



City Council Staff Report

Date: May 7, 2014 CONSENT CALENDAR

Subject: APPROVAL OF SUB-REIMBURSEMENT AGREEMENT WITH CVAG FOR THE LOCAL SHARE OF COSTS FOR THE INTERSTATE 10 INTERCHANGE PROJECT AT JEFFERSON STREET

From: David H. Ready, City Manager

Initiated by: Public Works and Engineering Department

SUMMARY

On January 27, 2014, the CVAG Executive Committee approved an amended Sub-Reimbursement Agreement for the local share of costs for the Interstate 10 Interchange Project at Jefferson Street. Approval of this agreement formally obligates the City to pay CVAG its fair share of costs towards this I-10 Interchange Project.

RECOMMENDATION:

- 1) Approve Agreement No. _____, a Sub-Reimbursement Agreement by and between CVAG, City of Cathedral City, City of Coachella, City of Desert Hot Springs, City of Indian Wells, City of Indio, City of La Quinta, City of Palm Desert, City of Palm Springs, City of Rancho Mirage, and the County of Riverside for the Interchange Project at I-10 and Jefferson Street; and
- 2) Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS:

On January 27, 2014, the CVAG Executive Committee approved an amended Sub-Reimbursement Agreement for the local share of costs for the Interstate 10 Interchange Project at Jefferson Street. The background for this report is provided in the CVAG Executive Committee staff report of January 27, 2014 attached.

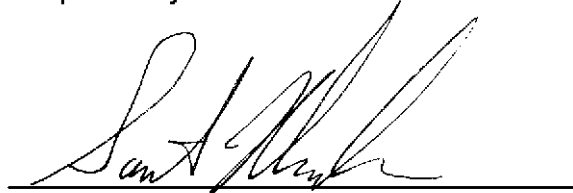
FISCAL IMPACT:

Approval of the agreement obligates the City to pay CVAG its fair share of costs of 4.9% of the \$12,500,000 local share towards this I-10 Interchange Project. Palm Springs fair share is currently estimated at \$612,500. Sufficient funds will be available from the

Local Measure A account in the 2014/2015 fiscal year subsequent to the RCTC approval of the Measure A Five-Year Plan in June or July 2014.

SUBMITTED:

Prepared by:



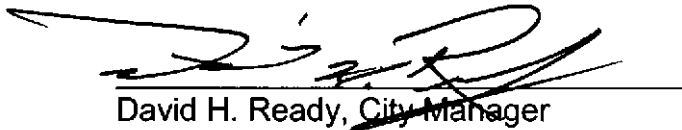
Savat Khamphou
Assistant Director of Public Works/
Assistant City Engineer

Recommended by:



David J. Barakian
Director of Public Works/City Engineer

Approved by:


David H. Ready, City Manager

Attachments:

1. January 27, 2014, CVAG Staff Report
2. Letter to City from CVAG with Sub-Reimbursement Agreement

ITEM 6C

**Coachella Valley Association of Governments
Executive Committee
January 27, 2014**



Staff Report

Subject: Consider Sub-Reimbursement Agreements by and between CVAG and the City of Cathedral City, the City of Coachella, the City of Desert Hot Springs, the City of Indio, the City of Indian Wells, the City of La Quinta, the City of Palm Desert, the City of Palm Springs, the City of Rancho Mirage and the County of Riverside for the Interchange Project at Jefferson Street and Interstate 10

Contact: Allyn Waggle, Deputy Executive Director (awaggle@cvag.org)

Recommendation: Approve the Sub-Reimbursement Agreements by and between CVAG and the City of Cathedral City, the City of Coachella, the City of Desert Hot Springs, the City of Indio, the City of Indian Wells, the City of La Quinta, the City of Palm Desert, the City of Palm Springs, the City of Rancho Mirage and the County of Riverside for the Interchange Project at Jefferson Street and Interstate 10.

Transportation Committee: CONCURS (Meeting of January 6th)
Technical Advisory Committee: CONCURS (Meeting of January 13th)

Background: The CVAG Executive Committee approved the distribution of percentages of responsibility for the local share of costs for the Interchange Project at Jefferson Street and Interstate 10 at their meeting of October 28, 2013. The presentation of this Sub-Reimbursement Agreement is simply to establish a process by which CVAG and the appropriate jurisdictions can establish an invoicing procedure.

In January 2002 CVAG entered a Reimbursement Agreement for the Jefferson Street/ Interstate 10 Interchange project with Riverside County and the City of Indio. These two agencies were identified as partners in relation to jurisdictions within which the project is sited, as well as those jurisdictions in the near, most-immediately benefited, vicinity. This was roughly the process when most Reimbursement Agreement were approved during this era.

However, it became apparent that the benefits derived from completion of the several interchange projects about-to-be constructed on Interstate 10 were more far-reaching than initially assigned. Accordingly, as to each project, and after extensive input from its member jurisdictions, in September 2003 CVAG adopted a schedule of the percentages of the 25% Local Share to be charged to each of the responsible jurisdictions based on the ratio of trips generated by each of the respective jurisdictions. At this point, the local jurisdictions with responsibility for payment for the Jefferson Street Interchange Project expanded to include the City of La Quinta, but no amendment to the Reimbursement Agreement was made to reflect that change.

Subsequently, the areas contributing traffic to the Jefferson Street interchange have been re-analyzed and the future traffic load has changed as well. The result has been that responsibility for payment for some jurisdictions has changed from their 2003 schedule of percentages and all the remaining Coachella Valley jurisdictions have been added to the list of those responsible for a portion of the Local Share of project costs. At their meeting of October 2013 the Executive Committee approved a revised distribution of percentage of responsibility for payment for the 25% Local Share of costs for the Jefferson Street Interchange Project.

Rather than amend these jurisdictions into the original Reimbursement Agreement it was decided to be more efficient to have them enter a new Sub-Reimbursement Agreement with CVAG to provide both CVAG and our jurisdictions a vehicle to authorize issuance and payment of invoices received from CVAG for their percentage share of responsibility for the local portion of costs for the Jefferson Street Interchange Project. That Sub-Reimbursement Agreement is attached to this staff report,

This Sub-Reimbursement Agreement is intended to provide for collection and payment of the applicable percentage of the local share of the costs of the agencies NOT NAMED in the Reimbursement Agreement for the Jefferson Street Interchange Project. Agencies named below agree to contribute their percentage assessment of the Local Share as shown for the Jefferson Street Interchange Project.

This Sub-Reimbursement Agreement modifies and changes the proportionate local shares of costs for the responsible jurisdictions for the Jefferson Street Interchange Project as originally approved by the Executive Committee at their meeting in September, 2003.

This Sub-Reimbursement Agreement includes the City of Cathedral City, the City of Coachella, the City of Desert Hot Springs, the City of Indian Wells, the City of Indio, the City of La Quinta, the City of Palm Desert, the City of Palm Springs, the City of Rancho Mirage and the County of Riverside as agencies responsible for payment of proportionate shares of local costs for the Jefferson Street Interchange Project as approved by the Executive Committee at their meeting in October, 2013.

The County of Riverside and the City of Indio, signatories to the original Reimbursement Agreement, are also signatories to this Sub-Reimbursement Agreement as this is the document which establishes the percentage of Local Share which those two jurisdictions are responsible for in payment for the Jefferson Street Interchange Project

The following table shows all proportionate local shares for the **Jefferson Street Interchange Project** which were approved in **October, 2013**.

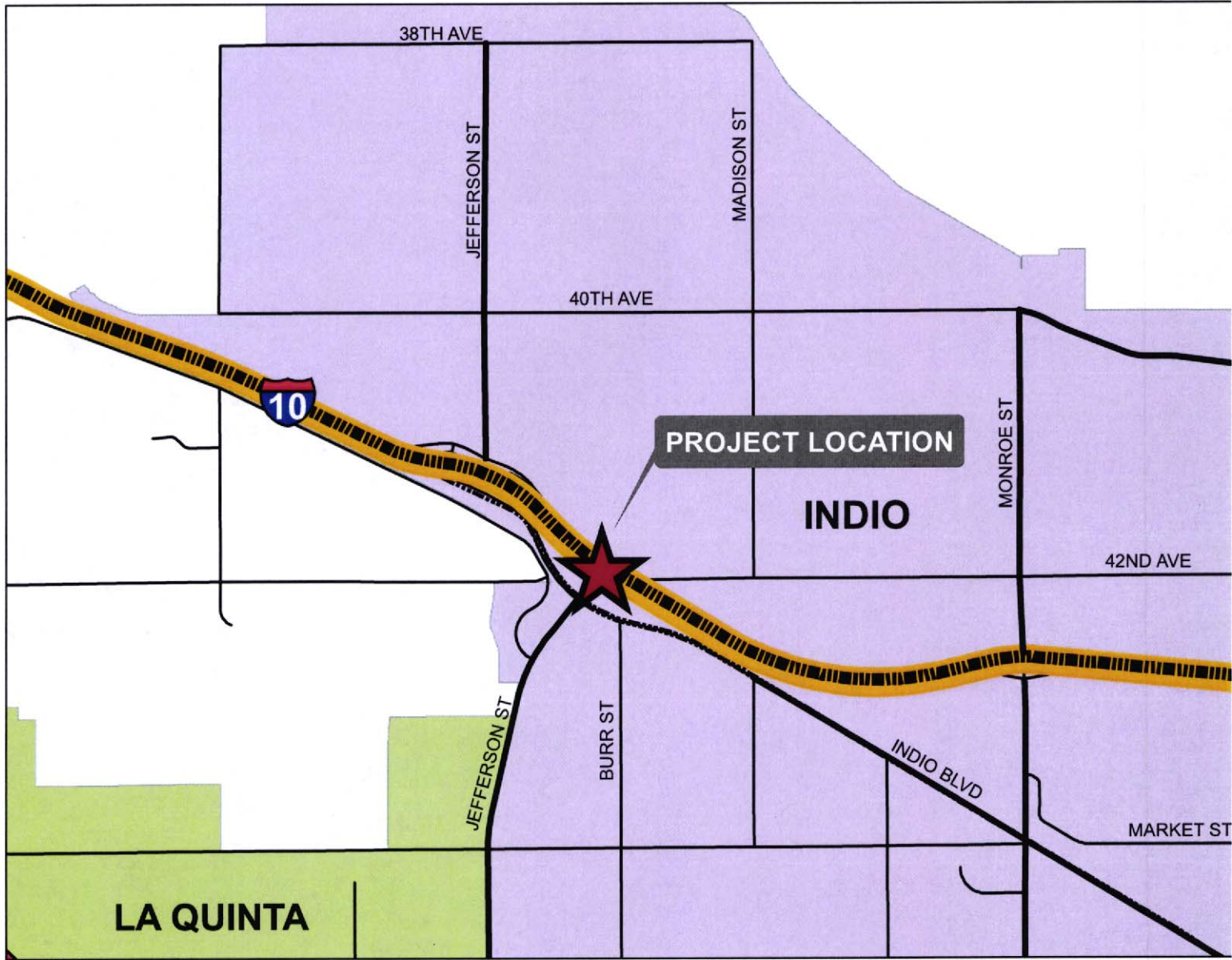
Cathedral City	3.2 %
Coachella	2.6%
Desert Hot Springs	0.8%
Indian Wells	0.7%
Indio	50.1%
La Quinta	10.7%
Palm Desert	2.5%
Palm Springs	4.9%
Rancho Mirage	1.6%
Riverside County	<u>22.9%</u>
	100.0%

CVAG has entered into a Reimbursement Agreement for the Project with the County of Riverside (Lead Agency) and the City of Indio concerning the administration of regional funding for the cost of the Project.

Fiscal Analysis: There is no additional cost to CVAG for the recommended action. The total amount of local share will not change, but the percentage amounts which jurisdictions will pay will change from the 2003 estimates.

Contract Finalization: Prior to execution, minor changes/ revisions may be made to the Sub-Reimbursement Agreement for clarification purposes by CVAG's Executive Director and/ or Legal Counsel.

Jefferson St/I-10 Interchange Project



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COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

73-710 Fred Waring Dr., Suite 200, Palm Desert, CA 92260 · (760) 346-1127 · www.cvag.org



February 26, 2014

David Ready
City Manager
City of Palm Springs
3200 East Tahquitz Canyon Way
Palm Springs, CA 92262

CITY MANAGER
MAR 04 2014
CITY OF PALM SPRINGS

Re; Interstate Project at Jefferson St. and I-10

Dear Mr. Ready:

Enclosed please find two original Sub-Reimbursement Agreements between the Coachella Valley Association of Governments (CVAG) and the City of Cathedral City, City of Coachella, City of Desert Hot Springs, City of Indian Wells, City of Indio, City of La Quinta, City of Palm Desert, City of Palm Springs, City of Rancho Mirage and the County of Riverside. This agreement was made and is effective as of January 27, 2013.

Please sign the documents and return them to my attention at CVAG: 73-710 Fred Waring Drive, Suite 200, Palm Desert, CA 92260. When complete, I will send you an executed original for your records. If you have any questions, or need further information regarding this agreement, please contact me at (760) 346-1127.

Sincerely,

Cynthia Manzella
Accounting Assistant

Enclosures

SUB-REIMBURSEMENT AGREEMENT

by and between
CVAG

and the City of Cathedral City, the City of Coachella, the City of Desert Hot Springs, the City of Indian Wells, the City of Indio, the City of La Quinta, the City of Palm Desert, the City of Palm Springs, the City Of Rancho Mirage and the County of Riverside

for

the Interchange Project at Jefferson Street and Interstate 10

THIS SUB-REIMBURSEMENT AGREEMENT is made and entered into this 27th day of January, 2014 by and between the City of Cathedral City (Agency), the City of Coachella (Agency), the City of Desert Hot Springs (Agency), the City of Indian Wells (Agency), the City of Indio (Agency), the City of La Quinta (Agency), the City of Palm Desert (Agency), the City of Palm Springs (Agency), the City Of Rancho Mirage (Agency), the County of Riverside (Agency) and the Coachella Valley Association of Governments, a California joint powers agency, (CVAG), with reference to the following background facts and circumstances:

The Transportation Project Prioritization Study, a valley-wide study prepared and regularly updated under the auspices of CVAG, has identified various transportation and highway projects throughout the Coachella Valley as projects of regional importance; and,

Approval of a highway financing measure by the voters of Riverside County in November, 1988, (Measure A), as well as the approval of an extension of Measure A by the voters in November, 2002, has created a source of funds with which to construct such projects; and,

CVAG, by agreement with its member agencies and with the Riverside County Transportation Commission (RCTC), has been designated as the agency through which such funds are to be conveyed and disbursed for the purpose of completing said regional transportation projects; and,

The CVAG Executive Committee, on July 31, 2006, approved the implementation of the amended Transportation Uniform Mitigation Fee (TUMF) Ordinance to increase the collected TUMF, effective January 1, 2007; and,

Under CVAG's policy of funding eligible projects by member jurisdictions, effective January 1, 2007, the responsible jurisdiction(s) will be responsible for paying Twenty-five Percent (25%) of the project costs (the Local Share), as well as any ineligible project costs, and CVAG will be responsible for Seventy-five Percent (75%) of eligible project costs (the Regional Share). Historically, the CVAG Regional Share has been paid as a reimbursement to the jurisdiction, as invoices are submitted and approved; and,

Under CVAG's reimbursement policy for administering regional funds for eligible projects undertaken by its member jurisdictions, the cost of the eligible project is split into a "Local Share" and a "Regional Share." The "Regional Share," paid by CVAG from regional funds, is equal to seventy-five percent (75%) of eligible costs, as defined by applicable CVAG policies

and procedures in effect at the time CVAG is invoiced by the lead agency for reimbursement. All remaining costs constitute the "Local Share."

Although sometimes referred to as the "Local 25% Share," the Local Share includes not only the remaining twenty-five percent (25%) of eligible costs as defined by CVAG policy, but also one hundred percent (100%) of all ineligible project costs.

As determined by a benefit assessment evaluation for each project, the jurisdiction within which a regional project is sited, as well as those jurisdictions in the near vicinity most-immediately benefited, are assessed a specified portion of the Local Share. Accordingly, as to each project, and after extensive input from its member jurisdictions, CVAG has adopted a schedule of the percentages of the Local Share to be charged to each of the responsible jurisdictions based on the ratio of trips generated by each of the respective jurisdictions.

As each project proceeds, CVAG enters into a reimbursement agreement with the Lead Agency for the regional project. Pursuant to that reimbursement agreement, CVAG is invoiced and makes reimbursement for certain project costs. In some circumstances, a Sub-Reimbursement Agreement is entered for those jurisdictions not named in the project reimbursement agreement.

Now, therefore, this Sub-Agreement is intended to provide for collection and payment of the applicable percentage of the Local Share of the costs of the Agencies' NOT NAMED in the Reimbursement Agreement for the I-10 Interchange at Jefferson Street Project approved in January, 2002.

1. Agencies named below agree to contribute their percentage assessment of the Local Share as shown for the **Interchange Project at Jefferson Street and Interstate 10** ("Project").

This Sub-Reimbursement Agreement modifies and changes the proportionate local shares of costs for the responsible jurisdictions for the Interchange Project at Jefferson Street and Interstate 10 as originally approved by the Executive Committee at their meeting in September, 2003.

This Sub-Reimbursement Agreement includes the City of Cathedral City, the City of Coachella, the City of Desert Hot Springs, the City of Indian Wells, the City of Indio, the City of La Quinta, the City of Palm Desert, the City of Palm Springs, the City Of Rancho Mirage and the County of Riverside as agencies responsible for payment of proportionate shares of local costs for the Jefferson Street Interchange Project as approved by the Executive Committee at their meeting in October, 2013.

The County of Riverside and the City of Indio, signatories to the original Reimbursement Agreement, are also signatories to this Sub-Reimbursement Agreement as this is the document which establishes the percentage of Local Share which those two jurisdictions are responsible for in payment for the Jefferson Street Interchange Project

The following table shows all proportionate local shares for the **Jefferson Street Interchange Project** which were approved in **October, 2013.**

Cathedral City	3.2 %
Coachella	2.6%
Desert Hot Springs	0.8%
Indian Wells	0.7%
Indio	50.1%
La Quinta	10.7%
Palm Desert	2.5%
Palm Springs	4.9%
Rancho Mirage	1.6%
Riverside County	<u>22.9%</u>
	100.0%

2. CVAG has entered into a Reimbursement Agreement for the Project with the County of Riverside (Lead Agency) and the City of Indio (Agency) concerning the administration of regional funding for the cost of the Project.

Any excess property purchased to secure the necessary right-of-way for the Project will be shared between the appropriate jurisdiction and the Regional Arterial Program proportionately according to the funding of the purchase by each jurisdiction participating in the project. Excess property will be disposed of in the best interests of the Regional Arterial Program, in order to recapture funds expended. Any recaptured funds will reduce the overall cost of the project.

3. The scope of work for the Project was described in the original Reimbursement Agreement, Exhibit "A," entitled "Scope of Services". The cost estimate for the Project was described in Exhibit "B," entitled "Estimate of Cost," also attached to the original Reimbursement Agreement. The cost estimate includes a calculation intended to allow Agency to recover an amount representing the time of its employed staff in working on the Project, as well as the amount Agency shall pay to outside contractors in connection with the Project. Subject to the terms and all applicable rules regarding allowed costs, the amount of the Jurisdiction One-Quarter and the CVAG Three-Quarters shall be calculated by reference to the cost estimates as shown on Exhibit "B."

4. The County of Riverside estimates the total cost of **the Interchange Project at Jefferson Street and Interstate 10** will be approximately **\$50,000,000**. CVAG's 75% Regional Share will equal \$37,500,000 and the 25% Local Share will equal \$12,500,000, as well as one hundred percent (100%) of all costs not eligible for reimbursement by CVAG. **This Sub-Reimbursement Agreement shall establish that CVAG may decline, or delay, to provide regional funds for the Interchange Project at Jefferson Street and Interstate 10 should it be determined that such action is necessary to maintain a minimum balance of regional funds.**

5. Agency agrees to seek reimbursement of Seventy-five Percent of only those costs, up to the not-to-exceed limit, which are eligible for reimbursement by CVAG, as outlined in the most recent update of the CVAG Policies and Procedures Manual.

5.1 Agency shall be responsible for initial payment of all covered costs as they are incurred. Following payment of such costs, Agency shall submit invoices to CVAG requesting reimbursement of seventy-five percent of those eligible costs associated with the Project. Each invoice shall be accompanied by detailed contractor invoices, or other demands for payment addressed to Agency, and documents evidencing Agency's payment of the invoices

or demands for payment. Agency shall also submit a Project Completion Report, in a form acceptable to CVAG, with each statement. Agency shall submit invoices not more often than monthly and not less often than quarterly.

5.2 Agency shall, at the design stage of the Project, identify a project specific ratio, "Project Ratio", for the construction phase of the project that distinguishes between "Capacity Enhancement" items, "Rehabilitation" items or "Other" items.

Agency shall apply that "Project Ratio" to the project construction cost and provide CVAG with supporting documents that will clearly identify "Capacity Enhancement" costs, eligible for payment with TUMF revenues, "Rehabilitation" costs, eligible for payment with Measure "A" revenues, and Other costs that are not eligible for reimbursement by CVAG.

All invoices submitted to CVAG for reimbursement shall include a table identifying "Capacity Enhancement" costs eligible for payment with TUMF, "Rehabilitation" costs eligible for payment with Measure "A", and other costs that are not eligible for reimbursement by CVAG.

5.3 Upon receipt of an invoice from Agency, CVAG may request additional documentation or explanation of the Project costs. Undisputed reimbursement amounts shall be paid by CVAG to Agency within thirty (30) days. In the event that the Agency is delinquent in payment of any past due invoices related to any regional transportation project, CVAG may deduct the amount owed from the reimbursement amount requested by the Agency on this project.

5.4 If a post-payment audit or review indicates that CVAG has provided reimbursement to Agency in an amount in excess of Seventy-five Percent of eligible costs, or has provided reimbursement of ineligible Project costs, Agency shall reimburse CVAG for the excess or ineligible payments within thirty (30) days of notification by CVAG.

6. Prior to any final payment to Agency by CVAG, a final report shall be submitted to CVAG by Agency containing a record of all payments made for said Project and the source of funds of all such payments, together with a record of all change orders, cost over-runs, and other expenses incurred. Final payment will thereafter be paid by CVAG in accordance with its rules, regulations and policies concerning project cost determination and expense eligibility.

7. The format used for all bids solicited by Agency for the Project shall require itemization sufficient to allow quantities of each bid item to be easily discernible. It shall be the responsibility of Agency to determine what quantity is for Capacity Enhancement and/or Rehabilitation, and to provide CVAG staff with that information.

8. The parties agree that should unforeseen circumstances arise which result in new work not covered in Exhibit "A," an increase of any costs over those shown in Exhibit "B," or other changes in the Scope of Work are proposed, CVAG will in good faith consider an amendment to this Agreement to provide for further appropriate reimbursement if the proposed amendment is in accordance with the policies, procedures, and cost determination/expense eligibility criteria adopted by CVAG. Non-substantive changes may be made to this agreement subject to CVAG's General Counsel's approval.

9. Agency shall maintain an accounting of all funds received from CVAG pursuant to this Agreement in accordance with generally accepted accounting principles. Agency agrees

to keep all Project contracts and records for a period of not less than three years from the date a notice of completion is filed by the Agency on such Project; or, if the Project is not one as to which a notice of completion would normally be recorded, for three years from the date of completion. Agency shall permit CVAG, at any reasonable time, upon reasonable notice, to inspect any records maintained in connection with the Project. CVAG shall have no duty to make any such inspection and shall not incur any liability or obligation by reason of making or not making any such inspection.

10. The occurrence of any one or more of the following events shall, at CVAG's option, constitute an event of default and Agency shall provide CVAG with immediate notice thereof.

10.1 Any warranty, representation, statement, report or certificate made or delivered to CVAG by Agency or any of Agency's officers, employees or agents now or hereafter which is incorrect, false, untrue or misleading in any material respect;

10.2 Agency shall fail to pay, perform or comply with, or otherwise shall breach, any obligation, warranty, term or condition in this Agreement or any amendment to this Agreement, or any agreement delivered in connection with the Project; or,

10.3 There shall occur any of the following: dissolution, termination of existence or insolvency of Agency; the commencement of any proceeding under any bankruptcy or insolvency law by or against Agency; entry of a court order which enjoins, restrains or in any way prevents Agency from paying sums owed to creditors.

11. No waiver of any Event of Default or breach by one party hereunder shall be implied from any omission by the other party to take action on account of such default, and no express waiver shall affect any default other than the default specified in the waiver and the waiver shall be operative only for the time and to the extent therein stated. Waivers of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by one party to or of any act by the other party shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent or similar act.

12. This Agreement is made and entered into for the sole protection and benefit of CVAG and Agency and no third person shall have any right of action under this Agreement.

13. It is the intent of the Agency and CVAG that the Project be represented as being funded by Measure "A"/TUMF funds. All public notices, news releases, and documents shall indicate that the Project is being cooperatively developed by the Agency, RCTC, and CVAG using Measure "A"/TUMF funds. Prior to initiation of on-site construction, Agency agrees to provide at least one "Project Sign" to be placed in a safe and visible location near the site of construction so that all travelers passing the location have the opportunity to observe who the agencies are that are providing funds for the construction of the Project. CVAG shall provide a guide for the Project Sign format.

14. This Agreement is for funding purposes only and nothing herein shall be construed so as to constitute CVAG as a party to the construction or in ownership or a partner or joint venturer with Agency as to the Project. The Agency shall assume the defense of, indemnify and hold harmless CVAG, its member agencies, and their respective officers, directors, agents, employees, servants, attorneys, and volunteers, and each and every one of

them, from and against all actions, damages, claims, losses and expenses of every type and description to which they may be subjected or put by reason of or resulting from the actions or inactions of the Agency related to the Project or taken in the performance of this Agreement or any agreement entered into by Agency with reference to the Project. CVAG shall assume the defense of, indemnify and hold harmless the Agency, its officers, directors, agents, employees, servants, attorneys, and volunteers, and each of them, from and against all actions, damages, claims, losses, and expenses of every type and description to which they may be subjected or put by reason of or resulting from the actions of CVAG taken in the performance of this Agreement.

15. Agency agrees to include in its contract specifications and bid documents a requirement that all prime contractors shall name CVAG and its member agencies as "also insured" on all liability insurance coverage required by Agency on each contract. Agency will provide a copy of the Insurance Certificate to CVAG, depicting CVAG and its member agencies as "also insured," within 30 days of signing a contract with the prime contractor.

16. Any dispute concerning a question of fact arising under this Agreement that is not disposed of by voluntary negotiations between the parties shall first be decided by the CVAG Executive Director or designee, who may consider any written or verbal evidence submitted by Agency. This decision shall be issued in writing. However, no action in accordance with this Section shall in any way limit either party's rights and remedies through actions in a court of law with appropriate jurisdiction. Neither the pendency of dispute nor its consideration by CVAG will excuse Agency from full and timely performance in accordance with the terms of this Agreement.

17. Any agency receiving federal funds must have an approved Disadvantaged Business Enterprise program. All recipients of Federal Highway Administration (FHWA) funds must carry out the provisions of Part 26, Title 49 of the Code of Federal Regulations (CFR) which established the Federal Department of Transportation's policy supporting the fullest possible participation of firms owned and controlled by minorities and women in the Department of Transportation programs. Except to the extent that such or other contrary federal regulations may apply, Agency covenants that, by and for itself and all persons claiming under or through it, there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the performance of this Agreement.

18. Agency warrants that all aspects of the Project shall be undertaken in compliance with all applicable local, state and federal rules, regulations and laws. Agency will execute and deliver to CVAG such further documents and do other acts and things as CVAG may reasonably request in order to comply fully with all applicable requirements and to effect fully the purposes of this Agreement.

19. This Agreement may not be assigned without the express written consent of CVAG first being obtained.

20. Agency, its successors in interest and assigns shall be bound by all the provisions contained in this Agreement.

21. No officer or employee of CVAG shall be personally liable to Agency or any successor in interest, in the event of any default or breach by CVAG or for any amount with may

become due to Agency or to its successor, or for breach of any obligation of the terms of this Agreement.

22. Notwithstanding any other provision herein, CVAG shall not be liable for payment or reimbursement of any sums for which CVAG has not first obtained the necessary and appropriate funding from TUMF and/or Measure "A" monies.

23. No officer or employee of CVAG shall have any personal interest, direct or indirect, in this Agreement; nor shall any such officer or employee participate in any decision relating to this Agreement which effects his or her personal interest or the interest of any corporation, partnership or association in which she or he is, directly or indirectly, interested, in violation of any state, federal or local law.

24. Agency warrants that the funds received by CVAG pursuant to this Agreement shall only be used in a manner consistent with CVAG's reimbursement policy and all applicable regulations and laws. Any provision required to be included in this type of agreement by federal or state law shall be deemed to be incorporated into this Agreement.

25. All notices or other communications required or permitted hereunder shall be in writing and shall be either personally delivered (which shall include delivery by means of professional overnight courier service which confirms receipt in writing, such as Federal Express or UPS); sent by telecopier or facsimile machine capable of confirming transmission and receipt; or sent by certified or registered mail, return receipt requested, postage prepaid to the following parties at the following addresses or numbers:

If to **City of Cathedral City:** Rod Wood, Interim City Manager
City of Cathedral City
68-700 Avenida Lalo Guerrero
Cathedral City, CA 92234
Telephone: (760) 770-0340
Fax.: (760) 770-0399

If to **City of Coachella:** David Garcia, City Manager
City of Coachella
1515 Sixth Street
Coachella, CA 92236
Telephone: (760) 398-3502
Fax.: (760) 398-8117

If to **City of Desert Hot Springs:** Robert Adams, City Manager
City of Desert Hot Springs
65-950 Pierson Boulevard
Desert Hot Springs, CA 92240
Telephone: (760) 329-6411
Fax.: (760) 288-3129

If to City of Indian Wells: Wade Mc Kinney, City Manager
City of Indian Wells
44-950 El Dorado Drive
Indian Wells, CA 92210
Telephone: (760) 346-2489
Fax.: (760) 346-0407

If to City of Indio: Dan Martinez, City Manager
City of Indio
100 Civic Center Mall
Indio, CA 92201
Telephone: (760) 391-4000
Fax.: (760) 391-4008

If to City of La Quinta: Frank Spevacek, City Manager
City of La Quinta
78-495 Calle Tampico
La Quinta, CA 92253
Telephone: 760-777-7000
Fax.: (760) 777-7101

If to City of Palm Desert: John Wohlmuth, City Manager
City of Palm Desert
73-510 Fred Waring Drive
Palm Desert, CA 92260
Telephone: (760) 346-0611
Fax.: (760) 340-0574

If to City of Palm Springs: David Ready, City Manager
City of Palm Springs
3200 E. Tahquitz Canyon Way
Palm Springs, CA 92262
Telephone: (760) 322-8350
Fax.: (760) 323-8207

If to City of Rancho Mirage: Randy Bynder, City Manager
City of Rancho Mirage
69-825 Highway 111
Rancho Mirage, CA 92270
Telephone: (760) 324-4511
Fax: (760) 324-8830

If to County of Riverside: Clerk of the Board
Riverside County Board of Supervisors
4080 Lemon Street, 5th Floor
Riverside, CA 92502-6919
Telephone: (951) 955-1110
Fax.: (951) 955-1105

If to CVAG:

CVAG
73-710 Fred Waring Drive
Palm Desert, CA 92260
Attn: Deputy Executive Director
Telephone: (760) 346-1127
Fax.: (760) 340-5949

Notices sent in accordance with this paragraph shall be deemed delivered upon the next business day following the: (i) date of delivery as indicated on the written confirmation of delivery (if sent by overnight courier service); (ii) the date of actual receipt (if personally delivered by other means); (iii) date of transmission (if sent by telecopier or facsimile machine); or (iv) the date of delivery as indicated on the return receipt if sent by certified or registered mail, return receipt requested. Notice of change of address shall be given by written notice in the manner detailed in this paragraph.

19. This agreement contains the entire agreement between the parties, and is intended by the parties to completely state the agreement in full. Any agreement or representation respecting the matter dealt with herein or the duties of any party in relation thereto, not expressly set forth in this agreement, is null and void.

20. If any term, provision, condition, or covenant of this agreement, or the application thereof to any party or circumstance, shall to any extent be held invalid or unenforceable, the remainder of the instrument, or the application of such term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this agreement shall be valid and enforceable to the fullest extent permitted by law.

21. In the event a party hereto brings an action or proceeding for a declaration of the rights of the parties, for injunctive relief, for an alleged breach or default, or any other action arising out of this agreement, or the transactions contemplated hereby, the prevailing party in any such action shall be entitled to an award of reasonable attorneys' fees and costs incurred in such action or proceeding, in addition to any other damages or relief awarded, regardless of whether such action proceeds to final judgment.

22. Time is of the essence in this agreement, and each and every provision hereof in which time is an element.

23. This agreement and all documents provided for herein shall be governed by and construed in accordance with the laws of the State of California. Any litigation arising from this Agreement shall be adjudicated in the courts of Riverside County, Desert Judicial District, State of California.

24. Local Agency warrants that the execution, delivery and performance of this agreement and any and all related documents are duly authorized and do not require the further consent or approval of any body, board or commission or other authority.

25. This agreement may be executed in one or more counterparts and when a counterpart shall have been signed by each party hereto, each shall be deemed an original, but all of which constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their duly authorized representatives on this date:

ATTEST

CITY OF CATHEDRAL CITY

By: _____
City Manager

By: _____
Mayor

ATTEST

CITY OF COACHELLA

By: _____
City Manager

By: _____
Mayor

ATTEST

CITY OF DESERT HOT SPRINGS

By: _____
City Manager

By: _____
Mayor

ATTEST

CITY OF INDIAN WELLS

By: _____
City Manager

By: _____
Mayor

ATTEST

CITY OF INDIO

By: _____
City Manager

By: _____
Mayor

ATTEST

CITY OF LA QUINTA

By: _____
City Manager

By: _____
Mayor

ATTEST

By: _____
City Manager

CITY OF PALM DESERT

By: _____
Mayor

ATTEST

By: _____
City Manager

CITY OF PALM SPRINGS

By: _____
Mayor

ATTEST

By: _____
City Manager

CITY OF RANCHO MIRAGE

By: _____
Mayor

ATTEST

By: _____
Clerk of the Board

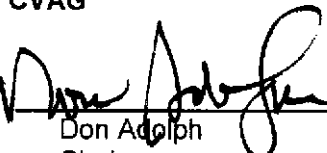
COUNTY OF RIVERSIDE

By: _____
Chair

ATTEST:

By: _____
Tom Kirk
Executive Director

CVAG

By:  _____
Don Adolph
Chair