

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # B-21

Urgent _____ Routine X

AGENDA DATE: June 12, 2001

CEO Concurs with Recommendation YES prt NO _____
(Information Attached)

4/5 Vote Required YES _____ NO X

SUBJECT:

APPROVAL OF AND AUTHORIZATION FOR CHAIR TO EXECUTE AN AGREEMENT BETWEEN STANISLAUS COUNTY AND THE LOCAL AGENCY FORMATION COMMISSION (LAFCO) FOR SUPPORT SERVICES

STAFF RECOMMENDATION:

1. APPROVE THE ATTACHED AGREEMENT BETWEEN STANISLAUS COUNTY AND THE LOCAL AGENCY FORMATION COMMISSION AND AUTHORIZE THE CHAIR TO EXECUTE THE AGREEMENT ON BEHALF OF THE COUNTY;
2. ESTABLISH AN AGENCY FUND BUDGET FOR LAFCO; AND,
3. AMEND THE SALARY AND POSITION ALLOCATION RESOLUTION FOR THREE NEW POSITIONS AS STATED IN THE STAFFING IMPACTS EFFECTIVE JULY 1, 2001.

FISCAL IMPACT:

No fiscal impact with the agreement to provide services to LAFCO, however, new State law (Government Code Section 56381) requires the County to provide a one-half share of the LAFCO Commission's operating expenses, or \$163,470. This funding mandate is required no matter how LAFCO chooses to operate. Under the law, LAFCO shall make its own provisions for the necessary personnel and facilities and may choose to contract with any public agency or private party for the personnel and facilities. The agreement stipulates that 100% of the funding for the service requested and provided to LAFCO will be funded by LAFCO.

BOARD ACTION AS FOLLOWS:

No. 2001-444

On motion of Supervisor Mayfield, Seconded by Supervisor Caruso

and approved by the following vote,

Ayes: Supervisors: Mayfield, Blom, Simon, Caruso, and Chair Paul

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

MOTION:



SUBJECT: APPROVAL OF AND AUTHORIZATION FOR CHAIR TO EXECUTE AN AGREEMENT BETWEEN STANISLAUS COUNTY AND THE LOCAL AGENCY FORMATION COMMISSION (LAFCO) FOR SUPPORT SERVICES

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DISCUSSION: The legislature approved, and the Governor signed Assembly Bill 2838 into law in September of last year. This bill incorporated previous law with new legislation to form the Cortese-Knox-Hertzberg Local Government Reorganization Act. Effective January 1, 2001, this Act became the law governing LAFCOs statewide. Under previous law, the Stanislaus County Board of Supervisors approved and funded LAFCO's budget and provided all necessary quarters, equipment and supplies. Under the new Act, LAFCO is responsible for making its own provisions for necessary quarters, equipment, and supplies, as well as personnel, and setting its own budget to provide for these beginning with Fiscal Year 2001-2002. In addition, the Act provides formulae for the apportionment of LAFCO's costs between those agencies represented among its membership. For Stanislaus LAFCO, these agencies are the County of Stanislaus and the Cities of Ceres, Hughson, Modesto, Newman, Oakdale, Patterson, Riverbank, Turlock and Waterford. Pursuant to Government Code Section 56381, the County and the cities shall each provide a one-half share of the Commission's operating costs.

New provisions included in AB 2838 have changed the LAFCO budget process, as well as the costs of operating the agency. LAFCO must now adopt at a noticed public hearing, a preliminary budget by May 1 and a final budget by June 15. The Commission adopted their preliminary budget on April 25, 2001 and their final budget on June 6, 2001.

The adopted final LAFCO budget, Attachment B, reflects LAFCO as an independent agency and the Commissions' desire to contract with the County for all necessary services, including quarters, facilities, and personnel, to carry out its new mandates and obligations as identified in the new law. The Board of Supervisors, through the agreement approved on March 20, 2001 for the continuation of the approved funding amount through the end of Fiscal Year 2000-2001, indicated the County's willingness to assist LAFCO in meeting these new requirements.

The proposed agreement (Attachment A) stipulates the County will provide all the necessary quarters, facilities, services and personnel requested by LAFCO, and identified in their adopted final budget, and the costs for such services shall be provided by LAFCO.

The adopted LAFCO budget and proposed agreement includes three new full-time County positions to serve LAFCO. These include a Manager IV (LAFCO Executive Officer), an Associate Planner (LAFCO Analyst), and Confidential Assistant III (LAFCO Clerk). The personnel provided by the County to LAFCO would be employees of the County and governed by all County employment rules and ordinances and will receive all employee benefits applicable to County employees generally. However, the County employee serving as Executive Officer shall be subject solely to appointment by LAFCO pursuant to Government Code Section 56384. The Executive Officer is similar to a Department Head position with respect to their responsibilities to LAFCO. In addition, as LAFCO is an independent agency, all personnel provided by the County shall be subject solely to the policy direction and control of LAFCO.

SUBJECT: APPROVAL OF AND AUTHORIZATION FOR CHAIR TO EXECUTE AN AGREEMENT BETWEEN STANISLAUS COUNTY AND THE LOCAL AGENCY FORMATION COMMISSION (LAFCO) FOR SUPPORT SERVICES

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**DISCUSSION
CONTINUED:**

The agreement for services requires the County to provide the three identified positions (Manager IV, Associate Planner, and Confidential Assistant III) to serve LAFCO. Therefore, in order to accommodate LAFCO with the identified staffing positions, the Salary and Position Allocation Resolution must be amended to reflect these new positions.

In order for the agreement to become effective, approval will be required by both the LAFCO and the Stanislaus County Board of Supervisors. LAFCO considered and approved this agreement on June 6, 2001.

**POLICY
ISSUES:**

It is the policy of the County to comply with State law, to provide for coordinated and efficient governmental services, and to achieve multi-jurisdictional cooperation. As of January 1, 2001 funding for LAFCO, as an independent agency, is required to be provided by the County (one-half share) and the nine cities (one-half share). As such, an Agency Fund classification for LAFCO should be established.

**STAFFING
IMPACT:**

Amend the Salary and Position Allocation Resolution, effective July 1, 2001, to reflect the following: Add: one Manager IV; one Associate Planner; and, one Confidential Assistant III.

ATTACHMENT A

**AGREEMENT BETWEEN THE COUNTY OF STANISLAUS
AND THE LOCAL AGENCY FORMATION COMMISSION
OF STANISLAUS COUNTY FOR OPERATIONAL SERVICES**

This Agreement is made on this _____ day of June, 2001 by and between the County of Stanislaus, hereinafter referred to as "County" and the Stanislaus Local Agency Formation Commission, hereinafter referred to as "LAFCO":

RECITALS

WHEREAS, under Government Code Section 56380, LAFCO is required to make provision for the necessary personnel, quarters, services, equipment and supplies to perform its duties;

WHEREAS, LAFCO may do so by contracting with a public agency; and

WHEREAS, County has in the past provided the funding for LAFCO as required by law and has supplied the necessary personnel, quarters, equipment and supplies to LAFCO and the County and LAFCO desire to maintain an arrangement whereby the County provides such operating support as deemed necessary by LAFCO subject to acceptable reimbursement by LAFCO therefore.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereby agree as follows:

1. After January 1, 2001, and for each year thereafter commencing with the fiscal year 2001-2002, LAFCO shall adopt a final budget each year in accordance with Government Code section 56831(a). Each such budget shall identify the budgeted costs for the necessary personnel salaries and benefits, quarters, services, equipment and supplies for the next fiscal year, which shall be determined consistent with the standard County Budget practices. LAFCO shall consult with the County during the preparation of its budget for the purposes of determining the foregoing costs in accordance with the standard County budgeting practices.
2. After July 1, 2001, and each fiscal year thereafter (unless this Agreement is terminated as provided for herein), provided that LAFCO has prepared its budget in consultation with County, County shall provide to LAFCO the personnel, quarters, services, equipment and supplies identified in the LAFCO budget during that fiscal year, and shall be compensated in the amounts provided for in the LAFCO budget as such resources are utilized or needed by LAFCO during that fiscal year. The personnel provided by County to LAFCO shall be employees of County and governed by all County employment rules and ordinances and receive all employee benefits applicable to County employees generally; provided, however, the County employee serving as the Executive Officer shall be subject solely to appointment by LAFCO pursuant to

AGREEMENT BETWEEN COUNTY OF STANISLAUS AND
STANISLAUS COUNTY LOCAL AGENCY FORMATION COMMISSION

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Government Code Section 56384. Any other personnel provided by County to LAFCO shall be subject to approval of the Executive Officer, with the exception of legal counsel provided by the County Counsel's office who shall be subject solely to approval by LAFCO pursuant to Government Code Section 56384. All personnel provided by County shall be subject solely to the policy direction and control of LAFCO.

3. The employees provided by County shall be compensated as follows:
 - (a) The employee designated as Executive Officer shall receive salary and benefits under the same terms and conditions as provided to a Manager IV position as designated under County of Stanislaus Bargaining Unit designated Management. In addition, the employee designated as Executive Officer shall receive a car allowance in the amount of \$200.00 per month upon the same terms and conditions as provided in the benefit package to members of the County of Stanislaus designated as Department Head;
 - (b) The employee serving as the LAFCO Analyst shall receive salary and benefits under the same terms and conditions as provided to an Associate Planner position as designated under County of Stanislaus Bargaining Unit 5, designated Mid-Management; and,
 - (c) The employee serving as the LAFCO Clerk shall receive salary and benefits under the same terms and conditions as provided to a Confidential Assistant III position as designated under County of Stanislaus Bargaining Unit 2, Confidential.
4. Pay for Performance Procedures adopted by the County shall be followed for the Executive Officer and the LAFCO Clerk in accordance with the Management and Confidential Bargaining Units. Any such salary adjustment, upon completion of a written performance evaluation, for the Executive Officer shall be at the sole discretion of LAFCO; and for the LAFCO Clerk, determined at the sole discretion of the Executive Officer. Any step increases for the LAFCO Analyst shall be at the sole approval of the Executive Officer upon completion of a written evaluation pursuant to adopted County Personnel Procedures for Mid-Management, Bargaining Unit 5.
5. The Commission will reimburse the County for retaining legal services in the amount identified in each year's final budget. The Commission and County Counsel will review and approve the retainer amount prior to the start of each fiscal year. If the cost of providing legal services significantly exceeds the specified amount, (e.g., due to litigation) an adjustment would be made in the succeeding fiscal year for the excess costs. If both parties do not agree to a retainer amount for the next fiscal year, the County Counsel will cease to provide legal services at the end of the then current fiscal year, and the Commission may employ private outside counsel as it sees fit.
6. Pursuant to Government Code Section 56381(c), the County Board of Supervisors shall transmit funds to LAFCO sufficient to cover the first two months of LAFCO's operating expenses as specified by LAFCO. If during the fiscal year LAFCO is without adequate funds to operate, the County may loan LAFCO funds and recover those funds in LAFCO's budget for the following year.

AGREEMENT BETWEEN COUNTY OF STANISLAUS AND
STANISLAUS COUNTY LOCAL AGENCY FORMATION COMMISSION

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7. The County Chief Executive Officer and the LAFCO Executive Officer may enter into such other subsidiary agreements as may be necessary to implement and effectuate the intention of this Agreement and fulfill its purposes; provided, however, no such agreement may change the total amount of obligation payable by LAFCO without the approval of LAFCO.
8. This Agreement shall continue from year-to-year until terminated by one of the parties in accordance with this Section 8. This Agreement may be terminated by either party effective July 1 of any year only by the delivery by the terminating party of written notice to the other party prior to January 1 of the year immediately preceding the year of termination. In the event a party chooses to terminate this Agreement, this Agreement shall continue in full force and effect until July 1 of the year of termination.
9. All notices to either party that may be required or authorized by this Agreement shall be in writing and either deposited in the United States Mail, Postage prepaid or personally delivered. The notice shall be effective upon the date of personal delivery or date of mailing. Notices regarding this Agreement shall be sent or delivered to:

Local Agency Formation Commission
Executive Officer
1010 10th Street, Suite 3400
Modesto CA 95354

County of Stanislaus
Reagan Wilson
Chief Executive Office
1010 10th Street, Suite 6800
Modesto CA 95354

10. LAFCO agrees to indemnify, defend and hold County harmless from any and all claims or lawsuits that may be made against County which arise out of any action or decision made by LAFCO as part of its statutorily prescribed duties and which lawsuit may be premised upon the activities of any employee provided by County under this Agreement. If any judgment is rendered against County in any such lawsuit, LAFCO shall, at its own expense, satisfy and discharge any judgment.
11. If any provision of this Agreement is for any reason held to be invalid, it should not affect the validity of any other provision of this Agreement. The waiver by either party hereto, of any breach, term, covenant or condition contained herein shall not constitute a waiver of any subsequent term, covenant or condition contained herein shall not coincided a waiver of any subsequent term, covenant or condition herein.
12. This is an integrated Agreement and contains all of the terms, conditions, understandings and promises of the parties. The terms of this Agreement may not be modified except upon the mutual written consent of the parties.

AGREEMENT BETWEEN COUNTY OF STANISLAUS AND
STANISLAUS COUNTY LOCAL AGENCY FORMATION COMMISSION

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IN WITNESS WHEREOF, this Agreement was executed by the parties hereto as of the date first above written.

COUNTY OF STANISLAUS, a political subdivision of the State of California

By: _____
Pat Paul, Chair of the Board of Supervisors
Stanislaus County, State of California

ATTEST:

CHRISTINE FERRARO TALLMAN, Clerk of the Board
of Supervisors of the County of Stanislaus,
State of California

By: _____

Approved by the Board of Supervisors on _____

LOCAL AGENCY FORMATION COMMISSION OF STANISLAUS COUNTY

By: _____
John Shores, Chairman of the
Local Agency Formation Commission
"LAFCO"

Approved by LAFCO on _____

APPROVED AS TO FORM:
Stanislaus County Counsel

APPROVED AS TO FORM
Legal Counsel for LAFCO

By: _____
E. Vernon Seeley

By: _____
Dean Wright

ATTACHMENT B

FY 2001-2002
ADOPTED FINAL BUDGET CATEGORY SUMMARY

Salaries and Benefits	\$ 221,910
Services	35,000
Operating Expenses	16,090
Equipment and Fixed Assets	9,450
Commissioners Expenses (Conference, Travel, Education And CALAFCO Dues)	12,740
Contingency	25,000
Carry Forward Expense (FY 2000-2001)	<u>25,000</u>
Total Expenses	\$345,190
Total Revenues	<u>< 20,000 ></u>
NET BUDGET COST	<u>\$325,190</u>

FY 2001-2002 ADOPTED FINAL LAFCO BUDGET DETAIL

LINE ITEMS	CATEGORY	ASSUMPTION FOR 2001/2002	FY 2000-2001 ADOPTED BUDGET	FY 2001-2002 PROPOSED BUDGET
50000 Salaries and Wages	Personnel		0	167,910
	<i>Executive Officer</i>	79,600		
	<i>LAFCO Analyst</i>	53,365		
	<i>LAFCO Clerk</i>	34,945		
52000 Retirement	Payroll Taxes, Insurances, Benefits	16,500	0	16,500
52010 FICA		12,000	0	12,000
53000 Group Health Insurance		17,750	0	17,750
53081 Long Term Disability		200	0	200
54000 Workers Compensation Insurance		2,700	0	2,700
55000 Auto Allowance		2,400	0	2,400
55080 Professional Development		900	0	900
55120 Employees Assistance Program		150	0	150
55130 Deferred Compensation Management/Confidential		1,400	0	1,400
62200 Memberships		CALAFCO <i>Annual Dues</i>	1,340	1,300
62600 Office Supplies	General Office Supplies	2,000	300	2,000
62990 Expense - Equipment to \$5,000	Office Equipment		0	9,450
	<i>2 Desktop Computers</i>	3,600		
	<i>Laser Printer</i>	600		
	<i>Furniture (2) offices</i>	5,000		
	<i>Fax</i>	250		

LINE ITEMS	CATEGORY	ASSUMPTION FOR 2001/2002	FY 2000-2001 ADOPTED BUDGET	FY 2001-2002 PROPOSED BUDGET	
65000 Publications & Legal Notices		1,000	500	1,000	
65890 Commission Expense	Meeting Stipend & Mileage <i>Meeting Stipend \$75 x 8 Commissioners x 10 meetings/year</i>	6,000	1,000	6,000	
65780 Education and Training	Conferences and Travel		1,900	5,400	
	<i>Annual CALAFCO Conference 4 @ \$800</i>	3,200			
	<i>Other Training</i>	1,000			
	<i>Clerk Workshop</i>	800			
	<i>Travel Mileage</i>	400			
74700 Commercial Insurance		40	40	40	
73500 Government Interfund - Elections	Support Services	1,000	0	1,000	
73510 Government Fund Bill - Grand Jury Audit		50	0	50	
73511 Government Fund Bill - Auditor's Dept.		1,500	0	1,500	
73512 Government Fund Bill - Purchasing Agent		<i>Contract Dean Wright - County Counsel</i>	1,000	0	1,000
73514 Government Fund Bill - Risk		<i>Map & Legal Description Checking - Public Works</i>	50	0	50
73520 Government Fund - A-87 Charges CEO			1,400	0	1,400
73521 Government Fund - A-87			1,000	0	1,000
73540 Government Fund - County Counsel Services			24,000	0	24,000
73580 Government Fund - Public Works			5,000	4,000	5,000

LINE ITEMS	CATEGORY	ASSUMPTION FOR 2001/2002	FY 2000-2001 ADOPTED BUDGET	FY 2001-2002 PROPOSED BUDGET
74010 Local Calls Outside PBX Services	Operating Expenses	500	0	500
74020 Long Distance Calls		1,000	0	1,000
74060 Self Insured General Liability		2,000	0	2,000
74080 Central Services Printing		500	300	500
74090 Quick Copy Services		2,500	700	2,500
74100 Mailroom Postage Meter		2,000	1,000	2,000
74110 Mailroom Services		250	100	250
74130 Data Processing Services		2,500	0	2,500
74900 Local Calls Inside PBX System		500	0	500
87090 Utilities		1,300	600	1,300
89000 Contingency	Contingencies <i>For Unknown Costs of an Independent LAFCO</i>	25,000	0	25,000
87120 Administrative Service Salary	<i>Staff Services (No Benefits)</i>	0	45,000	0
# Carry Forward Debt	<i>Reimbursement to County for Additional Cost Above Appropriation in FY 2000-2001 Adopted Budget</i>	25,000	N/A	25,000
TOTAL		345,190	56,740	345,190
31400 Revenues (Charges for Services)	Application Fees and Misc. Fee Charges	<20,000>	<20,000>(actual)	<20,000>
NET BUDGET COST		325,190		325,190

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**AGREEMENT BETWEEN THE COUNTY OF STANISLAUS
AND THE LOCAL AGENCY FORMATION COMMISSION
OF STANISLAUS COUNTY FOR OPERATIONAL SERVICES**

This Agreement is made on this 12th day of June, 2001 by and between the County of Stanislaus, hereinafter referred to as "County" and the Stanislaus Local Agency Formation Commission, hereinafter referred to as "LAFCO":

RECITALS

WHEREAS, under Government Code Section 56380, LAFCO is required to make provision for the necessary personnel, quarters, services, equipment and supplies to perform its duties;

WHEREAS, LAFCO may do so by contracting with a public agency; and

WHEREAS, County has in the past provided the funding for LAFCO as required by law and has supplied the necessary personnel, quarters, equipment and supplies to LAFCO and the County and LAFCO desire to maintain an arrangement whereby the County provides such operating support as deemed necessary by LAFCO subject to acceptable reimbursement by LAFCO therefore.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereby agree as follows:

1. After January 1, 2001, and for each year thereafter commencing with the fiscal year 2001-2002, LAFCO shall adopt a final budget each year in accordance with Government Code section 56831(a). Each such budget shall identify the budgeted costs for the necessary personnel salaries and benefits, quarters, services, equipment and supplies for the next fiscal year, which shall be determined consistent with the standard County Budget practices. LAFCO shall consult with the County during the preparation of its budget for the purposes of determining the foregoing costs in accordance with the standard County budgeting practices.
2. After July 1, 2001, and each fiscal year thereafter (unless this Agreement is terminated as provided for herein), provided that LAFCO has prepared its budget in consultation with County, County shall provide to LAFCO the personnel, quarters, services, equipment and supplies identified in the LAFCO budget during that fiscal year, and shall be compensated in the amounts provided for in the LAFCO budget as such resources are utilized or needed by LAFCO during that fiscal year. The personnel provided by County to LAFCO shall be employees of County and governed by all County employment rules and ordinances and receive all employee benefits applicable to County employees generally; provided, however, the County employee serving as the Executive Officer shall be subject solely to appointment by LAFCO pursuant to

AGREEMENT BETWEEN COUNTY OF STANISLAUS AND STANISLAUS COUNTY LOCAL AGENCY FORMATION COMMISSION

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Government Code Section 56384. Any other personnel provided by County to LAFCO shall be subject to approval of the Executive Officer, with the exception of legal counsel provided by the County Counsel's office who shall be subject solely to approval by LAFCO pursuant to Government Code Section 56384. All personnel provided by County shall be subject solely to the policy direction and control of LAFCO.

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 - (a) The employee designated as Executive Officer shall receive salary and benefits under the same terms and conditions as provided to a Manager IV position as designated under County of Stanislaus Bargaining Unit designated Management. In addition, the employee designated as Executive Officer shall receive a car allowance in the amount of \$200.00 per month upon the same terms and conditions as provided in the benefit package to members of the County of Stanislaus designated as Department Head;
 - (b) The employee serving as the LAFCO Analyst shall receive salary and benefits under the same terms and conditions as provided to an Associate Planner position as designated under County of Stanislaus Bargaining Unit 5, designated Mid-Management; and,
 - (c) The employee serving as the LAFCO Clerk shall receive salary and benefits under the same terms and conditions as provided to a Confidential Assistant III position as designated under County of Stanislaus Bargaining Unit 2, Confidential.
4. Pay for Performance Procedures adopted by the County shall be followed for the Executive Officer and the LAFCO Clerk in accordance with the Management and Confidential Bargaining Units. Any such salary adjustment, upon completion of a written performance evaluation, for the Executive Officer shall be at the sole discretion of LAFCO; and for the LAFCO Clerk, determined at the sole discretion of the Executive Officer. Any step increases for the LAFCO Analyst shall be at the sole approval of the Executive Officer upon completion of a written evaluation pursuant to adopted County Personnel Procedures for Mid-Management, Bargaining Unit 5.
5. The Commission will reimburse the County for retaining legal services in the amount identified in each year's final budget. The Commission and County Counsel will review and approve the retainer amount prior to the start of each fiscal year. If the cost of providing legal services significantly exceeds the specified amount, (e.g., due to litigation) an adjustment would be made in the succeeding fiscal year for the excess costs. If both parties do not agree to a retainer amount for the next fiscal year, the County Counsel will cease to provide legal services at the end of the then current fiscal year, and the Commission may employ private outside counsel as it sees fit.
6. Pursuant to Government Code Section 56381(c), the County Board of Supervisors shall transmit funds to LAFCO sufficient to cover the first two months of LAFCO's operating expenses as specified by LAFCO. If during the fiscal year LAFCO is without adequate funds to operate, the County may loan LAFCO funds and recover those funds in LAFCO's budget for the following year.

AGREEMENT BETWEEN COUNTY OF STANISLAUS AND STANISLAUS COUNTY LOCAL AGENCY FORMATION COMMISSION

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7. The County Chief Executive Officer and the LAFCO Executive Officer may enter into such other subsidiary agreements as may be necessary to implement and effectuate the intention of this Agreement and fulfill its purposes; provided, however, no such agreement may change the total amount of obligation payable by LAFCO without the approval of LAFCO.
8. This Agreement shall continue from year-to-year until terminated by one of the parties in accordance with this Section 8. This Agreement may be terminated by either party effective July 1 of any year only by the delivery by the terminating party of written notice to the other party prior to January 1 of the year immediately preceding the year of termination. In the event a party chooses to terminate this Agreement, this Agreement shall continue in full force and effect until July 1 of the year of termination.
9. All notices to either party that may be required or authorized by this Agreement shall be in writing and either deposited in the United States Mail, Postage prepaid or personally delivered. The notice shall be effective upon the date of personal delivery or date of mailing. Notices regarding this Agreement shall be sent or delivered to:

Local Agency Formation Commission
Executive Officer
1010 10th Street, Suite 3400
Modesto CA 95354

County of Stanislaus
Reagan Wilson
Chief Executive Office
1010 10th Street, Suite 6800
Modesto CA 95354

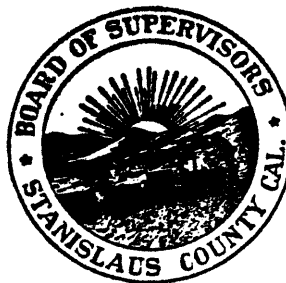
10. LAFCO agrees to indemnify, defend and hold County harmless from any and all claims or lawsuits that may be made against County which arise out of any action or decision made by LAFCO, including claims and lawsuits premised upon the activities of any employee provided by County under this Agreement. If any judgment is rendered against County in any such lawsuit, LAFCO shall, at its own expense, satisfy and discharge any judgment.
11. If any provision of this Agreement is for any reason held to be invalid, it should not affect the validity of any other provision of this Agreement. The waiver by either party hereto, of any breach, term, covenant or condition contained herein shall not constitute a waiver of any subsequent term, covenant or condition contained herein.
12. This is an integrated Agreement and contains all of the terms, conditions, understandings and promises of the parties. The terms of this Agreement may not be modified except upon the mutual written consent of the parties.

AGREEMENT BETWEEN COUNTY OF STANISLAUS AND STANISLAUS COUNTY LOCAL AGENCY FORMATION COMMISSION
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IN WITNESS WHEREOF, this Agreement was executed by the parties hereto as of the date first above written.

COUNTY OF STANISLAUS, a political subdivision of the State of California

By: Pat Paul
Pat Paul, Chair of the Board of Supervisors
Stanislaus County, State of California



ATTEST:

CHRISTINE FERRARO TALLMAN, Clerk of the Board
of Supervisors of the County of Stanislaus,
State of California

By: Christine Ferraro Tallman
Deputy Clerk

Approved by the Board of Supervisors on June 12, 2001

LOCAL AGENCY FORMATION COMMISSION OF STANISLAUS COUNTY

By: John Shores
John Shores, Chairman of the
Local Agency Formation Commission
"LAFCO"

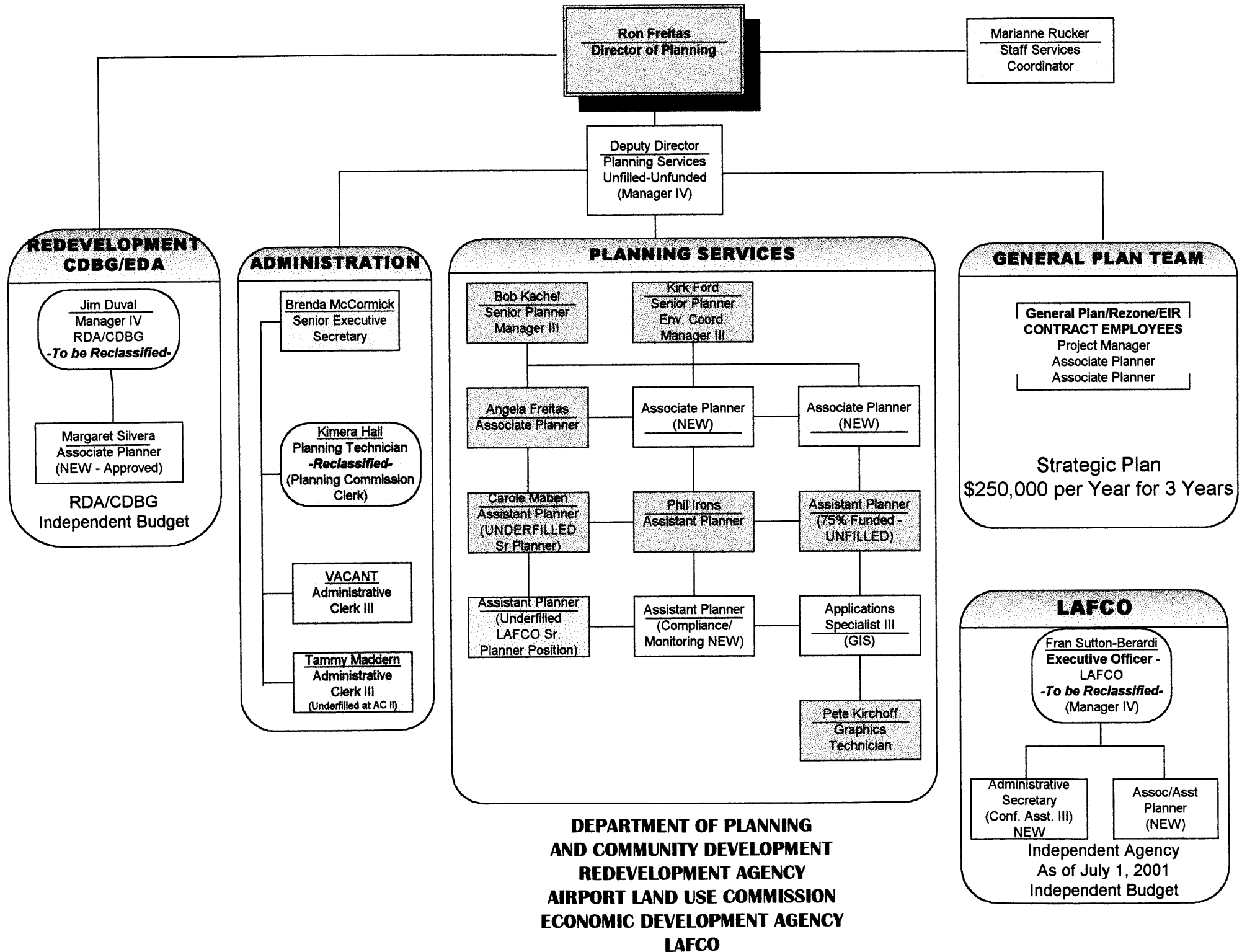
Approved by LAFCO on June 6, 2001

APPROVED AS TO FORM:
Stanislaus County Counsel

By: E. Vernon Seeley
E. Vernon Seeley

APPROVED AS TO FORM
Legal Counsel for LAFCO

By: Dean Wright
Dean Wright



**DEPARTMENT OF PLANNING
 AND COMMUNITY DEVELOPMENT
 REDEVELOPMENT AGENCY
 AIRPORT LAND USE COMMISSION
 ECONOMIC DEVELOPMENT AGENCY
 LAFCO**