

MEMORANDUM OF UNDERSTANDING BETWEEN THREE RIVERS COMMUNITY ACTION, INC.
AND
THE CITY OF NORTHFIELD
FOR THE PROVISION OF TRANSIT SERVICES

The "Agreement" made this _____ day of ____, 2026, between Three Rivers Community Action, Inc., hereinafter referred to as "Three Rivers," and the "City of Northfield" hereinafter referred to as "City."

Whereas, Three Rivers Community Action, Inc. operates public transit under the name Hiawathaland Transit; and

Whereas, Three Rivers is under contract with the Minnesota Department of Transportation (MnDOT) to provide Demand Response and/or Deviated Route services for the cities in Goodhue, Rice and Wabasha Counties: Cannon Falls, Elgin/Plainview, Faribault, Kenyon/Wanamingo, Lake City, Northfield, Pine Island, Red Wing, Wabasha/Kellogg, and Zumbrota/Mazeppa.

WITNESSETH: That for the consideration of the mutual promises and covenants herein stipulated to be performed by the parties to this Agreement, it is agreed as follows:

1. **Services to be Provided.** Three Rivers agrees to provide City with transit services designed to meet the transportation needs of the public (hereinafter "Services"). The scope of Services is attached hereto and incorporated herein by reference as Exhibit A. All Services shall be provided in a manner consistent with the level of care and skill ordinarily exercised by public transit organizations providing similar services.
2. **Term.** The Term of this Agreement will be for a period of five years. This Agreement shall remain in full force and effect commencing from January 1, 2026, and continuing until December 31, 2029, unless terminated earlier as provided in paragraph 4 or amended pursuant to this Agreement. Every individual calendar year that elapses from January 1, 2026, until December 31, 2029, shall be deemed a "Contract Year".
3. **Payment.** City shall pay Three Rivers the amount of twelve thousand dollars (\$12,000.00) annually from 2026 through 2029, and Three Rivers will bill in January of each year and payment is due and payable within 30 days of invoicing. The first payment due will be twenty-four thousand dollars (\$24,000.00) and each year thereafter will be twelve thousand dollars (\$12,000.00) for the term of this Agreement. The terms for any subsequent years can be renegotiated in 2029. The City shall make no other payments under this Agreement.
4. **Termination.** This Agreement may be terminated as follows:

4.1. **Mutual Agreement.** The Parties, by mutual written agreement, may terminate this Agreement at any time.

4.2. **City Breach.** Three Rivers may terminate this Agreement in the event of a breach of the Agreement by City upon providing thirty (30) days' written notice to City and an opportunity to cure the breach before expiration of the thirty (30) days.

4.3. **Termination by City.** City may terminate this Agreement for any reason or no reason at all at any time upon providing thirty (30) days' written notice to Three Rivers. If City does not provide notice of termination prior to December 1st of any year, City will pay the annual payment set forth in Paragraph 3 for the upcoming year, but City will not be responsible for paying annual payments for future years.

In the event of termination, City shall pay Three Rivers for amounts due and owing for Services performed to the date of termination. In the event termination occurs during a Contract Year, City shall prorate the annual payment to Three Rivers based on the date of termination.

5. **Insurance.** For the entire term of this Agreement, Three Rivers will provide insurance for bodily injury and property damage liability and related coverages, including physical damage insurance on the buses in at least the limits set forth in Three Rivers' contract with the state of Minnesota titled "Public Transit Participation Program Operating Grant Agreement."
6. **Licensure and Training.** Three Rivers will ensure that all transportation drivers will maintain the licensure and training required for the class of vehicle driven.
7. **Property of Three Rivers.** The bus fleet is the property of Three Rivers. City shall not be liable for injuries to persons or damage to property associated with the Services outline in Paragraph 1.
8. **Indemnification.** Notwithstanding any other provisions hereof and in the performance of this Agreement, Three Rivers agrees to indemnify, save, and hold the City, its agents, and employees harmless from any claims, causes of action, liabilities, losses, damages, costs, expenses including reasonable attorneys' fees, suits, demands and judgements of any nature, because of bodily injury to or death of, any person or persons and/or because of damage to property of Three Rivers or others, including loss of use from any cause whatsoever, which may be asserted against the City on account of any act or omission, including negligence, of Three Rivers, or Three Rivers' employees or agents in connection with or arising from the performance of this Agreement by Three Rivers or Three Rivers' agents or employees. This obligation survives termination of this Agreement.

Nothing in this Agreement shall constitute a waiver or limitation of any immunity or limitation on liability to which City is entitled.

9. **Independent Contractor.** All Services provided by Three Rivers pursuant to this Agreement shall be provided by Three Rivers as an independent contractor and not as an employee of City for any purpose, including but not limited to: income tax withholding, workers' compensation, unemployment compensation, FICA taxes, liability for torts and eligibility for employee benefits. Three Rivers shall at all times be free to exercise initiative, judgment and discretion as to how to best perform or provide Services identified herein. Three Rivers is responsible for hiring sufficient workers to perform the services/duties required by this Agreement, withholding their taxes and paying all other employment tax obligations on their behalf.
10. **Data Practices Act Compliance.** Any and all data provided to Three Rivers, received from Three Rivers, created, collected, received, stored, used, maintained, or disseminated by Three Rivers pursuant to this Agreement shall be administered in accordance with, and is subject to the requirements of the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13. The remedies in Minnesota Statutes Section 13.08 apply to Three Rivers.
11. **Reporting.** Three Rivers shall make all necessary reports to the Minnesota Department of Transportation.
12. **Permits/Licenses.** Three Rivers shall obtain and pay for all permits and licenses necessary and ordinary for the Services required herein, shall comply with all lawful requirements applicable to the Services, and shall give and maintain any and all notices required by applicable law pertaining to the Services.
13. **Taxes.** Three Rivers shall pay any applicable state sales taxes applicable to the Services provided herein and any property taxes, as applicable, to the real property and buildings upon which Three Rivers uses for its operations in performing the Services under this Agreement.
14. **Subcontracting.** Three Rivers shall not enter into any subcontract for performance of any Services contemplated under this Agreement, without the prior written approval of City. Three Rivers shall be responsible for the performance of all subcontractors and shall require the same to meet the insurance and indemnification requirements contained herein.
15. **Bus Shelters.** Three Rivers and City agree to work cooperatively to obtain bus shelters to be placed on public property. Three Rivers shall be solely responsible for purchasing new shelters unless, prior to a purchase, City agrees in writing to contribute to the cost. Three Rivers shall also be responsible for all costs associated with the installation and/or relocation of bus shelters at locations mutually agreed upon by both Parties. As

of the effective date of this MOU, Three Rivers has no plans to purchase or relocate any bus shelters during the term of this MOU.

16. **Costs.** The Parties agree to the following terms related to costs under this Agreement:

16.1. Three Rivers shall be solely responsible for all operating and capital costs that arise during the term of this Agreement. The payments set forth in Paragraph 3 reflect City's only obligation to contribute to Three Rivers operating costs. Other than those payments, City has no obligation to contribute to Three Rivers' operating, capital, or any other costs or expenses, whether anticipated or unanticipated.

16.2. Three Rivers will not be compensated separately for any incidental expenses.

17. **Transit Advisory Council.** City will provide a representative to the Transit Advisory Council to attend meetings and elicit feedback regarding ridership, fare, and transit routes.

18. **Amendments.** Except as expressly permitted by this Agreement, no amendments may be made to this Agreement except upon mutual written agreement signed by both Parties.

19. **Waiver.** No waiver of any provision or of any breach of this Agreement shall constitute a waiver of any other provisions or any other or further breach, and no such waiver shall be effective unless made in writing and signed by an authorized representative of the Party to be charged with such a waiver.

20. **Entire Agreement.** Except for the ground lease agreement for the Transit Maintenance Building operated by Three Rivers in performing the Services located on that certain real property owned by the City located at 1730 Riverview Drive in the City, this Agreement, any attached exhibits and any addenda or amendments signed by the Parties shall constitute the entire Agreement between City and Three Rivers and supersedes any other written or oral agreements between City and Three Rivers. This Agreement can only be modified in writing signed by City and Three Rivers. If there is any conflict between the terms of this Agreements and referenced or attached items, the terms of this Agreement shall prevail.

21. **Compliance with Laws.** Three Rivers shall abide by all Federal, State and local laws, statutes, ordinances, rules and regulations now in effect or hereinafter adopted pertaining to this Agreement, or to the facilities, programs and staff for which Three Rivers is responsible.

22. **Non-Discrimination.** The provisions of any applicable law or ordinance relating to civil rights and discrimination shall be considered part of this Agreement as if fully set forth herein.

23. **Governing Law.** This Agreement shall be deemed to have been made and accepted in Rice County, Minnesota, and the laws of the State of Minnesota shall govern any interpretations or construction of the Agreement without regard to its choice of law or conflict of laws principles.
24. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Agreement to the extent of its invalidity or unenforceability, and this Agreement shall be construed as if the Agreement did not contain that particular provision to the extent of its invalidity or unenforceability.
25. **Headings and Captions.** Heading and captions contained in the Agreement are for convenience only and are not intended to alter any of the provisions of this Agreement and shall not be used for the interpretation of the validity of the Agreement or any provision hereof.
26. **Survivability.** All covenants, indemnities, guarantees, releases, representations and warranties by any Party or Parties, and any undischarged obligations of City and Three Rivers arising prior to the expiration of this Agreement (whether by completion or earlier terminations), shall survive such expiration.
27. **Mechanic's Liens.** Three Rivers hereby covenants and agrees that Three Rivers will not permit or allow any mechanic's or materialman's liens to be placed on the City's interest in any property that is the subject of this Agreement during the term hereof. Notwithstanding the previous sentence, however, in the event any such lien shall be so placed on the City's interest, Three Rivers shall take all steps necessary to see that it is removed within thirty (30) days of its being filed; provided, however, that Three Rivers may contest any such lien provided Three Rivers first posts a surety bond, in favor of and insuring the City, in an amount equal to 125% of the amount of any such lien.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on

the _____ day of _____, 2026

City of Northfield:

By: _____

Its: Mayor _____

By: _____

Its: City Clerk _____

Three Rivers Community Action, Inc.:

By: _____

Its: Executive Director _____

EXHIBIT A

SCOPE OF SERVICES

Three Rivers shall be responsible for the management, operation, and administration of public transportation services within the designated service area in accordance with applicable federal, state, and local laws, regulations, and funding requirements. The scope of work shall include, but not be limited to, the following:

1. **Service Operations.**
Planning, scheduling, dispatching, and operation of fixed-route, demand-response, and/or other authorized transit services, including the provision of drivers and operational staff necessary to deliver safe, reliable, and efficient transportation services.
2. **Fleet and Equipment.**
Operation, maintenance, inspection, and cleaning of vehicles and related equipment used in the provision of transit services, whether owned, leased, or otherwise provided, in compliance with all applicable safety and accessibility standards.
3. **Personnel and Training.**
Recruitment, training, supervision, and management of all employees and contractors required to perform transit operations, including compliance with labor laws, licensing requirements, drug and alcohol testing, and safety training standards.
4. **Safety and Compliance.**
Implementation and maintenance of safety programs, emergency procedures, and regulatory compliance, including adherence to Federal Transit Administration (FTA) requirements, Americans with Disabilities Act (ADA) regulations, and applicable state and local transit standards.
5. **Customer Service and Public Interface.**
Provision of customer service functions, including handling of complaints, inquiries, and public information related to transit services.
6. **Fare Collection and Revenue Management.**
Administration of fare collection systems, fare enforcement (if applicable), revenue handling, and reporting, in accordance with approved fare policies.
7. **Reporting and Coordination.**
Preparation and submission of operational, financial, and performance reports as required by funding agencies or the governing entity, and coordination with the City and other stakeholders on service planning, performance, and improvements.
8. **Insurance and Risk Management.**
Maintenance of required insurance coverage and implementation of risk management practices related to transit operations.