE IX - TERMINATION

Section 9.1. Term. This Agreement shall become effective on