RECOMMENDED ACTION AND JUSTIFICATION:

Request authorization to terminate the Legal Services Agreement between the County of Mariposa and the John C. Fremont Healthcare District, recognized in the Agreement as the John C. Fremont Hospital District.

This Agreement was entered into in 1991 between the County and Hospital District for County Counsel to render legal services to the Hospital from time to time, as the Hospital District did not have an attorney on staff or on call at that time. For some time the Healthcare District (Hospital) has had their own attorneys and has not utilized the services of County Counsel. Therefore, County Counsel recommends termination of this Agreement.

The Agreement states that it shall remain in full force until rescinded in writing or amended by either party.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

Resolution No. 91-467 was adopted on October 1, 1991 authorizing the Chairman to sign the Agreement for Legal Services with John C. Fremont Hospital at a rate of $75 per hour.

A letter of intention to terminate the Legal Services Agreement was sent to the CFO of the John C. Fremont Healthcare District on January 14, 2004.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

<table>
<thead>
<tr>
<th>Financial Impact? ( ) Yes (X) No</th>
<th>Current FY Cost: $</th>
<th>Annual Recurring Cost: $</th>
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<tr>
<td>Budgeted In Current FY? ( ) Yes ( ) No ( ) Partially Funded</td>
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<td>Amount in Budget: $</td>
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<td>Additional Funding Needed: $</td>
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<td>Source:</td>
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<td>Internal Transfer</td>
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<td>Unanticipated Revenue</td>
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<td>Transfer Between Funds</td>
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<td>Contingency</td>
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<tr>
<td>( ) General ( ) Other</td>
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</tbody>
</table>

List Attachments, number pages consecutively
Agreement for Legal Services
Letter of Intention to Terminate Agreement

CLERK’S USE ONLY:

Res. No. [Signature] Ord. No. [Signature]
Vote – Ayes: [Signature] Noes: [Signature]
Absent: [Signature]
Approved: [Signature]
( ) Minute Order Attached ( ) No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.
Date: [Signature]

Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California
By: [Signature]
Deputy

COUNTY ADMINISTRATIVE OFFICER:

Requested Action Recommended
No Opinion
Comments:

Revised Dec. 2002
Elnora George, CFO
John C. Fremont Healthcare District
P.O. Box 216
Mariposa, CA 95338

Re: Legal Services Agreement

Dear Ms. George:

In reviewing the recent issues involving the John C. Fremont Healthcare District (formerly known as the John C. Fremont Hospital District) it has been brought to my attention that there was an Agreement for legal services entered into between the County and the Hospital District in 1991. This Agreement specifically provides that the County Counsel may declare a conflict of interest and decline to provide legal services in matters in which there is a potential conflict of interest between the County and the Hospital District.

It also appears that the Healthcare District has for some time had their own attorneys and in fact I have been speaking with them very recently regarding concerns raised by the Board of Equalization.

This letter will confirm my representation to you when we first spoke with respect to this matter that the County Counsel is representing the County and not the Healthcare District in this matter. Furthermore, according to the terms of the Agreement there is a requirement that notice be provided, and this will confirm that such notice was provided, that the County Counsel has determined that there is a conflict of interest.

In order to aid your review of this matter I have attached a copy of the Agreement for legal services entered into in 1991 between the County and the Hospital District.

It is my intention in the very near future to bring forward the consideration of termination of this Agreement as it appears it is no longer of utility to the Healthcare District now that you have your own counsel. It would of course be my position that the County Counsel continue to work as cooperatively as possible with both the Healthcare District and its attorneys as matters arise from time to time and preserve the history of the good working relationship between the entities.

If you have any reason why the Agreement for legal services should not be terminated then I ask that you let me know at your earliest convenience so that I may take those issues into consideration in making my recommendations to the County in this matter.

Very truly yours,

Thomas P. Guarino
County Counsel

TPG/rs
Attachment