NEVADA COUNTY GRAND JURY

2025 - 2026
Final Report

2025-2026 Nevada County Civil Grand Jury

YEAR END REPORT

Jury Administration:

Foreperson: Joe D'Andrea

Pro Tem: Debby Heller

Business Manager: Dave Frost

Full Panel Recorder: Tery Lipper

Editorial Chair: Don Doernberg

Tech. Manager: Isaac Dietz

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Finance: Dave Anderson

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Local Gov: Gina Gray

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Special Districts: Don Doernberg

Editorial Committee Chair: Don Doernberg

Members Unable to Complete Term:

Patricia Wilcox

Karen Heitzman

Howard Brownstone

Robert Avery

June 24, 2026

The Honorable Scott Thomsen

Presiding Judge of the Nevada County Civil Grand Jury

Nevada County Superior Court

201 Church Street

Nevada City, CA 95959

Dear Judge Thomsen:

In compliance with the California Penal Code Section 933(a), the Nevada County Grand Jury herewith presents its Final Report to you and the residents of Nevada County.

The Grand Jury is charged with and sworn to respond to, and where deemed appropriate, to investigate or inquire into local county, city, and special district matters of civil concern per Penal Code Section 888 in Nevada County. The Grand Jury investigates and where appropriate reports on operations, financial accounts, and official records of various City, County and Special District operations including a yearly mandatory inspection report of all detention facilities within Nevada County (PC 919 (b). This year's Grand Jury extends is appreciation to all those entities for their cooperation, participation, understanding and timely responses to all inquiries and investigations this past year.

This year's Grand Jury has had much success. In addition to completing its statutory obligation of investigations and inquiries, the Jury produced three reports, and the 3 required Annual Reports on all the detention facilities located within Nevada County.

The following is a Recap of the Jury's activities this past year:

Outreach Activities:

The California Civil Grand Jury Association Nevada County Chapter has worked hard in assisting with recruitment efforts for the upcoming Jury year. The Chapter held recruiting tables at various locations, and Fairs, throughout the year, to educate and talk with local community residents about Grand Jury service. They meet monthly to plan outreach activities and recruitment efforts. They also present classes at the local community college to educate the public on Grand Jury service and history. The Chapter is made up of former Grand Jurors who have served in Nevada County.

Jury Procedures Manual Revision:

Complaints:

This term the Jury received 5 complaints.

Donner Lake West Reed Ave. Follow up	No Action
Nevada County Supt. Schools HR	No Action
Nevada County BRIDGE	No Action
Nevada County Clerk Recorder	No Action
BOS/LAFCO/PV Fire District	No Action

The 2025-2026 Final Report submitted to the Presiding Judge contain three reports:

School Bullying and Harassment
County Unfunded Pension Liabilities
Penn Valley Fire District

The 2025-2026 Grand Jury Reports are a result of the dedicated and tireless work performed by the 16 members of this Grand Jury. Our Jury members unselfishly gave a year of their lives for public service to help improve local Nevada County Government, Education, and Fire Protection and Administration in Nevada County. For this we thank them.

The purpose of the Grand Jury system in this County is to help make positive and productive changes to enhance the lives of the citizens in Nevada County, all while maintaining its "watchdog" status in the attempt to ensure sound government and helping to keep all agencies accountable for their decisions. This year's Jury has done that by putting in the time, effort,
energy and human capital required to move Nevada County forward in that direction and make Nevada County a better place than they found it.

Respectfully Submitted,
Joseph R. D'Andrea
Joseph R, D'Andrea
Foreperson

Bullying and Harassment at NJUHSD Schools: Going Underground?

2025-2026 Nevada County Grand Jury

Report Date: March 18, 2026

Release Date: March 26, 2026

Summary

Student bullying and harassment can lead to long-term physical and mental health issues for those involved. Nevada Joint Union High School District (The District) has been focusing on reducing Bullying and Harassment (B&H) at the schools within its jurisdiction. The District's annual Local Control Accountability Plan (LCAP) survey measures if students feel both physically and emotionally safe at school. Additionally, The District also uses the California Healthy Kids Survey (CHKS) as another measure of the extent of bullying and harassment in its schools.

Analyzing both the LCAP and CHKS survey results for the past 4-5 school years, it appears that bullying and harassment is getting worse within The District, primarily at Nevada Union High School (NUHS). The District has taken some steps to address this problem at its staff and administration level but has taken only minimal prevention efforts at the student level.

The District needs to take more student-based measures to prevent bullying and harassment. Additionally, The District needs to improve safeguards around its LCAP survey, enhance LCAP metrics to monitor unreported bullying and harassment, and address poor survey participation rates at NUHS.

Glossary

BRHS:	Bear River High School
B&H:	Bullying and Harassment
CEC:	California Education Code
CDE:	California Department of Education
CHKS:	California Healthy Kids Survey
GECHS:	Ghidotti Early College High School
Jury:	2025 – 2026 Nevada County Grand Jury
LCAP”	Local Control and Accountability Plan
NT:	Non-Traditional Schools (NT schools do not use traditional grading system)
NUHS:	Nevada Union High School
OBPP:	Olweus Bullying and Prevent Program
The District:	Nevada Joint Union High School District
SS:	Silver Springs High School

Background

Nevada Joint Union High School District (The District) is the only Nevada County high school district. The District has approximately 2550 students through traditional and non-traditional high schools. Nevada Union High School (NUHS) and Bear River High School (BRHS) are the traditional high schools, having approximately 1500 and 650 students respectively. Non-traditional high school programs include Ghidotti Early College High School (GECHS), Silver Springs High School (SS), North Point Academy, and authorized Charters, which have approximately 400 students.

Since 2022, there have been multiple news articles regarding B&H within The District (*e.g.*, KQED, Sierra Thread). Two trustee members proposed a resolution (No Student Left Behind) in April 2025 addressing B&H within the school district. The defeat of this resolution by the board prompted a publicized student walkout within The District, which YubaNet and The Union news organizations covered.

The District's [Every Student Belongs Resolution #22-24/25] text;

WHEREAS, it is the right of every child to access a free and appropriate public K-12 education and the Nevada Joint Union High School District welcomes and supports all students;

WHEREAS, the District has a responsibility to ensure that all students who reside within its boundaries can safely access a free public education as mandated by law.

WHEREAS, NJUHSD is resolute in its mission to build an inclusive, safe and equitable educational environment that places the success of ALL marginalized and non-marginalized students at the forefront of its work; and

WHEREAS, public schools and school districts in California are subject to all federal and state laws prohibiting discrimination.

WHEREAS, we will work to eliminate barriers and promote student success across race, social class, geographic location, immigration status or other personal characteristics such as creed, color, religion, ancestry, national origin, age, economic status, gender, sexual orientation including gender expression or identity, pregnancy status, marital status, physical appearance, or the presence of any sensory, mental or physical disability; and

WHEREAS, the NJUHSD Board recognizes the importance of policies and practices that promote belonging, respect, and dignity that lead directly to the educational and life success and health and wellbeing of all district students.

WHEREAS, through its policies and practices, the District has made a commitment to a quality education, which includes a safe and stable learning environment that is affirming for all students

WHEREAS, the District supports education that celebrates our different identities; integrity in how we treat others; and courage to do what's right by listening to, learning from, and respecting diverse viewpoints;

NOW, THEREFORE, BE IT RESOLVED, that the Nevada Joint Union High School Board affirms its unwavering commitment to ensuring the safety, inclusion, belonging, and affirmation of ALL students.

BE IT FURTHER RESOLVED, the District prohibits discrimination and bullying against all persons, regardless of personal characteristics, identifications or immigration status; and

BE IT FURTHER RESOLVED, that the Board declares the District a place to learn, to thrive, and to seek assistance, information, and support free from discrimination and bullying; and

BE IT FURTHER RESOLVED, that the Board will continue to implement and uphold policies that prohibit discrimination, harassment, and bullying and will work to strengthen a culture of respect and belonging for all.

BE IT FINALLY RESOLVED, that the Nevada Joint Union High School Board stands in solidarity with all students and remains committed to upholding their rights, dignity, and educational success.

California Education codes ostensibly protect students from B&H within schools. The jury, based upon the above information, decided to investigate the District to identify if B&H occurs and whether, if it does, administration, staff, and students are addressing it appropriately under California law.

Approach

The jury focused its investigation primarily on the post COVID period, beginning with the 2021-2022 school year. The jury interviewed Nevada County officials, The District board members, employees, parents of students, and former students.

The jury conducted extensive internet research of B&H information published by the United States Government, California Government and non-profit organizations. The jury reviewed the California State Constitution Article 1 Section 31, and California Education Codes §§ 212.5, 234, 32261, 32280–32289, 48900.

The Jury also reviewed the California Healthy Kid Survey (CHKS) reports, The District Local Control and Accountability Plan (LCAP) surveys, and B&H incident records to help determine B&H trends within The District.

Discussion

Laws and Impact

Bullying is defined as any physical or verbal act directed at one or more individuals, including written communications and electronic messaging, that can cause fear, mental health issues or interfere with academic performance. **Harassment** is defined as any physical or verbal act that can cause fear, mental health issues or interfere with academic performance. The StopBullying.gov website helps clarify these definitions by stating "Although B&H sometimes overlap, not all bullying is harassment, and not all harassment is bullying." California Education Code (CEC) addresses the definition of bullying in CEC 48900.

"When bullying happens, everyone who is involved or witnesses it can have lasting impacts on their mental health and well-being. Bullying is linked to many outcomes, including increased risk of depression and anxiety, substance abuse, and suicide." StopBullying.gov.

Data Investigation

To help determine if incidents of B&H are increasing or decreasing within The District, the jury reviewed records provided from NUHS, BRHS, SSHS, and GECHS for the last 3 years. The records contain no personal identifiable information. The results are summarized in **Table 1** below.

Table 1 – Reported Bullying & Harassment Incidents			
School Year	2022-2023	2023-2024	2024-2025
	26	61	40

The jury also reviewed reports from the California Healthy Kids Surveys (CHKS) for the last 4 school years (2021-2022, 2022-2023, 2023-2024, 2024-2025). CHKS is a comprehensive student data collection system developed and conducted by the

California Department of Education. It addresses school climate, health risks and behaviors, for public schools. This survey is conducted every school year for high schools and surveys 9th grade, 11th grade, and non-traditional (NT) school students. Section 8.2 of this survey asks students if they have experienced any type of harassment. **Table 2** below depicts those results.

Table 2 - California Health Kids Survey – Student Response Data

School Year	2021-2022			2022-2023			2023-2024			2024-2025		
Grade	9th	11th	NT	9th	11th	NT	9th	11th	NT	9th	11th	NT
Target Student Population	665	569	162	665	508	76	668	661	54	677	611	83
Response Rate	65%	69%	27%	73%	60%	84%	73%	71%	74%	89%	71%	70%
Any Type of Harassment	32%	28%	17%	30%	26%	33%	29%	28%	29%	33%	21%	26%

The Jury reviewed the data from The District’s Local Control and Accountability Plan (LCAP) survey which it conducts annually to measure performance on LCAP goals. **Table 3** on the next page depicts those results.

Table 3 - Summary Data from NJUHSD LCAP Surveys				
School Year	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**
Total Students	2489	2451	2544	2574
Student Participation	354	1381	1371	891
Participation Rate	37.6%	56%	53%	35%
Students feel physically safe at school	82.1%	86.3%	90.6%	90.2%
Students feel emotionally safe at school	81.3%	75.7%	78.6%	83.5%
Students feel safe asking staff for support	74.2%	68.6%	75.9%	82.6%

The jury conducted interviews that consistently revealed interviewees felt that B&H within The District schools has been declining over the past 3 to 4 years. The anecdotal information is not substantiated by the data in **Tables 1-3**

In reviewing the LCAP scorecards for the individual schools in The District (*see* Appendix A) the jury found the following for the 2024-2025 school year:

- The survey participation rate for Nevada Union High School (NUHS) was only 14.1%. Participation rates for the other schools within The District ranged from 43.2% to 82.6% for the same school year.
- The percentage of students who feel physically safe at school for NUHS was 78.2%, the lowest in the past 5 school years. Other schools within The District ranged from 90.8% to 92.8% for this same metric.
- The percentage of students who feel emotionally safe at school for NUHS was 67.6%, down from the 2023-2024 school year of 72.1%. Other schools within The District ranged from 82.3% to 97.6 % for this same metric in the 2024-2025 school year.

- The percentage of students who feel safe asking staff for support for NUHS was 67.3%, down from previous school years of 75.9. Other schools within The District ranged from 82.9% to 95.3% for this same metric.

Given the low participation rate for NUHS's 2024-2025 LCAP survey there could be some bias introduced for this particular year. However, in reviewing the 5 years of the individual school's LCAP metrics (Appendix A), the jury has determined that B&H is a larger problem at NUHS in comparison to other schools within The District.

The data collected in the LCAP surveys may be unreliable because the jury found The District has not implemented any safeguards in survey to prevent an individual from taking the survey and identifying themselves as someone they are not or taking the survey multiple times. For example, any person can take the survey and claim they are a student from any of the high schools with no verification if the individual is a student at that high school.

The District's Efforts

The District has taken the following steps to address B&H within the schools:

- Included in its LCAP is a goal to "Promote the Safety, Well-Being, and Culture of the school and district community through equitable and inclusive practices for all." This goal has metrics to measure The District's performance in several areas. **Table 3** above contains key metrics.
- Communicate policies regarding B&H to students in homeroom classes and student assemblies each school year.
- Conducted anti-B&H training using external consultants for district and school staff training above that what is required by CEC.
- Complied with all state and federal education codes pertaining to B&H.
- Conducted "Breaking Down the Walls" training at its schools to reduce B&H. Breaking Down The Walls training goal is to create a safe environment for students to build empathy and understanding through a play, trust, learn model. This training was discontinued throughout The District schools for various

reasons. At NUHS it was discontinued because staff found it difficult to maintain student’s attention in a large group setting.

The jury identified some other concerning facts. These are:

- The District schools inconsistently records aspects of B&H in the Student Information System (Aeries). This makes district-wide efforts to address B&H issues more challenging. During the summer of 2025 The District began efforts to address these inconsistencies.
- Discipline for similar B&H incidents at different schools within The District, albeit within policy, differed based upon the school, NUHS is more lenient than other schools (e.g. BRHS). The jury was also informed that these discipline application differences extended to other types of incidents.
- Student Handbooks containing B&H policies, school culture and other information for students are supposed to be published online for student access. The jury, was only able to find student handbooks for NUHS and BRHS, which required detailed website searches to find. The BRHS student handbook hasn’t been updated since the 2022-2023 school year. Student handbooks for the other schools within The District, the jury could not find on their websites. The District’s website homepage does contain Board Policies on B&H. Given the importance of communicating policies forbidding B&H, these should also be prominently displayed on each school’s website homepage

Unreported B&H

The jury consistently heard in interviews that B&H within The District schools does go unreported. Looking at the data from the reported incidents within The District in **Table 1** and the CHKS in **Table 2**, the jury calculated the number of minimum unreported B&H incidents within The District for school years 2022-2023, 2023-2024, and 2024-2025

	Table 4 –Calculated Minimum Unreported Incidents									
	School Year	**2022-2023**			**2023-2024**			**2024-2025**		
Row	**Grade**	9th	11th	NT	9th	11th	NT	9th	11th	NT
A	**Target Student Population from Table 2**	665	508	76	668	661	54	677	611	83
B	**Response Rate from Table 2**	73%	60%	84%	73%	71%	74%	89%	71%	70%
C	**# Students Responding** *(Row B times Row A)*	485	305	64	488	470	40	603	436	58
D	**Any Type of Harassment from Table 2**	30%	26%	33%	29%	28%	29%	33%	21%	26%
E	**Calculated Minimum number of Incidents** (Row D times Row C)	146	79	21	141	132	12	199	128	15
F	**Calculated Minimum Incidents for School Year** (9th + 11th+ NT)	246			285			342		
G	**Reported Incidents from Table 1**	26			61			40		

H	**Total Calculated Minimum Unreported Incidents** (Row F minus Row G)	220	224	302

Table 4 above uses information from the other tables to mathematically calculate the total minimum number of B&H incidents in The District (Row H). The table in Row C identifies the number of students in 9^{th}, 11^{th}, and at NT schools that have taken the CHKS survey for different school years. Taking the numbers in Row C and multiplying them by the percentage of students experience some form of harassment in Row D produces a **Calculated Minimum Number of Incidents** in Row E.

In Row F the **Calculated Minimum Number of Incidents** from Row E are totaled for all survey grade levels (9, 11, and NT) to produce the **Total Calculated Minimum Number of Incidents**. The table then takes the number in Row F and subtracts the Reported Incidents (Row G) from Table 1 to finally produce the **Calculated Minimum Number of Unreported Incidents** for the grades (9^{th}, 11^{th}, and NT) for schools within **The District**.

It is important to note the **Calculated Minimum number of Incidents (Row E)** and the **Total Calculated Minimum Unreported Incidents (Row H)** in **Table 4** are very low numbers. The reason behind this statement are:

- The CHKS survey does not include 10th or 12^{th} grade students, and
- The **Calculated Minimum number of Incidents** (Row E) being based upon a percentage of students experiencing **Any Type of Harassment** (Row D), it does not include multiple incidents that have occurred. CHKS section 8.2 contains data regarding the number of times students have been harassed, however because of the data format it cannot be accurately used in **Table 4**.

The information contained in **Table 4** indicates that B&H incidents are not decreasing within The District schools but are in fact increasing and not being reported.

The jury further concluded based upon the information contained in **Table 4** and the Appendix that NUHS has the largest B&H problem.

Information provided by the United States Department of Justice's Office of Justice Programs along with the website StopBullying.gov identifies many reasons why incidents of B&H go unreported. They range from fear of retaliation, fear of being labeled a snitch, feeling of shame, belief that nothing will be done, along with potential adult overreaction. In 2021, The District implemented an anonymous reporting system as part of a state mandate. This anonymous reporting system can be used to report a variety of school safety issues, including B&H. When a B&H issue has been reported, school administrators review and investigate the report. If the administrator determines that it is a valid incident report, they then take appropriate action and update the offending student's record in The District's student information system (AERIES).

As part of the jury's review of the AERIES records provided, the jury could not identify any reports of B&H originating from an anonymous report.

The jury fully understands that eliminating all B&H within a school district is an unachievable goal. However, metrics that capture an accurate rate of B&H should be developed and used to take appropriate action to reduce the rate as much as possible.

Addressing The B&H Problem

The United States Department of Health and Human Services' StopBullying.gov and the California Department Education (CDE) identifies preemptive actions that schools and districts can take to prevent B&H. The Olweus Bullying and Prevention Program (OBPP)stands out as being the most effective for high schools. The program focuses on long term change that creates a safe and positive school climate. Developed by Clemson University, OBPP has been used in schools since the mid-1990s. Research has shown that it has been effective in reducing B&H by up to 62% at schools.

The District superintendent, in December 2025, provided an Op-Ed to the Union newspaper in which he strongly stated The District stance on B&H. The Jury commends this stance and encourages the NJHUSD Board to take a similar strong stance in its actions.

Findings

F1 The District is complying with all State and Federal laws and codes regarding B&H.

F2 The District has provided anti-B&H training for staff in addition to that required by CEC.

F3 The information in this report indicates Bullying and harassment incidents are not decreasing within The District schools; they are increasing.

F4 Students at NUHS feel the least safe amongst all the students within The District's Schools.

F5 The District LCAP metrics do not effectively measure B&H within its schools.

F6 The District LCAP survey lacks the safeguards required to ensure survey integrity.

F7 The District LCAP student survey participation rate for NUHS is far below that of other schools within The District.

F8 The District's preventative efforts to reduce B&H have been primarily focused on district and school staff.

F9 Schools within The District do not discipline equally for like offensives.

F10 Student Handbooks are either not available, out of date, or not easily accessible on school websites within The District.

F11 The District' superintendent has publicly taken a strong stance against B&H within its schools.

Recommendations

R1 The District should modify its LCAP metrics to measure unreported B&H. (F5)

R2 The District should implement safeguards in its LCAP survey to ensure accuracy. (F6)

R3 The District Board should establish a resolution re-affirming its commitment to reduce B&H within The District. (F8)

R4 The District should establish a program like OBPP at NUHS. (F3,4,8)

R5 The District should publish B&H policies prominently on each school's website homepage. (F10)

R6 The District should ensure each school prominently displays their current student handbook on the school's website homepage. (F10)

R7 The District should conduct a study to understand why NUHS LCAP survey participation rates are much lower than that of other schools and take corrective action. (F7)

R8 The District should align the application of discipline within its schools. (F10)

R9 The Jury commends the public stance against B&H by The District superintendent and recommends the NJHUSD Board to take a similar strong stance in its actions. (F11)

Request for Responses

Pursuant to PENAL CODE §§ 933 and 933.05, the Nevada County Civil Grand Jury requires the agencies below, within 90 days of receiving the report at the agency, to respond to the following:

- The District
  - Findings 1-11
  - Recommendations R1-R9
- Principal of NUHS
  - Findings F4, F7 and F10
  - Recommendations R4 and R6
- Principal of BR
  - Finding F10
  - Recommendation R6
- Principal of SS
  - Finding F10
  - Recommendation R6
- Principal of GECHS

- Finding F10
- Recommendation R6

Responses go to the Presiding Judge of the Nevada County Superior Court in accord with the provisions of CAL. PENAL CODE § 933.05. Responses must include the information that § 933.05 requires.

Appendix A

NEVADA UNION HIGH SCHOOL SCORECARD

Culture & Student Well-Being Metrics

	2020/21	2021/22	2022/23	2023/24	2024/25
Culture & Student Well-Being					
LCAP Survey Participation (% of School)	13.9%	9.2%	54.3%	48.0%	14.1%
Students Feel Comfortable Asking Staff for Support	63.7%	52.9%	60.6%	75.9%	67.3%
Students Feel Physically Safe at School	79.9%	80.0%	80.7%	86.6%	78.2%
Students Feel Emotionally Safe at School	69.1%	64.7%	68.7%	72.1%	67.6%
Classroom Material is Meaningful & Relevant	58.8%	55.1%	62.2%	62.0%	64.4%
Students Feel Engaged in School Culture	55.9%	60.3%	61.3%	63.3%	68.6%
STARs Referrals	131	188	158	189	

BEAR RIVER HIGH SCHOOL SCORECARD

Culture & Student Well-Being Metrics

	2020/21	2021/22	2022/23	2023/24	2024/25
Culture & Student Well-Being					
LCAP Survey Participation (% of School)	24.9%	10%	65%	61.4%	66.4%
Students Feel Comfortable Asking Staff for Support	77.4%	76.4%	73.5%	74.0%	82.9%
Students Feel Physically Safe at School	96.2%	96.4%	91.4%	94.1 %	90.8%
Students Feel Emotionally Safe at School	85.7%	74.5%	82.4%	82.0%	82.3%
Classroom Material is Meaningful & Relevant	78.2%	70.9%	69.6%	75.1%	72.9%
Students Feel Engaged in School Culture	70.7%	81.8%	78.8%	82.0%	83.0%
STARS Referrals	21	64	63	69	

SILVER SPRINGS HIGH SCHOOL SCORECARD

Culture & Student Well-Being Metrics

	2020/21	2021/22	2022/23	2023/24	2024/25
Culture & Student Well-Being					
LCAP Survey Participation (% of School)	0.5%	3.0%	12.6%	32.9%	61.3%
Students Feel Comfortable Asking Staff for Support	100%	100%	87.5%	88.9%	90.3%
Students Feel Physically Safe at School	0%	80.0%	87.5%	90.7%	96.8%
Students Feel Emotionally Safe at School	0%	80.0%	70%	79.6%	96.8%
Classroom Material is Meaningful & Relevant	0%	60.%	79.1%	74.1%	83.9%
Students Feel Engaged in School Culture	0%	60.0%	79.3%	72.2%	90.3%
STARs Referrals	13	27	21	30	

NORTH POINT ACADEMY SCORECARD

Culture & Student Well-Being Metrics

	2020/21	2021/22	2022/23	2023/24	2024/25
Culture & Student Well-Being					
LCAP Survey Participation (% of School)	4.8%	85.6%	71.7%	76.2%	43.2%
Students Feel Comfortable Asking Staff for Support	60.0%	82.6%	87.9%	70.7%	95.3%
Students Feel Physically Safe at School	80.0%	97.7%	96.7%	96.0%	92.8%
Students Feel Emotionally Safe at School	40.0%	91.3%	90.1%	94.9%	97.6%
Classroom Material is Meaningful & Relevant	40.0%	82.6%	88%	82.8%	90.5%
Students Feel Engaged in School Culture	40.0%	65.2%	75.3%	76.8%	85.8%
STARs Referrals	4	56	8	10	

GHIDOTTI SCORECARD

Culture & Student Well-Being Metrics

	2020/21	2021/22	2022/23	2023/24	2024/25
Culture & Student Well-Being					
LCAP Survey Participation (% of School)	61.4%	75.0%	75.4%	85.1%	82.6%
Students Feel Comfortable Asking Staff for Support	93.3%	91.2%	87.9%	75.6%	88.7%
Students Feel Physically Safe at School	97.1%	100%	99.2%	96.9%	97.2%
Students Feel Emotionally Safe at School	96.2%	97.4%	92.8%	90.0%	94.3%
Classroom Material is Meaningful & Relevant	84.8%	79.8%	85.6%	80.9%	85.7%
Students Feel Engaged in School Culture	70.5%	91.2%	79.9%	77.1%	78.1%
STARs Referrals	20	24	16	11	

Response to
Bullying and Harassment at NJUHSD Schools: Going Underground?
A Nevada County Civil Grand Jury Report dated March 18, 2026

From: Kelly Rhoden, Principal of Nevada Union High School

The summary of this report concludes:

> Analyzing both the LCAP and CHKS survey results for the past 4-5 school years, it appears that bullying and harassment is getting worse within the District, primarily at Nevada Union High School (NUHS). The District has taken some steps to address this problem at its staff and administration level but has taken only minimal prevention efforts at the student level.
>
> The District needs to take more student-based measures to prevent bullying and harassment. Additionally, the District needs to improve safeguards around its LCAP survey, enhance LCAP metrics to monitor unreported bullying and harassment, and address poor survey participation rates at NUHS.

Per Penal Code 933 and 933.05, the Nevada County Civil Grand Jury (Grand Jury) requires a response from five key stakeholders, each addressing specific findings and recommendations.

SUMMARY OF RESPONSE:

Nevada Union High School recognizes the seriousness of the issues raised in the Grand Jury report, as well as the importance of maintaining safe, supportive, and respectful school environments for all students. The prevention of bullying and harassment remains a consistent priority in both District and site-level practice.

At the same time, Nevada Union High School has significant concerns regarding the conclusions drawn in the report due to limitations in the underlying data and the interpretations applied to that data. The report acknowledges challenges in capturing accurate rates of bullying and harassment, including well-documented factors such as underreporting due to fear of retaliation, stigma, or lack of trust that concerns will be addressed. These are real and widely recognized challenges in interpreting survey-based and incident-reporting data.

The District currently uses multiple systems to identify and respond to reports of bullying and harassment, including anonymous reporting tools implemented as part of state requirements. Reports submitted through these systems are reviewed and investigated by site administration, and substantiated incidents are documented and addressed in the District's student information system.

However, the absence of anonymous reports reflected in the dataset referenced by the Grand Jury raises questions about how reporting pathways are being used and how those data points were interpreted in reaching broader conclusions. Additionally, differences in survey design, response framing, and participation rates can significantly influence how student perception data is understood.

Given these limitations, there are multiple plausible interpretations of the available information. These may include improved reporting prevention and intervention efforts, changes in student experience over time, variations in how survey questions are interpreted by students, or ongoing underreporting of incidents. Without clearer methodological transparency and consistent disaggregation of data sources, it is difficult to fully substantiate the report's conclusion that bullying and harassment are increasing or that Nevada Union High School has the highest incidence within the District.

Nevada Union High School agrees that no level of bullying or harassment is acceptable and that continuous improvement in prevention, reporting, and response systems is essential. The school remains committed to using available data responsibly, strengthening reporting accessibility, and maintaining a safe and inclusive environment for all students.

Principal of Nevada Union High School on specific findings and recommendations

Findings: F4, F7, F10

Recommendations: R4, R6

Finding F4: Students at NUHS feel the least safe amongst all the students within the District's schools - *Partially Disagree*

The Grand Jury's report indicates that students at Nevada Union feel the least safe among all District schools. However, the California Healthy Kids Survey (CHKS) data reflected on the California School Dashboard shows that the percentage of students reporting that school is "very safe or safe" increased by 10.4% between the 2022-23 and 2024-25 survey cycles. This appears to differ from the report's statement that the percentage is "the lowest in the past five school years."

However, it is difficult to make a direct comparison. While school-level data is available on the District's website, the Grand Jury report references a 14% participation rate for Nevada Union on the LCAP survey that is not included in the publicly available scorecard. Without access to the same participation data referenced by the Grand Jury, it is not possible to fully understand how that figure was used in relation to the findings. As a result, this finding cannot be fully confirmed.

That said, it is reasonable to consider factors that may influence student perceptions of safety at Nevada Union. As a school of nearly 1,500 students, more than double the enrollment of the other comprehensive high school and significantly larger than the District's alternative programs, Nevada Union serves the most diverse student population within the District.

This diversity provides students with meaningful exposure to peers from a wide range of racial, religious, ethnic, and social backgrounds, as well as differing perspectives and life experiences. For many students, this is a valuable and important part of their high school experience. At the same time, a larger and more diverse student body can present challenges as students navigate differences and develop a shared sense of belonging.

Nevada Union High School recognizes both the opportunities and complexities that come with serving a large and diverse population and remains committed to fostering a safe, inclusive, and respectful environment where all students feel supported.

Finding F7: The District LCAP student survey participation rate for NUHS is far below that of other schools within the District - *Partially Disagree*

The Grand Jury's finding indicates that Nevada Union High School has a significantly lower participation rate in the LCAP student survey compared to other District schools. However, a review of the publicly posted Nevada Union High School Scorecard, as well as those of other schools in the District, does not include participation rate data. This makes it difficult to verify the comparison as presented.

Similar to the response to Finding F4, it is possible that the finding is directionally accurate, even if the specific figures cannot be confirmed. The report references a 14% participation rate for Nevada Union; however, without access to the underlying data or methodology used to calculate that figure, it is difficult to fully assess its accuracy. When compared to other available data points, such as the California Healthy Kids Survey (CHKS), which reflects approximately 70% participation at Nevada Union, the reported LCAP participation rate appears unusually low and may not reflect overall student engagement with surveys more broadly.

There are also practical factors that may contribute to lower participation in a specific survey. Students are asked to complete multiple surveys throughout the year, including the LCAP survey, CHKS, and the tobacco use survey. This can lead to survey fatigue, particularly if surveys are not consistently administered within structured time during the school day.

Regardless, Nevada Union administration had already identified a decline in LCAP survey participation and has taken proactive steps to address it. These steps include providing designated class time for students to complete the survey and offering staff the opportunity to complete their survey during scheduled meeting time. These adjustments are intended to improve access and participation across groups.

Based on the available information, this finding cannot be fully confirmed as presented. However, the concern regarding participation rates is taken seriously, and steps have already been implemented to improve engagement moving forward.

Finding F10: Student Handbooks are either not available, out of date, or not easily accessible on school websites within The District. - *Wholly Disagree*

This finding is not accurate as it relates to Nevada Union High School. The Nevada Union Student Handbook was updated at the beginning of the current school year and was readily accessible on the school's website at the time of the Grand Jury's review.

While the report notes that the handbook required a "detailed website search" to locate, at Nevada Union it could be found using the site search function by typing "handbook," requiring only minimal navigation. In addition, the handbook has been consistently and proactively shared with the school community. At the start of the school year, administration highlighted new and updated sections through weekly announcements and included a direct link to the full handbook.

Since that time, the handbook link has been included in the "Resources" section of the weekly communication sent to families throughout the school year, ensuring ongoing and consistent access to this information.

Nevada Union High School agrees with the broader principle that student handbooks and behavior policies should be easy to locate and readily available to students and families. To that end, the school will continue to review website organization and communication practices to ensure that important resources remain visible and accessible.

Based on these factors, Nevada Union High School does not agree with this finding as it applies to its site.

Recommendation R4: The District should establish a program like Olweus Bullying and Prevention Program (OBPP) at NUHS. - *Requires Further Analysis*

This recommendation is directed to the District, though it references implementation at Nevada Union High School. As such, any consideration of a program of this nature would appropriately be made at the District level, with input from school sites and other stakeholders, rather than through a site-specific directive.

While Nevada Union High School does not agree with the implication that the absence of a specific program necessitates the establishment of a new one of this type, the school is always open to exploring additional frameworks that support student safety, belonging, and positive school climate. Any such consideration would need to be thoughtful, collaborative, and aligned with existing systems already in place across the District and at individual sites.

The report also states that “Breaking Down the Walls” (BDTW) training was discontinued across District schools and at Nevada Union. This characterization is not accurate for NUHS. While the program was paused for one year, it has since been reinstated and is currently in use at Nevada Union as part of ongoing efforts to strengthen student connection and school community.

Nevada Union High School recognizes the importance of effective approaches to preventing bullying and supporting student well-being. Should the District choose to explore the adoption of a comprehensive framework such as OBPP, Nevada Union would anticipate participating in a collaborative process that includes planning, stakeholder input, and consideration of how any new program integrates with existing practices and initiatives.

Recommendation R6: The District should ensure each school prominently displays its current student handbook on the school’s website homepage. *- Already Implemented*

Since the time of the Grand Jury report, District and school websites have undergone revisions and updates. There is agreement that a direct link to the student handbook will be placed on each school's website landing page to improve visibility and access.

While these updates are in progress, the Nevada Union student handbook remains easily accessible through the website search function and continues to be consistently linked in the weekly school communications sent to families throughout the year. This ensures that students and families maintain ongoing access to current expectations and school information during the transition to the updated website layout.

Bear River High School   Ghidotti Early College High School   Nevada Union High School   North Point Academy   Silver Springs High School

June 15, 2026

Judge Scott Thomsen
201 Church Street
Nevada City, CA 95959

Dear Honorable Scott Thomsen:

The Nevada Joint Union High School District (NJUHSD) is in receipt of your correspondence and the Grand Jury's report titled "Bullying and Harassment at NJUHSD Schools: Going Underground". A copy of the report was received by my office on March 18, 2026. The following is NJUHSD's required response to the Grand Jury's report.

In addition to following up on the required Findings and Recommendations that have been assigned to the District to respond to, I have added additional commentary at the end of this correspondence. In short, I am highly disappointed in the production and publication of this report.

RESPONSE TO FINDINGS, 1-11

Finding 1 (F1)

The District is complying with all State and Federal laws and codes regarding B&H.

The District agrees with this finding.

Finding 2 (F2)

The District has provided anti-B&H training for staff in addition to that required by CEC.

The District agrees with this finding.

Finding 3 (F3)

The information in this report indicates Bullying and Harassment incidents are not decreasing within The District schools; they are increasing.

The District disagrees with this finding. The Grand Jury reports that the interviews they conducted "consistently revealed interviewees felt that B&H within the District has been declining over the past 3 to 4 years." and that "The anecdotal information is not substantiated by the data." Contrary to this finding, students' reported sense of feeling physically safe on campus and emotionally safe on campus have increased over the 4 year period examined by the Grand Jury. This finding is unsubstantiated.

Finding 4 (F4)

Students at NUHS feel least safe amongst all the students within the District schools.

There are five schools in the District; one of the five schools will have the lowest measures of perceived safety in the District. The District agrees with this finding. It is to be expected, as NUHS is

the largest school in the District (almost 3 times the size as the next largest school). It also is the largest geographically in terms of the size of the campus, and has the highest variance in levels of socio-economic, political, academic, and ethnic diversity of all the schools in the District.

<u>Finding 5 (F5)</u>

The District LCAP metrics do not effectively measure B&H within its schools.

The District <u>disagrees</u> with this finding. It is not the intent of the LCAP survey to "measure B&H" but rather to assess broader indicators of school climate, connectedness, and physical/emotional safety. The District believes the current LCAP metrics are appropriate and align with the intended purpose of the LCAP Survey.

<u>Finding 6 (F6)</u>

The District LCAP survey lacks the safeguards required to ensure survey integrity.

The District <u>disagrees</u> with this finding. The LCAP survey is one of multiple measures of data collection utilized by the District to measure the progress and performance of our schools. The survey in and of itself is not "required" by the state; it is something we do to be inclusive and to solicit input from our students, families and staff to guide decision-making when developing our Local Control Accountability Plan. The data is reviewed by staff and can be screened for anomalies and duplicative responses. We trust our stakeholder groups to use the survey responsibly.

<u>Finding 7 (F7)</u>

The district LCAP student survey participation rate for NUHS is far below that of other schools within The District.

The District <u>agrees</u> with this finding, in that the participation rate *was* low for several of the recent years that the survey was delivered. The participation rate for the 2025-26 school year was 65.5%.

<u>Finding 8 (F8)</u>

The District's preventative efforts to reduce B&H have been primarily focused on district and school staff.

The District <u>agrees</u> with this finding. Training was also provided to students at the beginning of the school year. Efforts will continue in the coming years for both staff and students.

<u>Finding 9 (F9)</u>

Schools within The District do not discipline equally for like offenses.

The District <u>disagrees</u> with this finding. Site leaders regularly collaborate on topics of behavior and discipline and have collaboratively developed the District's Suspension and Expulsion Discipline Matrix. Every behavioral incident, set of circumstances surrounding an incident, and individual student is entirely unique. Discretionary decisions are made every day. Discipline will never be "equal" from student to student, or incident-type to incident-type.

<u>Finding 10 (F10)</u>

Student Handbooks are either not available, out of date, or not easily accessible on school websites within The District.

The District _partially agrees_ with this finding. Several student handbooks are difficult to find on their school websites; however, the two schools primarily examined in this investigation (Bear River and Nevada Union) are easily accessible by simply typing "handbook" in the search bar of their schools' homepage.

Finding 11 (F11)

The District' superintendent has publicly taken a strong stance against B&H within its schools.

The District agrees with this finding.

RESPONSE TO RECOMMENDATIONS, 1-9

Recommendation 1 (R1)

The District should modify its LCAP metrics to measure unreported B&H.

The District will not be modifying its LCAP metrics to measure unreported B&H. The District finds this suggested method to be an irresponsible and inaccurate method for collecting data. The recommended method for manufacturing an otherwise unreported number of incidents is speculative and hypothetical and that lacks both validity and reliability.

Recommendation 2 (R2)

The District should implement safeguards in its LCAP survey to ensure accuracy.

The District is comfortable with the reliability of the data collected in its LCAP survey. The survey is one of multiple measures of data collection utilized for our annual LCAP (Local Control Accountability Plan) development process. It is not utilized as a sole indicator of success or sole basis for future decision-making. The survey will continue to be implemented, with slight annual modifications as the District deems necessary, for comparison purposes year over year.

Recommendation 3 (R3)

The District Board should establish a resolution re-affirming its commitment to reduce B&H within The District.

The Board of Trustees passed Resolution #23-25/26: Every Student Belongs on March 11, 2026, prior to the publication of the Grand Jury Report. This resolution publicly re-affirms its commitment to reducing B&H in District schools.

Recommendation 4 (R4)

The district should establish a program like OBPP at NUHS.

OBPP existed for one year at NUHS. It was a top-down initiative that failed epically due to lack of buy-in from staff. Initiatives like this achieve success when they have origins that are grassroots, not by mandate, and certainly not by an outside agency with limited (or no) exposure to our school campuses. The scope of the Grand Jury investigation is vastly limited and lacks many perspectives (1,500 students at the school site, 180 employees, ~3,000 parents and guardians). A schoolwide initiative relies on much greater stakeholder involvement and engagement prior to being considered for implementation. Additionally, the Grand Jury reports that Breaking Down the Walls was

discontinued. This is inaccurate. Breaking Down the Walls programming rotates between NUHS and BRHS on an alternating basis every other year.

<u>Recommendation 5 (R5)</u>

The District should publish B&H policies prominently on each school's website homepage.

There are a number of items required by Education Code to be displayed prominently on the District's and School's homepages. The District respectfully retains the right to display information that is viewed as most pertinent, relevant, and most frequently referenced by our school communities and end users at any given time.

<u>Recommendation 6 (R6)</u>

The District should ensure each school prominently displays their current student handbook on the school's website homepage.

The District is accepting this recommendation and is adding a link to the Student Handbook at the top of the Parent Resource tab on the schools' homepages. This is a prominent location on the homepage of each school's website.

<u>Recommendation 7 (R7)</u>

The District should conduct a study to understand why NUHS LCAP survey participation rates are much lower than that of other schools and take corrective action.

The District has investigated the low participation rates at NUHS and has taken corrective action to mitigate this issue. Participation rates were dramatically improved in the 2025-26 school year, with 65.5% of students completing the survey (the highest percentage to date).

<u>Recommendation 8 (R8)</u>

The district should align the application of discipline within its schools.

The District will continue to strive for consistent and equitable discipline practices that are aligned between school sites. As referenced under item F9 above, the application of discipline will never be "equal".

<u>Recommendation 9 (R9)</u>

The jury commends the public stance against B&H by The District superintendent and recommends the NJUHSD Board to take a similar strong stance in its actions.

The Board of Trustees took action in March to pass Resolution #23-25/26: Every Student Belongs. Additionally, board members have regularly denounced acts of bullying and harassment during multiple occasions both publicly and in small setting environments.

ADDITIONAL COMMENTARY FROM THE DISTRICT SUPERINTENDENT

The title of this report is "Bullying and Harassment at NJUHSD Schools: Going Underground?". This title is inflammatory and disparaging toward the District. It implies a lack of transparency, casts the district in a negative light, and implies wrongdoing, even when the data investigated to inform this report proves otherwise. It implies that somehow the District is hiding issues of bullying and harassment in our schools. However, throughout the time of this investigation, the District maintained a standing item on its board agenda titled "Safety, Well-being, and Culture", where data surrounding school discipline, suspensions, and anonymous reports of harassment were shared publicly. Each month, opportunity was provided for public comment, and open discussion between the District's Board of Trustees and senior administration took place, in regular open session meetings, publicly. That is the opposite of Going Underground.

The Summary of this report states that "Analyzing both the LCAP and the CHKS survey results for the past 4-5 years, it appears that bullying and harassment is getting worse within The District, primarily at Nevada Union High School". This is simply not the case. The CHKS longitudinal data from students, in response to the question of, have you experienced "any type of harassment" for the past 4 years trended as follows:

	% of students responding YES to experiencing any type of harassment			
	2022	**2023**	**2024**	**2025**
9th Graders	32%	30%	29%	33%
11th Graders	28%	26%	28%	21%
Non-traditional schools	17%	33%	29%	26%

* NO trends exist here that would indicate increased bullying and harassment. The 9th grade data represents a new cohort of students year over year and reflects no upward trends. There are two gradespan cohorts of students (highlighted accordingly) whose responses could be tracked from 9th grade to 11th grade. Both student groups report a decline in this measure.

LCAP Survey data regarding student responses to "do you feel physically or emotionally safe at school" trended as follows:

	% of students responding YES to this question year over year				
	2022	**2023**	**2024**	**2025**	**2026**
Physically Safe	82.1%	86.3%	90.6%	90.2%	*New Data for '26 - 92.5%*
Emotionally Safe	81.3%	75.7%	78.6%	83.5%	*New Data for '26 - 84.2%*

* NO trends exist here that would indicate increased bullying and harassment. Data regarding student reports of feeling safe on campus for the last 3 years is contrary to the Grand Jury's conclusions. Perceptions and feelings of physical and emotional safety are improving according to students.

No data collected supports the Grand Jury's conclusion that bullying and harassment is getting worse within the District. The Grand Jury reports that "The Jury conducted interviews that consistently revealed interviewees felt that bullying and harassment within the District <u>has been declining</u> over the past 3 to 4 years.". The report follows that statement up with the comment that "The anecdotal information is not substantiated by the data". **<u>That is simply not accurate</u>. The interviews conducted by the Grand Jury indicate that bullying and harassment is declining. The data collected by the Grand Jury indicates that bullying and harassment are decreasing (or at a minimum, mixed), and self-reported feelings of students' physical and emotional safety are improving; yet the conclusion the Grand Jury draws is that bullying and harassment is getting worse? This conclusion is problematic.**

Within the report, the Grand Jury attempts to calculate "the minimum number of unreported B&H incidents" within District schools for the past three years. This attempt is deeply flawed. The Grand Jury created its own data, which is speculative, hypothetical and lacks scientific reasoning. The Grand Jury grounds its conclusion on this fabricated data. The Grand Jury actually generated its own numbers of unreported incidents, and then reports them as fact, stating "The information contained in Table 4 indicates that B&H incidents are not decreasing within The District schools but are in fact increasing and not being reported". This is grossly irresponsible.

The analysis performed by the Grand Jury members is flawed, unsubstantiated, appears to have bias, and has drawn an irresponsible conclusion. This conclusion, shared publicly in our community, generates a negative public perception of NJUHSD schools and Nevada Union High School. Ironically, the flawed conclusion purported by the Grand Jury weakens the sense of public safety at our public schools.

I have dedicated the last 25 years of my career to promoting and ensuring the safety of our public schools and I have spent the last 15 years doing so in our community for the Nevada Joint Union High School District. I am deeply disheartened that a government agency would publish unfounded, fabricated, and unsubstantiated findings about the safety of the schools in our community. It is contrary to the collaborative efforts that we strive for from positions of leadership in our county, and it creates an unwarranted narrative about the school climate and culture of our school campuses. Our schools, our students, our staff, and our community deserve better.

I am happy to make myself available if you would like to engage in further discussion.

Respectfully,

Dan Frisella

Superintendent
Nevada Joint Union High School District

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June 15, 2026

Judge Scott Thomsen
201 Church Street
Nevada City, CA 95959

Dear Honorable Scott Thomsen:

Bear River High School (BRHS) is in receipt of your correspondence and the Grand Jury's report titled "Bullying and Harassment at NJUHSD Schools: Going Underground". A copy of the report was received by my office on March 23, 2026. The following is BRHS's required response to the Grand Jury's report.

Per Penal Code 933 and 933.05, the Nevada County Civil Grand Jury (Grand Jury) requires a response from five key stakeholders, each addressing specific findings and recommendations.

RESPONSE TO FINDING : F(10)

Finding 10 (F10)

Student Handbooks are either not available, out of date, or not easily accessible on school websites within The District.

Recommendation (R6)

The District should ensure each school prominently displays its current student handbook on the school's website homepage. - Already Implemented

Since the time of the Grand Jury report, District and school websites have undergone revisions and updates. There is an agreement that a direct link to the student handbook will be placed on each school's website landing page to improve visibility and access.

While these updates are in progress, the Bear River student handbook remains easily accessible through the website search function and continues to be consistently linked in the weekly school communications sent to families throughout the year. This ensures that students and families maintain ongoing access to current expectations and school information during the transition to the updated website layout. For reference, upon search, both the current and past handbooks are available and have been prior to the Grand Jury's report.

Respectfully submitted,

Chris Roberts, M.Ed
Principal, Bear River High School

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SPENDING MONEY IT DIDN'T HAVE:

PENN VALLEY FIRE DISTRICT'S BOARD OF DIRECTORS LACK OF ATTENTION TO THEIR FISCAL RESPONSIBILITY

Nevada County Civil Grand Jury

Report Date: April 13, 2026

Summary

Beginning in early 2023, Penn Valley Fire Protection District, Nevada County Consolidated Fire District, Rough and Ready Fire District, and Ophir Hill Fire District began to explore consolidating in a single district.[1] After almost two years of work, exchanges of information, committee meetings, and departmental interaction at the highest levels, the exploration collapsed. This report details how that happened.

Economics prevented the combination because shortly before the consolidation was to occur, Penn Valley's Board of Directors took on a large amount of unfunded operating expense when it made a dozen promotions and hires—money that the District committed itself (and, potentially, its partners) to spend but that it could not sustain over the long term. That caused Nevada Consolidated to withdraw from negotiations, because it did not think it would be financially responsible to take on those costs from Penn Valley. That leaves Penn Valley Fire Protection District facing an uncertain financial future.

Nevada County fire districts cooperate with each other through mutual-aid agreements. That works reasonably well. It would make sense for those districts to consolidate, which would allow even more coordinated responses and save the expenses of having multiple district administrations.

Glossary

Board:	Penn Valley Fire Protection District Board of Directors
Fiduciary duty:	The obligation of an agent to act solely for the benefit of the principal and to exercise due care in choosing to act or to refrain from acting
FY[*year*]:	The fiscal year ending on June 30 of the stated year

[1] Penn Valley and Nevada Consolidated were the major players. Rough and Ready District and Ophir Hill District experienced severe financial distress that threatened their ability to provide adequate fire protection coverage.

Jury: 2025-2026 Nevada County Civil Grand Jury

NCC: Nevada County Consolidated Fire District

PVFD: Penn Valley Fire Protection District

Background

The day of the small, independent fire district is over, because small districts do not have a revenue stream sufficient to support the firefighting and safety functions that modern departments must maintain. Each small district has a structure of command and administrative personnel, resulting in inefficient duplication of command and administrative services across multiple small districts. For example, consolidating two small districts into one larger one does not result in doubling the personnel serving in command and administrative roles. There are economies of scale. The result is more money available for firefighting because of reduced total expenditures for administration.

The jury received a request to investigate what caused the collapse of what had appeared to be a promising consolidation plan that would have improved services for the residents of the consolidating districts and resulted in more efficient use of tax dollars and other fire district revenue. The proposed district's name was to be Nevada County Fire and Rescue District. The collapse that at first appeared inexplicable became clearer as the jury investigated.

Approach

The jury conducted interviews with personnel from both districts and with some Nevada County officials. The jury also studied the public records of both districts, including their budgets, board of director's meeting minutes, information distributed to the boards before each meeting to assist in preparation, and other public information available on the districts' websites.

Discussion

Special districts are individual government units fulfilling individualized functions within the districts' area. Special districts have governing legislative bodies known as boards of directors. The boards are responsible for preparing and adopting the districts' budgets each year. District voters elect Board members to staggered four-year terms.

PVFD maintains a website that has some official documents, such as minutes of board meetings, packets of materials that board members receive to help them prepare for meetings, reports of financial audits, and budgets. At this writing, the site does not have the District's bylaws.

<u>Lack of PVFD Board Involvement</u>

The Board of Directors should set budget priorities and is the final authority regarding budget approval and adoption, but the Board does not participate in preparing the budget. The Board has delegated its authority to prepare the District's annual budget to the Chief and the Finance Manager, but the responsibility for the budget remains with the Board. In the PVFD minutes, there is no indication in the past four years that the Board has ever objected to or even asked questions about the proposed budgets. PVFD's Board is not actively involved in the financial aspects of the district. One Board member described the Board's sole responsibility as hiring and firing the chief.

PVFD prepared three budgets for FY2025. At the Board meeting of June 4, 2024, the Board adopted preliminary budgets for the General Fund, the Building & Equipment Fund, and the Impact Fund. At the September 3, 2024, meeting, the Board adopted the "Final Budget 2024-2025. PVFD's "final" budget for 2024-2025 showed an anticipated deficit of $161,601.[2] The Jury heard from multiple sources that projected deficits of that size are common in fire districts because the districts are quite conservative in preparing their budgets, anticipating worst-

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[2] None of the budgets on PVFD's website indicate when PVFD prepared them.

case situations, and cost savings during the year most often make up the deficit.[3] The "final" budget did not take into account the promotions and hires that PVFD made in November 2024.

After the Board voted on the personnel changes, PVFD prepared a working paper in budget format, which included the personnel changes and showed an anticipated deficit of $927,001. That document never went before the PVFD Board, but PVFD did forward it to NCC on December 18, 2024, and it caused concern. The same day, NCC asked if it was reading that budget correctly, and PVFD confirmed that it was.

PVFD subsequently prepared another budget. That budget showed an anticipated deficit of $697,001. At the January 7, 2025, meeting, the Board adopted the "Amended Budget FY 24/25." It is not clear what caused the decrease from the working paper's anticipated deficit of $927,001 to the Amended Budget's figure of $697,001. It is clear that the working paper's projected deficit had an immediate, negative effect on the consolidation negotiations. One of NCC's directors, observing the changes, noted, "there's a significant deficit there from anywhere from 900,000 something to 600,000. I don't know which number is

[3] For example, the following chart compares PVFD's budgeted (predicted) year-end net income and its actual year-end net income.

	Budgeted Gain or (Loss)	Year-end Actual Gain or (Loss)
FY2021	($186,251)	$66,554.91
FY2022	($173,301)	$230,596.70
FY2023	($137,601)	$151,246.23
FY2024	($183,401)	($59,432.68)
FY2025	($697,001)	$108,234.64
FY2026	($311,601)	Not available

This chart shows the budget figures from PVFD. It is not clear why the FY23 year-end figure does not correlate with the loss that the auditor misreported as a gain.

accurate." On March 20, 2025, NCC's Board voted to withdraw from the negotiations with PVFD.

In October 2024, PVFD submitted an order for new badges, covering three battalion chiefs, three captains, and three lieutenants. When PVFD placed that order, the Board had not yet approved the promotions or the new hires; that did not occur until the November 2024 Board meeting. The order thus appears to have violated PVFD's bylaw § 601, which states, "No Director, officer, agent or employee of the District shall bind the District by any contract, or pledge its credit, or render it liable for any purpose without prior specific approval of the Board." There is no record of the Board having approved that (or any other expense) incurred for October 2024.

Annual Audits

There is evidence that the current and past Boards pay insufficient attention to the annual audits performed for the District. PVFD has used the same auditor since at least FY2017. For that year, the auditor reported that "total expenses for District governmental activities were $2,071,992, $197,377 more [*sic*] than the $2,269,369 the District generated in tax and other revenues received during the same period." [Emphasis added.] That is a misstatement; revenues exceeded expenses that year by almost $200,000.

For FY2018, the auditor reported, "total expenses for District governmental activities were $2,423,476, $416,419 more [*sic*] than the $2,839,895 the District generated in tax and other revenues received during the same period." That is a misstatement; revenues exceeded expenses that year by more than $400,000.[4]

The auditor's report for the fiscal year ending June 30, 2023, stated the following: "During the year, total expenses for District governmental activities were

[4] The Jury does not suggest that those two errors are the responsibility of the current Board. However, the existence of three such errors in a short period of time does suggest a lack of PVFD Board rigor in reviewing the audits.

$4,036,995, $940,577 *less* [*sic*] than the $3,096,418 the District generated in tax and other revenues received during the same period." [Emphasis added.] That is a misstatement; expenses exceeded revenues that year by $940,577. The Board did not notice that what the auditor stated as an operating profit actually reflected nearly a million-dollar loss. The Board accepted the audit at its meeting on June 18, 2024.

<u>Promotions, Hires, and Troubles</u>

At the Board's October 1, 2024, meeting, there was discussion about "hiring additional Firefighter/Paramedics." The Board took no action. "The Board asked Chief Wagner to bring back to the board with [*sic*] the costs for adding 3 Fire-fighter/Paramedics and promoting 3 Captains to Battalion Chiefs." There was no mention of other promotions.

The packet for the Board meeting of November 5, 2024, includes a District Staffing Proposal with the following paragraph:

> The proposed new staffing would be one fire chief, three battalion chiefs, three Captains, Three Lieutenants and nine firefighters. The battalion chiefs would provide duty officer coverage on their rotating shifts and that would eliminate 4992 hours of planned overtime. The Chiefs [*sic*] duties and schedule will be mostly administrative and flexible to cover for vacation and sick leave of the Battalion Chiefs to reduce overtime. The Battalion Chiefs will provide the day-to-day operations of the district. This will provide for a Chief officer to always be on duty in the district.

There is discussion of funding those personnel changes.

Anticipated Expense

- "[A]t top step . . . increase [in] our expenses by $640,00 [*sic*, probably in-tending $640,000] annually."

Anticipated Revenue

- Expected $250,000 saving on overtime payments[5]
- Increase of $216,637 in ambulance revenue for FY2024[6]
- "The last funding would come from R&R fire for the administrative services we are providing. The R&R fire Board has discussed this and is supportive."[7]

The minutes of the PVFD Board meeting of November 5, 2024, state:

> Chief Wagner opened discussion on the Staffing Proposal MOTION was made by Director Jordan to have Chief Wagner continue with the Staffing Proposal; MOTION was 2nd by Director Kissell. Public comment by Capt. Pitts thanking the board for moving forward with the Staffing Proposal. Passed by unanimous voice vote of all members attending.

Thus, the Board approved nine (not three, as in the October 2024 meeting) promotions of officers on staff and hired three additional firefighters.

One Board member who voted for the personnel changes stated reliance on financial assurances from Board colleagues. Simultaneously, the member noted

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[5] This figure appears to be incomplete. The reduction in overtime would occur because of the three new firefighters, so their salaries offset the anticipated saving from reduced overtime pay.

[6] There is no projection of ambulance revenue for FY 2025 or subsequent years. Counting on unpredictable, variable revenue as a funding source for a continuing expense is not a recommended budget practice.

[7] There is no figure given, and the Jury notes that Rough and Ready was seeking consolidation because it had an insufficient revenue stream to allow it to function as an independent district.

PVFD maintains a thrift shop, which sells secondhand merchandise and remits profits to the District. In at least one year, those profits reached six figures, but they vary and are not predictable. The profits go only to equipment expense; they will not have an effect on the additional revenue demand that the promotions and hires created.

that the member would not have made such changes with respect to the member's own business. Those two statements are irreconcilable, suggesting that the member did not believe the assurances but voted for the changes anyway.

Timing Issues

The timing of those personnel changes is important for three reasons. First, they happened before the proposed consolidation, with insufficient Board consideration of the financial consequences attending the personnel changes. Second, they preempted the proposed consolidation partners from having input on that part of the staffing structure of the proposed consolidation, an omission that drew unfavorable comment from an NCC director. Third, they deprived personnel from the other consolidation partners of the opportunity to compete for those promotions. One PVFD Board member stated that the timing of the promotions was for the purpose of locking them in because of concerns about whether they would happen after reorganization. That is not a recipe for a successful partnership.

Funding Issues

When PVFD authorized the personnel changes, the Financial Manager had told the Board that the District's revenue stream could not cover the expense of those changes for more than about two years; more than one director referred to that. If that is accurate, and unless PVFD finds an additional, reliable revenue stream, PVFD will either have to walk back some of the personnel changes it approved in November 2024 or go bankrupt. The Jury takes with several grains of salt one Board member's assertion in October 2025 that PVFD's finances are "rock solid" and can support the personnel changes indefinitely.

PVFD's Board made the personnel changes partially in anticipation of additional tax revenue that would come in after the four-way reorganization. NCC's Reorganization Ad-Hoc Committee commented that "These actions have caused a major setback in the reorganization effort with Penn Valley. The financial implications were not discussed or agreed upon with any of the other three fire district's [*sic*] reorganization ad-hoc members prior to approval."

When districts consolidate, the new combined district has the higher tax rate of the member districts. Thus, consolidation produces some additional tax revenue based on the number of improved parcels in the district that had the lower tax rate. PVFD's unilateral action on the personnel changes, not then having the revenue to support them beyond two years, effectively committed part of the anticipated tax-revenue increase of the four-way consolidation to that particular expense. The other partners in the reorganization had nothing to say about how to use that additional revenue. The timing of PVFD's personnel changes, combined with PVFD's assumption that the increased tax revenue would ultimately support those changes also, as one NCC director pointed out, deprived NCC personnel of the opportunity to compete for those positions.

Because of the financial aspects of the PVFD personnel changes, on March 20, 2025, NCC's Board of Directors voted unanimously to table the reorganization plan with respect to PVFD[8] and instead to move forward on reorganizing with Rough and Ready and with Ophir Hill fire districts. Subsequently, Rough and Ready opted to consolidate with Penn Valley, and NCC is moving forward with consolidating with Ophir Hill. On April 23, 2025, NCC authorized reopening discussions with PVFD, but "not until NCCFD has completed its annexation of the Ophir Hill Fire District. This will allow operations to stabilize following the annexation. We believe the same consideration applies to your district as it completes its annexation with the Rough & Ready Fire District."

Consolidation with Rough and Ready

PVFD consolidated with Rough and Ready Fire District as of March 23, 2026. Consolidation produces some additional tax revenue based on the number of improved parcels in the district that had the lower tax rate. The additional tax revenue from consolidating PVFD and R&R will be close to $1 million dollars per

[8] The minutes of the March 20 meeting note that an NCC director characterized the difficulty: "the issue is simple: we won't take in an entity that is in the hole. Our constituents won't take on a problem that's not their own."

year. That is not sufficient to make the PVFD promotions and hires sustainable in the long term.[9]

Recap

PVFD's unfunded personnel changes led directly to the collapse of the reorganization discussions between PVFD and NCC. After those changes, both districts acknowledged lack of trust in each other. The jury heard from witnesses representing both districts that there were frustrations on both sides, each asserting not having received financial records from the other.

Although NCC had agreed that some personnel changes at PVFD were appropriate, NCC did not anticipate that PVFD would make changes that PVFD's revenue stream could not support for more than a couple of years. PVFD assumed that the anticipated expanded tax revenue of the proposed Nevada County Fire & Rescue District would cover the ongoing expense of the PVFD promotions. That assumption preempted the proposed consolidated district as a whole from deciding how best to use the increased tax revenue.

The situation now appears to be that Penn Valley and Rough and Ready will consolidate. LAFCO has approved the consolidation subject to changes at a scheduled meeting of residents whose tax burden will go up, the meeting being for the purpose of hearing objections to the plan. The result is that Penn Valley, which has undertaken ongoing expenses that it cannot meet, will consolidate with Rough and Ready, which was already insolvent. The financial prospects of the consolidated district are, at best, uncertain.

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[9] On November 18, 2025, the County Board of Supervisors approved (SR 25-2193) up to $1.5 million over 5 years (with a maximum one-year draw of $500,000) "to keep Rough and Ready Fire Station 59 operational during the consolidation of Rough and Ready and Penn Valley Fire Districts." That is a short-term band-aid, directed entirely to Rough & Ready Fire Station 59 expenses; it does not address the ongoing expenses of the November 2024 personnel changes at PVFD.

Findings

F1. PVFD's current and anticipated revenue stream will not support the November 2024 promotions and hires for more than a few years.

F2. The timing and funding issues with respect to PVFD's November 2024 promotions and hires caused the collapse of the four-way reorganization discussions.

F3. The November 2024 personnel changes would have remained effective in the proposed four-way consolidation.

F4. Because Penn Valley made the promotions and hires when it did, personnel at NCC, Rough and Ready, and Ophir Hill lost the opportunity to compete for those positions.

F5. In making those personnel changes, Penn Valley's Board depended on the tax increases that would occur in the four-way consolidation.

F6. That assumption by the Penn Valley Board deprived its potential partners of any voice in how to allocate those additional tax revenues.

F7. The Board has delegated authority for budget construction and decisions to the Chief and the Finance Manager.

F8. The responsibility for adopting and adhering to an appropriate budget remains with the Board.

F9. In this decade, PVFD's Board has approved the budgets that the Chief and the Finance Manager created without change.

F10. PVFD's Board does not maintain appropriate oversight of the district's financial condition.

F11. The Board of Directors and each of its members has a fiduciary responsibility to the district and its residents.

F12. In approving promotions and hires without a sufficient revenue stream to support them for more than a limited period, the Board has not fulfilled its fiduciary responsibility to the district.

F13. PVFD expended district money for the promotions and hires before its Board had approved the expenditure, the promotions, or the hires.

F14. That expenditure violated § 601 of PVFD's bylaws.

F15. If the Board had already approved the promotions, hires, and expenditures, then the approval was not done in an open Board meeting and therefore violated the Brown Act.

F16. PVFD is moving forward with consolidation with R&R, but it is not completed.

F17. Increased fire tax revenue from consolidation with R&R may help to offset the anticipated funds shortfall to which F1 refers.

F18. The increased fire tax revenue from consolidation with R&R will be close to $1 million per year.

F19. The increased fire tax revenue from consolidation with R&R is not sufficient to cover the cost of PVFD's November 2024 personnel changes over the long-term.

F20. The public would have been better served by consolidation of PVFD, NCC, R&R, and OH, as originally planned.

Recommendations

R1. PVFD's Board should have a budget subcommittee that participates fully, with the Chief and the Finance Manager, in producing each year's budget.

R2. PVFD's Board should have mandatory training about the Brown Act's requirements.

R3. PVFD's bylaws should be available to the public on PVFD's website.

R4. PVFD's bylaws should clearly state the Board's duties, making clear that each Board member has a fiduciary responsibility to the District and to the stakeholders, including all residents of the District.

R5. PVFD should pursue consolidation with NCC/OH in order to take advantage of economies of scale.

R6. PVFD should consider hiring a new auditor.

R7. PVFD should consider rotating auditors every five to seven years, pursuant to the recommendation of the California State Controller's Office.

Request for Responses

Pursuant to California Penal Code § 933.05, the Nevada County Civil Grand Jury requires from the Penn Valley Fire District, within 90 days of publication of this report, responses to the following:

Findings 1 through 20

Recommendations 1 through 7

Responses go to the Presiding Judge of the Nevada County Superior Court in accord with the provisions of California Penal Code § 933.05. Responses must include the information that § 933.05 requires.

Findings

F1. PVFD's current and anticipated revenue stream will not support the November 2024 promotions and hires for more than a few years.

DISAGREE – Penn Valley Fire Protection District, which now also includes the former Rough and Ready Fire Protection District, is financially stable. Long term financial projections indicate sustainable revenue to support the 2024 promotions and hires.

F2. The timing and funding issues with respect to PVFD's November 2024 promotions and hires caused the collapse of the four-way reorganization discussions.

DISAGREE – It was NCC's decision to withdraw from the consolidation conversation, without any discussion with the Consolidation Committee, the PVFPD Chief, or with the boards of the four involved agencies. The NCC Chief was well aware of the intention to make promotions and hires. PVFPD assumed he was speaking with and for the NCC Board when championing these staffing changes. As an employee and not an elected official, he was not bound by The Brown Act and spoke routinely and freely with NCC and individual PVFPD board members and staff. Conversations between individual PVFPD Board members and the NCC Chief re: these specific promotions, including timing, had been ongoing since the early Summer of 2024.

In the October 1, 2024, PVFPD Board Meeting, the NCC Chief was specifically asked by a PVFPD Board Member if the promotions being proposed would impact the consolidation effort, to which he was recorded replying, "now is the time and the sooner the better!"

Furthermore, NCC refused to provide any meaningful financial data to PVFPD, including the PERS actuarial. NCC refused to allow the involvement of the PVFPD CPA/Finance Manager in the preparation of financials for the consolidated agency for which she was intended to become Finance Manager. NCC appeared to be meeting without the knowledge or participation of the Consolidation Committee, PVFPD Chief, PVFPD Finance Manager, Organized Labor, Public Relations Committee or the boards of PVFPD or R&RFPD to craft the Service Plan, Organizational Chart and narrative of the proposed consolidation. PVFPD was being excluded in the consolidation planning.

Lack of trust between PVFPD and NCC was growing; collapse was inevitable.

F3. The November 2024 personnel changes would have remained effective in the proposed four-way agreement.

AGREE -- These personnel changes were discussed, at length, with the NCC Chief prior to implementation with his assent. They were included in the consolidation Organizational Chart (attached) created and distributed by NCC.

F4. Because Penn Valley made the promotions and hires when it did, personnel at NCC, Rough and Ready, and Ophir Hill lost the opportunity to compete for those positions.

> **AGREE – The promotions were offered to the most qualified for the positions, the three PVFPD Captains who had been working out-of-class as Battalion Chiefs for 10 years and who were uniquely qualified to run an Advanced Life Support agency, including an ambulance service. These promotions had been discussed at the Consolidation Committee, and it was the agreement of the committee that the PVFPD Captains merited the positions. Note that at this time there was an operational need to make the promotions, there were no personnel at R&RFPD, the NCC generated Consolidation Organizational Chart (attached) clearly showed three Battalion Chiefs in the PVFPD area, and the consolidation had not taken place. Further, these promotions had the full support of the NCC Chief, as evidenced by the October 1, 2024 PVFPD Board of Directors Meeting audio recording where a PVFPD Board Member specifically asked the NCC Chief if he was in support of making these promotions at this time, to which he replied "now is the time and the sooner the better!"**

F5. In making those personnel changes, Penn Valley's Board depended on the tax increases that would occur in the four-way consolidation.

> **AGREE – As had been the discussion and understanding throughout the process and had been documented in the NCC-generated and distributed Plan For Service and Organizational Chart page 54 (attached), these three positions, as well as the creation of additional positions that included a Chief overseeing Fleet and Facilities that was offered to the PVFPD Chief, were intended to be funded through the tax shift agreed upon between the agencies. Note, however, that the savings generated by planned overtime reduction, increased ambulance revenue and billing of Chief services to R&RFPD actually covered the expense of promotions.**

F6. That assumption by the Penn Valley Board deprived its potential partners of any voice in how to allocate these additional tax revenues.

> **DISAGREE – As had been the discussion and understanding throughout the process, had been discussed between the Consolidation Committee, PVFPD Chief and NCC Chief, and, had been documented in the NCC-generated and distributed Plan For Service and Organizational Chart (attached), these three positions, as well as the creation of additional positions that included a Chief overseeing Fleet and Facilities that was offered to the PVFPD Chief, were intended to be funded, in the long term, through additional funds generated by consolidation. PVFPD, as a sole entity, was able to support the promotions with savings from the reduction of planned overtime, increased ambulance revenue and by billing R&RFPD for Chief Services.**

F7. The Board has delegated authority for budget construction and decisions to the Chief and the Finance Manager.

AGREE – Per PVFPD By-Laws, the Fire Chief is directed to prepare and submit for approval key documents, including the preliminary budget, final budget and a monthly financial report. PVFPD employs a Finance Manager that is a CPA. The Finance Manager and the Fire Chief, with input and the publicly transparent oversight of the Board of Directors, at no less than three (3) monthly board meetings annually, are delegated authority to prepare and present to the board for consideration and approval, the preliminary budget and the final budget. The responsibility for adopting and adhering to a budget remains with the Board.

F8. The responsibility for adopting and adhering to an appropriate budget remains with the Board.

AGREE

F9. In this decade, PVFD's Board has approved the budgets that the Chief and the Finance Manager created without change.

DISAGREE – The Board has always been involved in budget oversite, asks questions and requests clarification and/or changes as deemed necessary. The agency employs a CPA as Finance Manager, who works with the Chief to draft budgets that are conservative and responsible.

The draft budget comes before the board a minimum of three (3) times before approval, and remains a fluid document that is reviewed monthly, via financials included in the publicly posted monthly board packets. This report erroneously makes claim that the board asks no questions and makes no changes to the budget, based on a review of approved meeting minutes. According to Robert's Rules of Order, by which we govern, minutes should state what happened, not what was said, so detailed arguments and specific questions are not typically included.

F10. PVFD's Board does not maintain appropriate oversight of the district's financial condition.

DISAGREE – The PVFPD Board is uniquely able to demonstrate the ability to begin each fiscal year with an average of $2.5M in the bank after all obligations are met. This amount has been growing all but one of the past 5 years, including the current, post promotion fiscal year. The Board has demonstrated and continues to demonstrate a solid understanding of its financial situation, as authenticated by its financial stability and growing reserves.

F11. The Board of Directors and each of its members has fiduciary responsibility to the district and its residents.

AGREE

F12. In approving promotions and hires without a sufficient revenue stream to support them for more than limited period, the Board has not fulfilled its fiduciary responsibility to the district.

DISAGREE – There was always a planned revenue stream to support these promotions. The financial implications of adding Battalion Chiefs was discussed in detail in PVFPD Board Meetings, as well as with both the NCC Chief and PVFPD Chief and was approved by both Chiefs as a needed measure to continue the work of the consolidation. Had either Chief recommended against the promotions, or if there was any doubt as to the sustainability, the board would not have supported the promotions.

F13. PVFD expended district money for the promotions and hires before its Board had approved the expenditure, the promotions, or the hires.

DISAGREE – The referenced expenditure falls under the discretion of the Fire Chief as a customary clothing expense in the adopted 2024-2025 fiscal year budget. No board approval was required.

The PVFPD board reached consensus in the October 1, 2024, board meeting, attended by the NCC Chief. In that meeting, the board directed staff to provide financials relative the promotions and new hires to present at the November 5, 2024, board meeting. Everyone was in agreement, including the NCC Chief, as evidenced in the audio recording of the October 1, 2024, meeting, which was provided to the Grand Jury.

F14. That expenditure violated § 601 of PVFD's bylaws.

DISAGREE – The aforementioned by-law does not pertain to this purchase. In no way did the purchase of badges *"bind the District by any contract, or pledge its credit, or render it liable for any purpose in any amount without prior specific approval of the Board."* Badges are customary purchases and, in this case, fell under the board approved 2024/2025 budget line CLOTHING, per our SOP 101-Purchasing (attached).

F15. If the Board had already approved the promotions, hires, and expenditures, then the approval was not done in an open Board meeting and therefore violated the Brown Act.

DISAGREE – There was consensus in the October 1, 2024, public PVFPD Board of Directors meeting, and direction was given to staff to bring back the financial implications at the November 5, 2024, board meeting. The promotions were approved at the November 5th meeting.

F16. PVFD is moving forward with consolidation with R&R, but it is not completed.

DISAGREE – Upon publication of this Grand Jury Report the two districts had been consolidated for twenty (20) days. This finding contradicts a statement in the report on Page 10.

F17. Increased fire tax revenue from consolidation with R&R may help to offset the anticipated funds shortfall to which F1 refers.

AGREE – There is no anticipated shortfall. As stated in response to F1, Penn Valley Fire Protection District, which now also includes the former Rough and Ready Fire Protection District, is financially stable. Long-term financial projections indicate sustainable revenue to support the 2024 promotions and hires

F18. The increased fire tax revenue from consolidation with R&R will be close to $1 million per year.

AGREE – The increased tax revenue will exceed $1M/year.

F19. The increased fire tax revenue from consolidation with R&R is not sufficient to cover the cost of PVFD's November 2024 personnel changes over the long-term.

DISAGREE – The increased revenue from consolidation is sufficient to cover the costs of PVFPD's November 2024 personnel changes over the long-term.

F20. The public would have been better served by consolidation of PVFD, NCC, R&R, and OH, as originally planned.

DISAGREE – There is no supporting evidence for this assumption. Factually, the residents of Rough & Ready now have advanced life support services, including a paramedic-staffed ambulance. That would not have happened had the consolidation continued with NCC. Station 59 frequently responds to Penn Valley, Grass Valley, Nevada City and into the NCC District, providing ALS services including a transporting, medic staffed ambulance.

Recommendations

R1. PVFD's Board should have a budget subcommittee that participates fully with the Chief and the Finance Manager in producing each year's budget.

AGREE – The board will take action to appoint a Finance Committee.

R2. PVFD's Board should have mandatory training about the Brown Act's requirements.

AGREE – PVFPD board members and all elected officials in the State of California are mandated to attend AB1234 Ethics Training every two years. AB1234 Training includes training on the Brown Act. All PVFPD board members are in compliance.

R3. PVFD's bylaws should be available to the public on PVFD's website.

AGREE – Though not mandated by any legislative body or directive, PVFPD has included a copy of the bylaws on the district website.

R4. PVFD's bylaws should clearly state the Boards duties, making clear that each Board member has a fiduciary responsibility to the District and to the stakeholders, including all residents of the District.

AGREE – The board will take this recommendation into consideration during its next regular review of the bylaws.

R5. PVFD should pursue consolidation with NCC/OH in order to take advantage of economies of scale.

DISAGREE – There are no economies of scale in the previously proposed consolidation, nor was the previously proposed consolidation intended to provide economies of scale. The intention, clearly demonstrated by the proposed Plan for Service and the Organization Chart (attached), was to add staff to provide better service to the consolidated district.

PVFPD has been able to accomplish this intended higher level of service to constituents through our consolidation with Rough and Ready, bringing an additional ALS ambulance online to help relieve the shortfall of ambulances in Nevada County, and adding staff to respond to emergencies inside our newly expanded district, as well as in surrounding districts. No evidence has been presented that consolidation with any particular agency is necessary at this time.

R6. PVFD should consider hiring a new auditor.

AGREE – We are currently under contract through the 2026 audit and will issue an RFP for future audits at the appropriate time. The board evaluates the proposals and selects the lowest responsible bid, in accordance with accepted fiduciary expectations. The district will continue requesting proposals from licensed CPA firms.

R7. PVFD should consider rotating auditors every five to seven years, pursuant to the recommendation of the California State Controller's Office.

> **AGREE – As stated in our response to R6, we will issue an RFP following the conclusion of our current contract. Although we have remained with the same auditing firm for a number of years, the lead auditor rotates every six (6) years, pursuant to AB1345.**

<table>
<tr><td colspan="3">PENN VALLEY FIRE PROTECTION DISTRICT</td></tr>
<tr><td rowspan="3">STANDARD OPERATING PROCEDURES</td><td>ARTICLE:</td><td>SOP: 101</td></tr>
<tr><td colspan="2">SECTION: Finance</td></tr>
<tr><td colspan="2">SUBJECT: PURCHASING POLICY</td></tr>
</table>

Purchasing

Purpose and Scope

The purpose and scope of this policy is two-fold:

(a) To establish efficient procedures for the purchase of supplies and equipment and for obtaining construction and other services by Penn Valley Fire Protection District (hereafter referred to as District) which will assure the lowest cost commensurate with sound quality and in accordance with appropriate standards and specifications; to provide for positive financial control over purchases; to provide for competitive bidding; and to provide a uniform procedure and notice thereof to prospective suppliers.

(b) Meet the requirements of CA Government codes §54202 and 54204.

This policy is written in accordance with the following California governmental codes. Items not specifically addressed in this policy will be governed by the same.

- CA Civil Code
- CA Government Code
- CA Health and Safety Code
- CA Public Contract Code

Purchasing Officer

The Fire Chief is the purchasing officer. The Fire Chief may delegate portions of the purchasing officer authority to subordinates. During times of leave of the Fire Chief, the On Duty Battalion Chiefs will assume the purchasing authority of the Fire Chief.

The purchasing officer, or designated agent, shall have the authority, in accordance with purchasing procedures required by this policy, to:

(a) Purchase or contract for work, services, supplies, and equipment;

(b) Negotiate, recommend, and execute contracts for the purchase of supplies, equipment, and services;

(c) Act to procure for the District optimum quality in supplies, services, and equipment to meet the needs of the District at the least expense to the District;

(d) Seek to obtain as full and open competition as possible on all purchases commensurate with the needs of the District and the level of administrative effort and cost justified by the amounts in issue; and

(e) Supervise and inspect all supplies and equipment purchased to ensure conformance with specifications.

Purchasing Authority

Budgeted and non-Budgeted Purchases

(a) Board of Directors (BOD) approval of the annual budget shall constitute authorization for the purchase of equipment, goods and services specifically listed and described in such budget.

(b) The purchasing officer may, without bids, quotes or prior BOD approval, make single non-budgeted purchases not to exceed Five Thousand Dollars ($5,000.00)

(c) The purchasing officer may exceed the single purchasing limit ($5,000.00) for maintenance of structures and equipment, which cannot be postponed until action can be taken by the board. The purchasing officer or his/her designee shall submit a report of these transactions and present such at the next regular BOD Meeting (reference CA Public Contract Code §22050)

Purchasing Limits

Purchasing limits are as follows:

Fire Chief	Up to $10,000.00
Battalion Chief	Up to $3,000.00
Captain or Lieutenant	Up to $3,000.00
Collateral Duty Officer	Up to $3,000.00

Purchasing Orders

Purchasing limits apply to the following:

(a) Purchases of $500.00 or less do not require a purchase order number.

(b) Purchases of $2,500.01 to $5,000.00 requires

a. Approval from the Fire Chief, prior to purchase.

(c) Purchases of $5,000.01 to $10,000.00 requires:

a. Bid from three (3) or more vendors, if three bids can be obtained.
b. Approval from the Fire Chief, prior to purchase.

(d) Purchases of $10,000.01 and over, see *Bidding and Quotations*

Credit Card Purchases

The District provides credit cards to employees of designated classifications for the preliminary purposes of emergency, travel, necessity, and expediency. This purchasing policy pertains to credit card purchasing

Bidding and Quotation Procedures: Informal and Formal

Competitive written bid and/or oral quotation

Except as otherwise provided in this policy, hiring of work, construction, and other services, and purchases of supplies and equipment shall be by competitive bidding (the written submission of prices by individuals or firms competing for a contract, privilege, or right to do work or supply merchandise or services), or solicited oral quotation pursuant to the procedures established by this policy. Bidding shall not be required in any of the following instances:

a. Emergencies: although exempt from competitive bidding, emergency purchases are subject to provisions of *Purchasing Authority*
b. When the commodity can be obtained from only one vendor (sole source vendors)
c. When the total amount involved is five thousand dollars ($5,000.00) or less.
d. Purchases from other public agencies or joint purchasing authority.

Informal Quotation

Except as provided work, services and purchases of an estimated value of between five thousand dollars ($5,000.00) and ten thousand dollars ($10,000.00), shall be made by the purchasing officer pursuant to the procedure prescribed in this section.

a. Costs of work, services, and purchases shall, whenever possible, be based upon at least three (3) independent quotations, if three quotations can be obtained, and shall be awarded to the lowest responsible party as determined by the purchasing officer.

b. The purchasing officer shall solicit bids or quotations by written request, by telephone, by fax, advertising, or by notice posted on a public bulletin bord at the administrative office or by any combination of these methods. Formal contracts shall be executed as needed.

Informal Quotation

Except as otherwise provided in this policy, work, services, and purchases, and obtaining construction and other services, of an estimated value of ten thousand dollars ($10,000.00) or more shall be by written contract with the lowest responsible bidder pursuant to the procedures prescribed in the following manner. Reference *CA Public Contract Code*.

Notice of inviting bids

(a) Notices inviting sealed bids shall include a general description of the article(s) or services(s) to be purchased or supplied, shall state where bid forms and specifications may be obtained, and the time and place for opening bids. The notice shall specify the amount and form of bidder's security if required. The notice shall state that bids shall be submitted, and contracts awarded pursuant to the provisions of this policy and any resolution setting forth other applicable rules and regulations. The notice shall state that the board may reject any and all bids.

(b) Notices inviting bids shall be published at least once in a newspaper of general circulation printed and published in the County of Nevada. A notice shall also be posted on public bulletin board at the administration office. This does not preclude, when deemed advantageous, the additional use of metropolitan newspapers and trade publications.

Bidder List, Security

(a) In all transactions where sealed bids are required, the purchasing officer may require the bidder's security and specify the amount and form thereof in the call for bids. District council may review any such security requirements.

(b) The deposit of the successful bidder shall be held to secure the capacity, readiness, and willingness of the successful bidder to execute the contract. The deposits of the unsuccessful bidders shall be returned within ten (10) days following the bid award. The successful bidder shall forfeit the deposit of bid security upon refusal or failure to execute the contract within ten (10) days of notice of award of contract.

(c) The Board may, on refusal or failure of the successful bidder to execute the contract, award the contract to the next lowest responsible bidder, the district shall apply the successful bidders security to cover the difference between the successful bid and the next lowest responsible bid; and the surplus, if any, shall be forfeited as the reasonable cost to the district of delay and/or administrative cost involved in re-letting the contract.

Bid Opening

(a) Sealed bids shall be submitted as set forth in the published notice and shall be identified as "bids" on the envelope and opened by the purchasing officer or a designated representative at a time and place stated in the published notice. Sealed bids shall be reviewed by the purchasing officer or a designated representative and a recommendation submitted to the board for approval withing thirty (30) days of its next regularly scheduled meeting after the date on which the bids are opened. A tabulation of all bids received shall be open for public inspection. Bids received after the closing date and time shall be returned unopened to the bidder.

Bid Rejection-Re-advertisement

(a) The Board may, in its discretion, reject any and all bids and may re-advertise for bids pursuant to the procedures contained in this section.

Tie Bids

(a) If two or more bids are received for the same total amount or unit price and all other applicable considerations are equal, the board may, in its discretion, accept either bid.

Performance Bond

(a) The district may require bidders to submit a performance bond in such amount as it may find reasonably necessary, as per *CA Civil Code §9550,* to protect the interests of the district, and the form and amount of such bond shall be specified in the notice inviting bids.

Award

(a) Except as otherwise provided here, a contract shall be awarded by resolution of the Board of Directors to the lowest responsible bidder as determined by the Board.

Special Services and Equipment-Request for Proposals (RFP)

Recognizing that acquisition of some goods and services, such as computer and/or telecommunications equipment or professional services, are of such a unique or complex nature that a structured competitive bid process based solely on lowest price would detract from the district's ability to acquire the most appropriate goods or services, the purchasing officer and/or the District Board may determine that it is in the best interest of the District to purchase such goods or services based on criteria other than lowest cost. In such cases, notwithstanding any other provision of this policy, the purchasing officer may prepare RFP's which shall establish the criteria that the District will use in selecting a provider and in purchasing the goods and services.

(a) In structuring an RFP, the RFP should include, but is not limited to, the following

a. Company or individual background
b. Details of product or services
c. Cost
d. Time of delivery
e. Dollar limits of performance bond, and/or liability insurance request, if required
f. References
g. Products, service capabilities, and warranties
h. Other information or requirements appropriate to the types of products or services; and
i. Any other consideration that may aid the Board or purchasing officer in evaluating the proposal

(b) Proposals may be accepted, rejected or negotiated prior to final contract approval by the Board.

Purchase of District Utility Vehicles

The district has a Federal Identification Number (FIN) with General Motors and Ford which allows the District to purchase utility vehicles from these two manufacturers at a government wholesale price. All dealerships receive the same pricing form the above manufacturers, which eliminates the competitive pricing between dealerships. In an effort to provide warranty services, the district may contact the closest authorized dealer who participates in the government wholesale purchase program for its purchase of utility vehicles provided that the closest authorized dealer's add-on charge does not exceed 3% over the manufacturer's government wholesale price unless the board finds that agreement to pay a greater fee is in the best interests of the district.

Report Results of Bidding to Board

The purchasing officer shall submit a written report on all bidding, formal or informal, setting forth results, conclusions, and recommendations.

Requirements on Facility Construction, Maintenance and Related Services

Facility construction, maintenance and related services procured by a public entity in the State of California may have requirements per *SB 854 (2014)*

(a) The following conditions are governed by *SB 854*. If these conditions are not met, § 209.5 does not apply

- a. Services procured through a contractor for construction and maintenance services, which uses labor for completion of such services, whether the labor is provided by the contractor or its subcontractor(s).
- b. The project or service contract is $1,000.00 or more.

(b) Contractor requirements are

- a. Registered as a Public Works Contractor with the Department of Industrial Relations (DIR) during the performance of the project and/or contract.
- b. Maintain an active contractor license with the California Contractor State License Board during the performance of the project and/or contract.
- c. Pay laborers used on the project/contract prevailing wage rates.
- d. Deliver Certified Payroll reports to the DIR via the eCPR on-line portal. Ensure sub-contractor(s) compliance with prevailing-wage requirements.
- e. Provide certificates of insurance with the following limits and the District named as additionally insured or such greater amounts as the district

identifies in a request for bids.

i. General liability - $1,000,000.00

ii. Property Insurance – value of equipment and goods stored on the project site

iii. Commercial automobile - $300,000.00

f. Understand and agree to terms of the Penn Valley Fire Protection District Public Works Contract.

(c) District requirements are

a. Utilize Public Works Contractors for projects/contracts that to which the Public Contracts Code applies.

b. Ensure contractor is aware of DIR requirements, via the contract and/or purchase order.

c. Review submitted Certified Payroll reports to ensure contractor and sub-contractor(s) compliance with prevailing-wage requirements.

d. All other purchasing and bid requirements remain in force.

The Purchase

When finalizing the purchase with a vendor, pertinent purchasing information is given to the vendor. Information given to a vendor would include:

(a) Purchase order number

a. If needed to be included on vendor documentation, including receiving document(s) and invoice(s).

(b) Shipping or service address

(c) Receipt Dates

a. Delivery date of the goods or services

(d) Payment terms

a. When the vendor will be paid

(e) Total amount of purchase, including sales tax and freight.

Authorization for Payment

Vendor payment requires verification that the goods or services have been received and comply with the purchase order. Verification is provided to the district's finance administrator. Valid verifications are as follows:

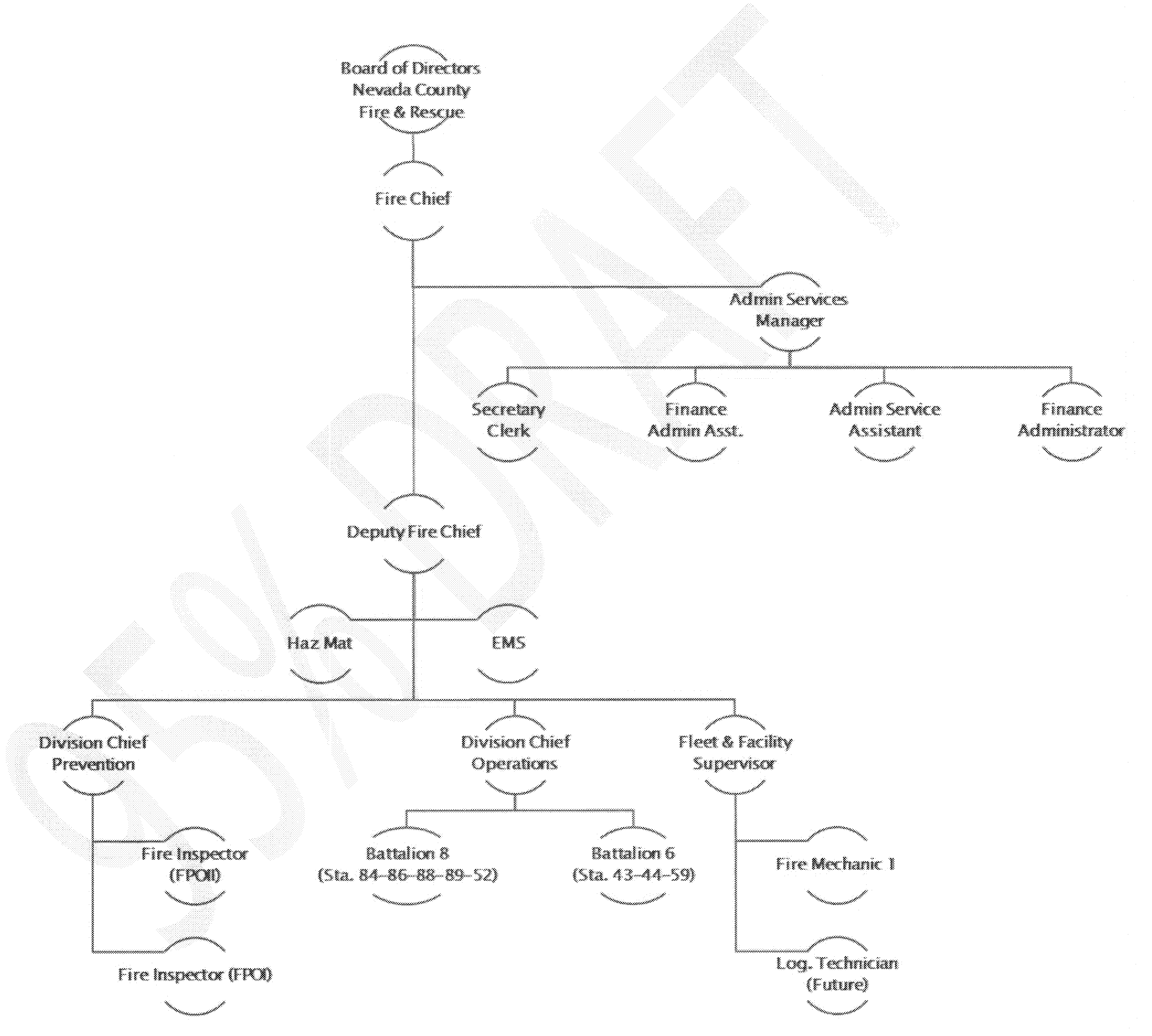
(a) Purchases up to $500.00 – verbal communication, or signed receipt (i.e. receiver, packing slip, credit card receipt, invoice).

(b) All other purchases – signed receipt or signed as received on the purchase order.

Vendors payment will be authorized when a purchase order, receipt verification and invoice are verified against each other.

The proposed organizational chart blends all current positions during the initial reorganization, as well as identifies future positions under this service plan.

Figure 18: Nevada County Fire & Rescue Organization



The following figure shows the current combined and reallocated/added positions.

Figure 17: Minimum Station Staffing – Future Service Plan

Station	Level of Care	Captain	Engineer	FF/Medic	FF/EMT	Min Staff
Station 81: NCCFD	Not Staffed					
Station 82: NCCFD	Not Staffed					
Station 83: NCCFD	(Station to be Surplus)					
Station 84: NCCFD	ALS	3	3	3		3
Station 86: NCCFD	BLS	3	3			2
Station 88: NCCFD	ALS	3	3	3		3
Station 89: NCCFD	BLS	3	3			2
Station 91: NCCFD	Not Staffed					
Station 92: NCCFD	Fleet Services Facility					
Station 59: RRFD	BLS	3	3			2
Station 43: PVFD	ALS (E43 M43)	3	3	3	3	4
Station 44: PVFD	ALS/Transport/CS	3	3			2
Station 45: PVFD	Not Staffed					
Station 52: OHFPD	Staffed	3	3			2
Min Positions:		8	8	3	1	20

Planning for the Future: The Board of Supervisors' Approach to the Growing $220-Million Problem of Unfunded Pension Liabilities

2025-2026 Nevada County Civil Grand Jury

Report Date: April 16, 2026

Summary

On June 8, 2024, the Grand Jury published "Nevada County's Ability to Meet Future Pension Obligations," recommending that within six months the County "produce a comprehensive plan to eliminate the unfunded pension liabilities."[1] The Board of Supervisors responded on August 20, 2024: "This recommendation has not yet been implemented, but will be implemented over the next year." The 2025-2026 Grand Jury decided to revisit the issue. As of October 2, 2025, there was no plan. In contracts dated July 1 and 18, 2025, the County hired a law firm and a consultant to assist it in formulating a plan. As of this report, there is no plan.

At the end of Fiscal 2015, the County's unfunded pension liability was $117,142,264. Since the 2024 report, the County's financial position with respect to unfunded liabilities has continued to worsen, and the total amount of unfunded pension liabilities increased to $223,565,943 at the end of Fiscal 2024. That is quickly said and quickly read, and it bears repetition: since 2015, the County's unfunded liability amount has almost doubled. The County's annual payment to CalPERS has more than doubled, from $9,508,354 in 2015 to $22,735,736 for FY 2026.[2] That is not progress.

Glossary

Amortization:	The process of paying off a large debt over an extended period of time rather than all at once.

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[1] Unfunded pension liabilities are the accrued pension entitlements of retirees and current County employees with vested pension rights minus the amount of County money set aside to make the payments when due. There are two other common phrases that refer to the same thing: unfunded actuarial liabilities (UAL), a phrase CalPERS uses, and net pension liability. This report will use "unfunded pension liabilities" throughout except when quoting an outside source

[2] Part of that increase reflects CalPERS's shift in 2019 from a 30-year amortization period to a 20-year period, but that does not nearly account for all of the increase.

ARC	Annual required contribution (The amortization payments the County makes each year)
CalPERS:	California Public Employees Retirement System
End date:	The date on which, according to CalPERS' projection, the County's pension liability would be fully funded
Entitlements:	Benefits employees have a right to receive upon retirement
FY [year]:	The fiscal year ending on June 30 of the year stated
Jury:	2025-2026: Nevada County Civil Grand Jury
NPL:	Net pension liability (Another name for Unfunded Actuarial Liability (see below)
Pension pot:	The value of invested pension contributions of employers and employee as it rises and falls with the markets
PEPRA:	Public Employees' Pension Reform Act
ROI:	Return on investment
UAL:	Unfunded actuarial liability (also known as "unfunded pension liability" or "what you owe")
UPL:	Unfunded pension liability (another name for UAL)

Note on Amortization

Delaying payment of debt comes with interest costs on the amount of unpaid debt remaining. For example, on a debt of $100,000 and an interest rate of 6.8%, amortizing it over 20 years requires a monthly payment of $763.34. At the end of 20 years, there is no remaining debt. With monthly payments of $763.34, the debtor will have paid a total of $183,201.49. Of that total, $100,000 is the original debt, and the remaining $83,201.49 represents 20 years of interest payments. In the first years, most of each monthly payment is interest expense, because the amount of remaining unpaid principal is highest. With each month's payment, the amount of unpaid principal decreases, so the following month's payment consists of less interest and more principal. About halfway through the 20-year period, the monthly payment is about half interest and half principal. At the end of the period, the debtor has paid off the entire unpaid original principal of $100,000.

There are significant differences between this simple amortization model and the County's pension obligation. The County's pension obligation is not a fixed-sum debt. It is far more like revolving credit-card debt. There are five primary variables that affect the size of the unfunded pension liability:

(1) the performance of financial markets generally and how CalPERS invests in them

(2) increases or decreases in the number of County employees

(3) employees' salary levels

(4) salary raises given to employees

(5) increases in unfunded pension liabilities owing to employees' additional years of service.

Three of those variables are within the County's control.

Background

Nevada County has a pension plan for its employees. The County and its employees contribute to the plan with each paycheck. Pension funds do not just sit in a vault somewhere. Counties invest them with the expectation that, if the investments are sound, the future pensioners will be safe, and the County may make additional money that it can apply to various projects. If investment returns are disappointing, the total of a County's set-aside funds will fall below the amount the County will need to pay future pensions. The pension fund then is less than 100% funded. CalPERS is Nevada County's (and many other counties') investment agent.

At the turn of the century and for some years thereafter, the Nevada County pension fund was at or near full funding. That is, there was enough money in the pension account to pay the pension benefits that would become due over time as employees retired and became eligible for payouts. The Great Recession of 2007-2009 took a toll on pension accounts. CalPERS holdings of pension assets took a nose dive, from a high of about $260 billion to $160 billion, a 38.5% decline. Pension plans that had been at or close to full-funding status saw their value reduced and were no longer near that mark. The loss in value created unfunded liability; there were no longer sufficient funds in the accounts to satisfy the accrued (but not yet payable) pension debt. As of the 2024 Grand Jury report, the County's pension plan was about 68% funded. When the final figures for FY2023 came in later that year, the plan had decreased to 63.9% funded.

Counties' pension liabilities constantly change according to several variables. Hiring employees increases pension liabilities if they stay long enough for their retirement benefits to vest. Employees also leave County service, so that pension liability to them ceases to accumulate. Salary increases lead to higher pension liabilities. A county's total pension liability is a constantly moving figure. As counties grow, pension liabilities tend to increase as counties hire additional staff, salaries increase over time, and employee longevity increases.

Pension liability debt does not all come due at once. Employees retire at different ages and collect pension payments for differing periods of time. Market performance, with its ups and downs, also affects counties' ability to pay pensions when they are due.

In its response to the 2018 Grand Jury report, the County appeared to acknowledge the seriousness of the problem.

> The County of Nevada takes this matter very seriously and has taken numerous proactive measures to mitigate the impact of rising pension costs and manage Net Pension Liability impacts. The County maximizes revenue opportunities and has accumulated fund balance to help address rising

> pension costs. If the economy and revenues drop significantly for a sustained period of time, or there are additional changes from CalPERS requiring higher contributions than are currently known, there may be impacts to services.

Although the County generalized about "numerous proactive measures," it did not identify even one in its response. Simultaneously, the County minimized the need for taking action. Finding 2 of that report stated that the County's financial position did not allow it to reduce UPL. The County responded:

> Disagree.
>
> Responding only for County of Nevada agencies.[3] Annual required contributions (ARC) set by CalPERS are intended to pay down the Net Pension Liability over a period of time. The County has always met the ARC and expects to do so in the future.

It is true that the annual amortization payments are supposed to pay down UPL. It is true that the County has always made timely amortization payments. Beyond that, it is true, as Finding 18 states, that the County has saved hundreds of thousands of dollars in interest costs by paying each year's amortization payment at the beginning of the year, avoiding interest charges. All that is true.

The chart on page 12 shows how well that has worked for the County since CalPERS shifted from 30-year to 20-year amortization.[4] With that approach, the County's unfunded pension liability has nearly doubled since 2015. "[5] Despite the

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[3] The 2018 report also discussed many sub-county agencies; the disclaimer says only that the County was not responding for them, only for itself.

[4] It was not working any better before the shift, but the Jury wanted to avoid the additional complexity of mixing 20- and 30-year data.

[5] It was not working any better before the shift, but the Jury wanted to avoid the additional complexity of mixing 20- and 30-year data.

County’s “numerous proactive measures,” between 2019 and 2024, the County’s unfunded liability increased by more than 40%.

<u>Money in the General Fund Not Used to Reduce Unfunded Liability Debt</u>

At the end of each fiscal year for the FY 2019 through FY 2024, the County has had General Fund balances ranging from $38.3 million to $47 million. For FY 2025 and FY 2026, it projects ending General Fund balances of $48.3 million and $43.8 million respectively. The following chart shows the County’s allocation of those funds to making voluntary additional payments to reduce its unfunded pension liability.

<u>Chart 1</u>

<table>
<tr><th>Fiscal Year</th><th>General Fund Year-End Balance (in millions)</th><th>Amount used to pay down unfunded liability debt (in dollars)</th></tr>
<tr><td>2019</td><td>$34.9</td><td rowspan="6">$0</td></tr>
<tr><td>2020</td><td>$34.3</td></tr>
<tr><td>2021</td><td>$39.3</td></tr>
<tr><td>2022</td><td>$40.1</td></tr>
<tr><td>2023</td><td>$41.7</td></tr>
<tr><td>2024</td><td>$47.0</td></tr>
<tr><td>2025</td><td>$48.3 (projected)</td><td></td></tr>
<tr><td>2026</td><td>$43.8 (projected)</td><td></td></tr>
</table>

To be sure, not all of those amounts should have gone to offsetting the mounting unfunded liability debt, but one might reasonably suspect that some part of it greater than $0 could have become one of the County’s “numerous proactive measures,” to reduce a debt of well over $200 million.

Since then, the County has taken no significant action to address the problem beyond making the required annual amortization payments. The County has done little to explore alternatives to continuing with the broken retirement system.[6] Unless CalPERS experiences consistent double-digit returns on investment over the next four or five years (at least), the County may ultimately be headed for bankruptcy, to the detriment of its citizens, employees, and former employees. Bankruptcy is not imminent, and the County can take steps now to avoid that possibility. It should. Constantly mounting debt is not sustainable for any debtor.

Nevada County officials regularly argue that many other counties are in comparable situations to Nevada County with respect to unfunded liabilities. That may be, but Nevada County citizens are in no better position merely because other counties' citizens are also at risk.

CalPERS manages Nevada County's pension retirement plans, investing pension payments that it receives from public employers and employees around the state so that as pension payments to retirees become due, there is money to pay them. For more than a decade, there have been reports of CalPERS having financial difficulties from failing to meet its ROI goals. The scorecard is unimpressive. Under CalPERS' stewardship over the last decade, combined with the County's "numerous proactive measures, to mitigate the impact of rising pension costs and manage Net Pension Liability impacts. . . ," the County's liability has risen more than 90%.[7]

---

[6] For example, CalPERS estimates annual salary increases at 2.75% per year. Over a five-year period, that would show almost a 15% cumulative pay raise. From 2018 to 2023, the number of full-time year-round county employees *decreased* by 6.7%, but the median pay for full-time year-round county employees *increased* by 32.25%.

[7] The final figure for 2025 will not be available until mid-2026.

To address unfunded pension liability, CalPERS requires annual amortization payments from its member counties, the stated goal being to return accumulating pensions to fully funded status over a 20-year period.[8]

- FY 2015: Unfunded pension liability amount = $117,142,264
- FY 2015: amortization payment = $9,508,354
- FY 2015 through FY 2024: total payments = $167,407,385
- FY 2024: Unfunded pension liability amount = $223,565,943
- FY 2026: amortization payment = $22,735,736

Thus, the County at the end of FY 2024 had paid almost 143% of its FY 2015 un-funded pension liability only to see that amount nearly double.

Employees' pension rights become vested after five years with the County. Each year, more employees reach that mark. To some extent, departing employ-ees who have not reached the five-year mark offset the increases. Pay raises also increase the County's pension obligation as does employee longevity.

It is important to understand, as the Board of Supervisors' consultants, Cal-Muni and WeistLaw have made clear, that the "County bears all investment risk. Failure by CalPERS to achieve target investment returns does not relieve County from pension benefit guarantees to employees and retirees."[9] That is simply

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[8] CalPERS original policy, dated April 20, 2016, used a 30-year amortization period. An amendment dated February 14, 2018, shortened the period to 20 years. The shift to a shorter amortization period required annual amortization amounts to increase.

[9] The County's response to the 2017-2018 report disputed this. Finding 8 of that report stated, "The public bears most of the risk if CalPERS . . . investments continue to under perform. The County said, "The County of Nevada is unable to respond to this finding as we have no way of knowing how CalPERS . . . will mitigate the risk of underperforming investments or how much risk will be passed on and to whom." Now the County knows.

another way of saying that although the County has delegated to CalPERS *authority* to make investments on its behalf, it cannot delegate its *responsibility*.

Approach

The Jury conducted an extensive review of County financial records, CalPERS performance records, and multiple interviews to help it determine where the County stands now compared with 2024.

Discussion

Minutes of the County Board of Supervisors' meetings from the 2024 Grand Jury report to the present make no reference to unfunded liabilities with the exception of the August 20, 2024, meeting, at which the Board of Supervisors approved the staff-prepared County's response to the Grand Jury report without discussion. The Board of Supervisors did not participate in drafting the response.

Finding 1 of the report stated: "The County pension plan currently lacks the funds to meet foreseeable pension-payment obligations, having only about 68% of the necessary funds." That finding stated two facts: lack of full funding and 68%. The County's response did not dispute either of those facts:

> Disagree.
>
> The Unfunded Accrued Liability ratio is just one indicator of the overall health of the County's Pension Plan. Pension obligations are contributed to as part of the employee's compensation and intended to be funded over the tenure of the employee. The annual payment of the unfunded liability is an amortized plan developed by professional actuaries to bring the County to fully funded status over time. This plan fluctuates each year based on a variety of factors outside of the County's control such[,] as investment returns. The County is able to make its annual pension obligations and plans for such during the budget development process each year.

The "disagreement" effectively admitted both facts were accurate.

The report of the 2023-2024 Grand Jury recommended that the County produce a plan to address the mounting unfunded pension liability within six months. The County responded that it would produce a plan in one year. None of the witnesses the Jury interviewed explained why, despite the County having promised to produce a plan within one year (rather than the six months the earlier Jury recommended), there was no plan.

The lack of any mention in Board of Supervisors' minutes of the growing problem says more about the County's attitude than the Jury could possibly elaborate. From outward indications, the County does not think there is much of a problem, yet in interviews with County officials, the only mentions of something that might affect it were vague statements about PEPRA having some unspecified beneficial effect.

In 2013, California enacted PEPRA. The CalPERS description of the changes PEPRA effected is available online. Basically, PEPRA prescribes a new state approach to pensions, apparently in recognition that the statewide pension approach before 2013 was unsustainable. Without going into unhelpful specifics, it is fair to say that PEPRA benefits will be less than those due (and accumulating) to employees hired before January 1, 2013. PEPRA employees will pay in a greater share of their eventual benefits. Pension benefits are lower than formerly.

Those changes will at least contribute to slowing the growth of unfunded pension liabilities, but without data studies, it is not possible to estimate how much of an effect PEPRA will have and how long it will take to feel that effect. The County has performed no studies and has no projections about how PEPRA's advent will affect the County.

PEPRA began in 2013, so there are now data from more than a decade of experience. During that time, the County's annual amortization payment has more than doubled. Its unfunded liability amount has increased greatly. This has occurred despite PEPRA.

Figures from the 2023-2024 Grand Jury's report (with 2024 data added) show the growth of the County's unfunded pension liability and amortization payments from 2019 through FY2024.[10]

Chart 2

Fiscal Year Ending	Unfunded Liability Total	Annual Amortization Payment	End Year
6/30/2019	$157,811,061	$16,345,792	2039
6/30/2020	$168,446,468	$17,561,506	2040
6/30/2021	$178,388,939	$19,276,099	2041
6/30/2022	$131,901,645	$20,846,126	2042
6/30/2023	$200,440,179	$22,769,808	2043
6/30/2024	$223,565,943	$20,454,679	2044

Thus, according to CalPERS 20-year amortization schedule, as of FY2019, if the County paid $16,345,792 in amortization for 20 years, the County's pension plan would be fully funded in 2039. By FY2020, however, unfunded pension liability had increased by 6.74%; the required amortization payment had increased by 7.44%, and the end date had receded by one year to 2040. For FY2024, the unfunded liability had increased from the 2019 amount, the amortization payment was about 25% higher, and the end date had receded to 2044.

One of the County's responses to the 2017-2018 Grand Jury[11] report takes on special meaning after the experience of the past 6 years. In response to a Grand

[10] We begin with 2019 because that is the year that CalPERS switched from a 30-year amortization period to the current 20-year period.

[11] The 2017-2018 Report considered UAL for county and city governments, schools, fire districts, utility districts, and "Other Special Districts." This report deals only with the County's UAL.

Jury finding that the County "lack[s] a sufficient Net Position to successfully comply with the requirement to reduce [its] Net Pension Liability [UAL]," the County responded:

> Disagree.
>
> Annual required contributions (ARC) set by CalPERS are intended to pay down the Net Pension Liability over a period of time. The County has always met the ARC and expects to do so in the future.

The County has been true to its word. It has continued to make annual required contributions. The second column of Chart on page 12 shows the effectiveness of that approach.

The approach the County follows is equivalent to the person who continually runs up sizable credit-card debt and pays only the minimum required amount each month. Each month the credit-card holder purchases new goods and services on credit, adding to debt. Each year, the County may add pension debt in two ways: new hires and salary increases for existing employees. Each month the credit-card holder pays the minimum the card-issuing company requires, never paying more than the minimum. Each year the County pays the minimum that CalPERS requires (ARC), never paying more than the minimum. Both debts spiral because of increasing debt load and reach a point where the debtors cannot escape. The result is default and bankruptcy.

Orange County's Bankruptcy Experience

In late 1994, Orange County had to file for bankruptcy. Orange County did not emerge from bankruptcy until mid-2017, when it made its final bankruptcy payment. In Orange County's case, severe financial mismanagement led to the collapse, but that really is beside the point. The important thing is what happens in a county when it does become bankrupt, regardless of how it arrived at that financial state. It is the effect of bankruptcy, not the trail to it, that matters. There is a limit to the amount of debt that any debtor can pay off, and the critical thing is what happens after municipal bankruptcy.

1. Orange County had had one of the best-rated local government credit ratings; with the bankruptcy, that rating fell to junk-bond status. Junk-bond status makes it very difficult to borrow money and increases the interest rate on whatever money is available through loans. County schools lost $200 million in funding. Orange [County] had other large payments coming due, and the state refused to bail the County out. Orange [County] faced $42 million in budget cuts for the following fiscal year. For FY 1995, County revenues fell short by $170 million.

In August 1994, Orange County's administrative officer had warned the Board of Supervisors,

> " 'We should be concerned that interest income and one-time revenues are financing a significant portion of the budget. The FY 1995 interest income projection represents 35 percent of the available financing and is our single largest source of discretionary revenue.' . . . These warnings had, of course, fallen on deaf ears."[12]

Orange County ended up having to make 1,040 layoffs and 566 vacancy deletions in addition to the budget cuts.

> Seventy percent of the layoffs and vacancy deletions, or 1,129 of the 1,606 job losses, were in community and social services and health services. Some complained that the budget cuts were aimed at the poor and the immigrants. These groups were heavily dependent on county programs, but they did not have a voice in these local fiscal decisions.[13]

"The Board of Supervisors approved the budget cuts and staff reductions on March 7. The chief executive officer in describing these effects said, 'We started

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[12] MARK BALDASSARE, WHEN GOVERNMENT FAILS: THE ORANGE COUNTY BANKRUPTCY 138 (1998).

[13] *Id.* at 139.

with 18,000, [sic] we’re coming down to 13,000. Services will be cut back dramatically. Basic needs in some areas will not be met. . . .’ ”[14]

Nevada County and Past Grand Jury Reports

The 2017-2018 Grand Jury report recommended increased County attention to UPL (there called “Net Pension Liability”). Here are the recommendation and the County’s response.

> R1: The Nevada County Chief Executive Officer should provide a separate presentation to the Board of Supervisors describing the County's current Net Pension Liability and providing a plan for addressing the problem. The presentation should not be hidden in the annual budget report presentation.
>
> [County response] This recommendation will not be implemented because it is unwarranted. The County Executive Office already reports specifically on the Net Pension Liability issue multiple times during the year. It is presented in depth during the budget hearings, at the Board of Supervisors Annual Workshop and throughout the year as Board actions are recommended by the County Executive Office. Pension costs have been highlighted in the last twelve budget messages delivered by the CEO and CFO.

The County’s response also stated, “[I]n FY 18/19 the County will consider a Pension Management Policy to provide further direction on managing the pension liability.” The County did adopt a policy in 2019, but, judging from the rise in UPL since 2019, nothing seems to have come of that.

The County’s consultants made a presentation to the Board of Supervisors on October 14, 2025. The Board of Supervisors listened to the presentation and then moved on to other agenda items without discussion. The following graph from that presentation shows the County’s past and expected amortization payments.

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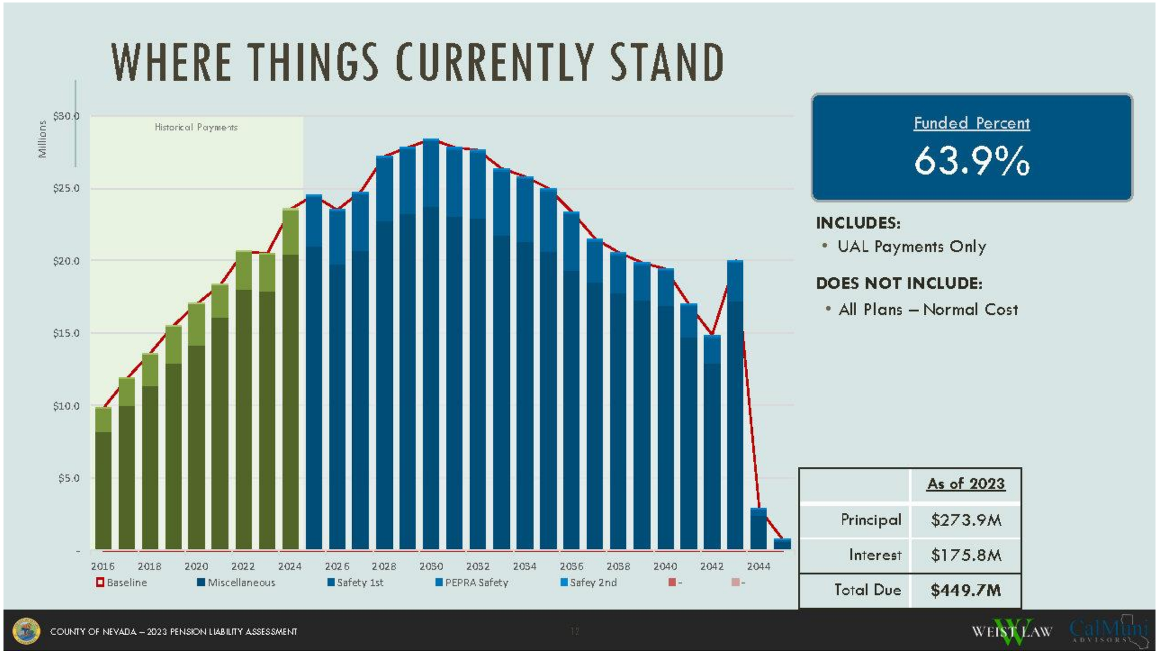
[14] *Id.*

Chart 3



The graph shows annual amortization payments rising to a peak of almost $30 million dollars for 2030 and then declining. But the story is missing information. The figures the graph represents assume CalPERS can achieve its target return. The target return used to be 7.75%, but CalPERS lowered it over the past decade because the original target was unrealistic. It now stands at 6.8%. Lowering the discount rate has extended the payoff period. Neither the graph nor the consultants' presentation explains why the 2026 amortization payment is lower than the previous year, why it then grows to almost $30 million in 2030, why it then begins to decline until it reaches 2042, after which it increases sharply for one year and falls even more sharply the following year. It does show that as of the end of FY2024, the County could expect to have paid $273.9 million in pension principal and $175.8 million in pension interest by the theoretical ending date of 2045, for a total of $449.7 million. At the end of FY2015, unfunded liability amount was $117,142,264.

The graph also assumes a steady state in the markets, but markets do not exist in steady states. There are surges and there are corrections—declines of

10% to 20%. The Standard & Poors 500 Index—one of many indicators of market performance—has shown five significant annual losses (losses of 10% or more) beginning in 2000 and smaller losses in two other years. It is not realistic to expect no corrections in the coming 20 years.

The policy review and outline that the Board received on October 14 discusses in abstract and general terms steps that the County might take to improve the situation.[15] There is no discussion of the feasibility of any of those steps for Nevada County. No one on the Board of Supervisors recalls the County having made Additional Discretionary Payments (CalPERS's term for annual payments in excess of the required amortization amount) to address the unfunded-liability deficit. One supervisor, when asked about voluntary additional payments, stated that the County had not made any because of other, higher priority expense items. The County's response to the 2023-2024 report notes, "[S]everal other governmental agencies have implemented a variety of strategies to address the unfunded liability, including making additional payments above and beyond the [CalPERS] required contributions. . . ." That sentence confirms that Nevada County has not done so, and one searches the 2023-2024 response in vain for any indication that the County will even consider doing so.

There is no question that the County faces multiple needs, some immediate, some that the County can postpone or fund at a lower level. As the figures of the past ten years show, one effect of postponing measures to deal with the unfunded-pension liability is that the liability grows, making the problem increasingly difficult to address. That is why Chart 3 on page 16 shows that as of FY2023, the

[15] Some of those terms are at war with each other. For example, under "Short-Term Cash Flow Management," one entry says, "Extend UAL payments over longer term." On the same page, under "Long-Term Cost Management," one entry says, "Prepay or accelerate UAL payments." There is no discussion of how to reconcile those two goals and no discussion about the County's ability or willingness to accelerate payments.

County could expect to have paid $273.9 million in principal and $175.8 million in interest in the process of winding down the then-current UPL by 2045.

The chart does not (and cannot) take into account that each year (1) the County may hire new employees; (2) existing employees acquire another year of service and get closer to retirement; (3) some employees leave their positions, and (4) some or all employees get salary increases. Each of those events affects the County's pension liability, yet none of those events is quantifiable in advance.

There is an additional point that no one should overlook. CalPERS amortization approach is supposed to bring the County back to fully-funded status, as the County acknowledged in the response quoted on page 10. After more than a decade of participation in the CalPERS approach, the County is now farther from that goal than ever before. It is clear that CalPERS' predictions and calculations are not reliable indicators of what the future holds. When CalPERS shifted from a 30- to a 20-year amortization period in 2019, its predicted end date was 2039. Each year, however, that end date has receded by one year, an admission that the previous year's projection has turned out to be inaccurate. In fact, CalPERS has had a graph similar in shape to the graph on page 16 ever since it began to require annual amortization payments. The shape of the graph never changes; the length of the graph in years since 2019 never changes. But each year, the graph moves one year further out. The 20-year amortization period of 2019 (end date 2039) is now the 20-year amortization period of 2024 (last figures available) (end date 2044). Each of those five additional years represents an another multi-million dollar amortization payment.

The County's behavior contributes to that phenomenon. CalPERS estimates annual salary increases at 2.75%. When the County gives increases that exceed that figure, that adds to the County's pension burden. New hires have the same effect, provided that the new employees remain for at least five years, when their pension rights vest.

The County has now hired a consultant and a law firm to help it address unfunded liabilities.[16] The County thus concedes that its previous approach is failing. It comes after the 2017-2018 Grand Jury Report and the 2023-2024 Report made clear that the County's position was deteriorating.

<u>The County's Smokescreens</u>

a. Empty Words

Certain language in the County's annual budget document repeats, with only the numbers changing. For example, the current budget document, commenting on the unspent balance in the General Fund, says:

> It is imperative that these reserves be maintained at sufficient levels for possible future financial threats. For example, the County continues to monitor increases in pension costs. Those costs increased by $2.1 million in 2024-25 and although they decreased slightly in 2025-26, the drop is anticipated to be temporary before increasing in 2027-28, as shown below in Figure E-6. The County's pension management policy adopted in 2019 will be updated this fiscal year alongside a comprehensive long- term pension funding plan. The plan will provide the Board with recommendations on how to improve the County's overall pension health to ensure long-term sustainability.

Almost identical language appears in the budget documents for FY 2022 through FY 2025.[17] Year after year, the County says the same thing . . . and does nothing other than pay the minimum amortization amount. Year after year, the UPL increases. The fact remains that for all the repeated talk about pension management and the County's assurance in its response to the 2018 Jury Report about

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[16] The consultant and the law firm each come with a cost. Exhibits A and B show the cost figures for each.

[17] The older documents make no reference to the updating the old pension-management policy and the new "comprehensive long-term pension funding plan

its “numerous proactive measures,” since then the County has made no voluntary additional payments to reduce its unfunded pension liability.

b. The Small Piggy Bank

From time to time, County representatives talk about the trust (known as a 115 Trust, the formal title being California Employers' Pension Prefunding Trust) the County has established, obliquely suggesting that it has some significant effect on the problem, though never discussing what that effect might be. The County mentioned that in its responses to the 2018 report and the 2024 report. The County’s responses never state how much is in the trust, how it uses the trust funds, or how much it contributes to the trust annually.

On December 31, 2025, the trust balance was $4,129,940, less than one-quarter of a single year’s required amortization payment. The trust provides supplemental funding in case CalPERS’s amortization assessment for a particular year is unusually large. In the words of one witness, Nevada County’s trust “smooths out” variations in the annual amortization requirement. It can have no appreciable effect on the total UPL.

Recap

In 2015, the County’s unfunded pension liability was $117,142,264. From 2015 through 2024, the County paid a total of $169,688,442 in pursuit of the CalPERS goal of bringing the pension to fully funded status. At the end of FY2024, the unfunded pension liability was $223,565,943.

Since 2018, the County has been saying that everything is under control. The Grand Jury begs to differ and hard data of what *has* happened plus the clear record of County inactivity support the Jury’s concern. The County, as it has for the past decade, continues to rely on what it predicts *will* happen or what it says it *will* do. “Has” is a fact; “will” is an intention.

The Board of Supervisors hired consultants in July, 2025, to assist in preparing a plan. Perhaps they will help the Board of Supervisors take a realistic look at how the CalPERS amortization plan has worked for the County. The Board's passivity in the face of dramatic increases in the County's UPL is unacceptable. All it accomplishes is kicking the can down the road—postponing the ever-growing problem. The County has been making required amortization payments timely. Using that approach, the UPL has increased by almost 91% from 2015 to 2024.

It appears that the situation will get better only if the County begins to make regular, sizable additional voluntary payments. That may require reductions in the levels of some County services, reduced hiring, smaller (or no) salary increases for County employees, elimination of duplicative services, or additional annual taxes on County residents so that the County can fulfill its legal obligation to former and future former employees who count on their pensions being ready when they are.

Findings

F1. At the end of FY2015, the County's unfunded pension liability was $117,142,264.

F2. At the end of FY2024, the County's unfunded pension liability had increased to $223,565,943.

F3. The County has followed CalPERS's amortization plan over the past decade.

F4. The County's financial position with respect to UPL has worsened over the last decade.

F5. The County's FY2015 amortization payment to CalPERS was $9,508,354.

F6. The County's FY2024 amortization payment to CalPERS was $20,454,679.

F7. From FY2015 through FY2024, the County paid CalPERS $169,688,442.

F8. As of FY2019, CalPERS's projected date of returning the County to fully funded status was 2039.

F9. As of FY2024, CalPERS's projected date of returning the County to fully funded status was 2044.

F10. The Board of Supervisors believes that California's 2013 change from classic retirement to PEPRA will help the unfunded-pension-liability problem.

F11. The Board of Supervisors has performed no data studies on the impact PEPRA is likely to have.

F12. The Board of Supervisors has prioritized immediate needs over making additional voluntary payments to reduce the unfunded-liability debt.

F13. In the past 10 years, the County has made no voluntary additional payments to reduce the amount of unfunded pension liability.

F14. As of December 31, 2025, the balance of the 115 Trust was $4,129,940.

F15. There is no record of the Board of Supervisors ever having discussed the unfunded-pension-liability problem for the past 10 years other than the Board's responses to earlier GJ reports.

F16. From 2015 until to the present, despite rising UPL, rising amortization payments, and repeated extensions of the amortization period, the County did not develop and implement any plan that addressed the mounting debt.

F17. In response to the 2023-2024 Grand Jury report, the County promised to have a plan to address the unfunded-pension-liability problem within a year.

F18. At the end of the year, the County had developed no plan.

F19. At the end of the year, the County had not hired any consultants to help the County address the unfunded-pension-liability problem.

F20. By prepaying the full annual amortization amount at the beginning of the fiscal year, the County has saved hundreds of thousands of dollars in interest over the past decade.

F21. Since FY 2019, the County general fund at the end of each fiscal year has had from $34.3 million to $47.0 million of unspent funds in the County's General Fund,

F22. Since FY 2019, the County has devoted $0 of that money to making voluntary additional payments to reduce its total UPL.

F23. Given the County's UPL position at the end of FY2024, if the County then began to pay an additional $5,000,000 each year, elimination of the 2024 UPL would occur in 2037 rather than 2044.[18]

Recommendations

R1. The County should provide a detailed report of why the adopted Pension Management Policy from 2019 failed to address the problem and allowed it to become more pronounced.

R2. The County's response to this report should include in detail the "numerous proactive measures" that its response to the 2018 Jury report said it had undertaken.

R3. The County's response to this report should include in detail the amount of money those "numerous proactive measures" generated or saved.

R4. "The County's response to this report should include in detail how much of the money from R2 the County expended each year to reduce its UPL beyond making the minimum amortization payment that CalPERS requires.

R5. As part of an approach to the mounting debt problem, the County should consider staff reductions.

R6. As part of an approach to the mounting debt problem, the County should consider limiting salary and pension increases.

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[18] If the County adds personnel or increases salaries, the County should increase the annual additional payments commensurately.

R7. As part of an approach to the mounting debt problem, the County should consider having caps on County executive salaries.

R8. As part of an approach to the mounting debt problem, the County should consider reducing the level or frequency of some County services not directly related to public health and safety.

R9. As part of an approach to the mounting debt problem, the County should consider eliminating County services that duplicate services that the state provides.

R10. The County should develop a realistic plan that will fully amortize the UPL by 2037 and will maintain the pension plan fully funded.

R11. As part of that plan, the County should annually devote a substantial part of unexpended budgeted funds to reduce its unfunded liability debt.

Request for Responses

Pursuant to California Penal Code § 933.05, the Nevada County Civil Grand Jury requires from the Nevada County Board of Supervisors, within 90 days of publication of this report, responses to the following:

Findings 1 through 23

Recommendations 1 through 11

Responses go to the Presiding Judge of the Nevada County Superior Court in accord with the provisions of California Penal Code § 933.05. Responses must include the information that § 933.05 requires.

Exhibit A

CalMuni
ADVISORS

AGREEMENT FOR CONSULTING SERVICES

CALIFORNIA MUNICIPAL ADVISORS LLC

AGREEMENT FOR CONSULTING SERVICES

THIS AGREEMENT (the "Agreement"), made and entered into as of this 1st day of July, 2025, by and between the County of Nevada, a political subdivision, organized and existing under the Constitution and laws of the State of California, with its principal place of business at 950 Maidu Avenue, Nevada City, CA 95959 (the "County"), and California Municipal Advisors LLC, a California Limited Liability Company, with its principal place of business at 1401 21st Street, Suite 5778, Sacramento, CA 95811 ("CalMuni"), sets forth the terms and conditions under which CalMuni shall provide consulting services to the County.

WHEREAS, the County is a member of the California Public Employees' Retirement System ("CalPERS"), and as such, the County is obligated by the Public Employees' Retirement Law, constituting Part 3 of Division 5 of Title 2 of the California Government Code, and the contract between the Board of Administration of CalPERS and the County (the "CalPERS Contract"), as amended, to make contributions to CalPERS to (a) fund pension benefits for its employees who are members of CalPERS, (b) amortize a portion of the unfunded accrued liability (the "UAL") with respect to such pension benefits, and (c) appropriate funds for the purposes of paying for the pension benefits and such Unfunded Liability; and

WHEREAS, under the CalPERS Contract the County is legally obligated to make certain payments to the CalPERS in respect of current and retired public safety employees and miscellaneous employees under the associated pension plans (the "Pension Plans") that amortize such obligations over a fixed period of time, including normal costs; and

WHEREAS, as a financial consultant and municipal advisor to cities, counties and special districts throughout the State of California, CalMuni regularly works with public agencies to clarify and implement pension cost mitigation techniques and strategies (the "Cost Mitigation Measures") in relation to the UAL and normal costs associated with their respective CalPERS pension plans; and

WHEREAS, once the applicable Cost Mitigation Measures have been determined and synthesized, CalMuni regularly assists public agencies with the development of a comprehensive pension management plan and policy (the "Pension Management Plan and Policy"); and

WHEREAS, the County desires to retain the services of CalMuni to assist the County with Cost Mitigation Measures, the development of a Pension Management Plan and Policy and potential future services described in the list of services attached hereto as Exhibit A (hereinafter referred to interchangeably as the "Services" or "Scope of Services"); and

WHEREAS, CalMuni is duly licensed and has the necessary qualifications, experience, and personnel necessary to properly provide the Scope of Services; and

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and intending to be legally bound hereby, the County and CalMuni agree as follows:

SECTION I. SCOPE OF SERVICES

A. CalMuni shall provide the Scope of Services described in Exhibit A to this Agreement. Any material changes or additions to the Scope of Services shall be promptly reflected in a written supplement or amendment to this Agreement. Services provided by CalMuni which are not specifically referenced in the Scope of Services shall be completed as agreed in writing in advance between the County and CalMuni. Upon request of the County, CalMuni may agree to additional services to be provided by CalMuni, only by a separate agreement between the County and CalMuni.

B. The Scope of Services also includes future additional services of CalMuni. The County shall not be responsible for payment of any such future service unless mutually agreed upon and authorized by the County. CalMuni shall not be responsible for any performance of any such future services until mutually agreed upon and authorized by the County.

C. CalMuni shall perform all such work with skill and diligence and pursuant to generally accepted standards of practice in effect at the time of performance. CalMuni shall provide corrective services without charge to the County for work which fails to meet these standards, and which is reported to CalMuni in writing within sixty (60) days of discovery.

D. The County shall cooperate with CalMuni and will furnish all information, data, records, and reports existing and available to the County to enable CalMuni to carry out work outlined in the Scope of Services. CalMuni shall be entitled to reasonably rely on information, data, records, and reports furnished by the County, however, the County makes no warranty as to the accuracy or completeness of any such information, data, records, or reports available to it and provided to CalMuni which were furnished to the County by a third party. CalMuni shall have a duty to bring to the County's attention any deficiency or error it may discover in any information provided to CalMuni by the County or a third party.

E. CalMuni shall, at its sole cost and expense, furnish all facilities and equipment that may be required for furnishing Services pursuant to this Agreement. The County shall furnish to CalMuni no facilities or equipment, unless the County otherwise agrees in writing to provide the same.

F. CalMuni shall, at CalMuni's sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits or other such approvals which are legally required for performing the Services.

G. Upon the County's request, CalMuni shall provide, in a form acceptable to the County, written progress reports of all oral and written observations, opinions, recommendations, analyses, progress and conclusions related to CalMuni's performance of the Services.

SECTION II. WORK SCHEDULE

The Services described in Section A-I of Exhibit A are to commence as soon as practicable after the execution of this Agreement. The balance of Services described in Exhibit A shall commence only upon the County's written direction.

SECTION III. REGISTERED MUNICIPAL ADVISOR; REQUIRED DISCLOSURES

A. IRMA Disclosures. CalMuni is a registered municipal advisor with the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. This Agreement designates CalMuni as the County's independent registered municipal advisor ("IRMA") with regard to the attached Scope of Services for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA Exemption"). CalMuni shall not be responsible for, or have any liability in connection with, verifying that CalMuni is independent from any other party seeking to rely on the IRMA Exemption (as such independent status is required pursuant to the IRMA Exemption, as interpreted from time to time by the SEC). The County acknowledges and agrees that any reference to CalMuni, its personnel, and its role as IRMA, including in the written representation of the County required under SEC Rule 15Ba1-1(d)(3)(vi)(B) shall be subject to prior approval by CalMuni. The County further agrees not to represent that CalMuni is the County's IRMA with respect to any aspect of a municipal securities issuance or municipal financial product, outside of the attached Scope of Services or without CalMuni's prior written consent.

B. MSRB Rule G-42 requires that municipal advisors make written disclosures to its client's of all material conflicts of interest and certain legal or disciplinary events. Such disclosures are provided in CalMuni's Disclosure Statement delivered to the County together with this Agreement as Exhibit C.

C. Fiduciary Duty of Care. CalMuni has a legal fiduciary Duty of Care to:

1. Exercise due care in performing its municipal advisory activities;
2. Possess the degree of knowledge and expertise needed to provide the County with informed advice;

3. Make a reasonable inquiry as to the facts that are relevant to County's determination as to whether to proceed with a course of action or that form the basis for any advice provided to County; and

4. Undertake a reasonable investigation to determine that CalMuni is not forming any recommendation on materially inaccurate or incomplete information; CalMuni must have a reasonable basis for:

   i. any advice provided to or on behalf of County;

   ii. any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by County, any other party involved in the municipal securities transaction or municipal financial product, or investors in the County securities; and

   iii. any information provided to the County or other parties involved in the municipal securities transaction when participating in the preparation of an official statement.

D. Fiduciary Duty of Loyalty. CalMuni has a legal fiduciary Duty of Loyalty to deal honestly and with the utmost good faith with County and act in County's best interests without regard to the financial or other interests of CalMuni. CalMuni will eliminate or provide full and fair disclosure (included herein) to County about each material conflict of interest (as applicable). CalMuni will not engage in municipal advisory activities with County as a municipal entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in County's best interests.

SECTION IV. COMPENSATION

A. For the Services provided under this Agreement, CalMuni's professional fees shall be paid as provided in Exhibit B to this Agreement. Any services which are not included in the Scope of Services set forth in Exhibit A of this Agreement will be subject to separate, mutually acceptable fee structures.

B. Invoice(s) in a format and on a schedule acceptable to the County shall be submitted to and be reviewed and verified by the County. The County shall notify CalMuni of exceptions or disputed items and their dollar value within fifteen (15) days of receipt. Payment of the undisputed amount of the invoice will typically be made approximately thirty (30) days after the invoice is received by the County.

C. CalMuni will maintain clearly identifiable, complete and accurate records with respect to all costs incurred under this Agreement on an industry recognized accounting basis. CalMuni shall make available to the representative of the County all such books and records related to this Agreement, and the right to examine, copy and audit the same during regular business hours upon three (3) business days' notice for a period of two (2) years from the date of final payment under this Agreement.

SECTION V. TERM AND TERMINATION

A. Unless otherwise provided, the term of this Agreement shall begin on the date of its full execution and shall expire on the following dates as to the scope of work set forth in the referenced exhibits unless extended by amendment or terminated earlier as provided herein.

Exhibit	Termination Date
A-I – Pension Management Plan and Policy Development	December 31, 2026
A-II – Issuance of Debt Obligations	Per Written Notice
A-III – Annual Monitoring and Maintenance Services	Per Written Notice
A-IV – General Financial Consulting	Per Written Notice

B. The County may suspend this Agreement and CalMuni's performance of the Services, wholly or in part, by written notice to CalMuni, for such period as it deems necessary in the County's sole discretion. CalMuni will be paid for satisfactory services performed through the date of suspension.

C. If CalMuni at any time refuses or neglects to perform its Services in a timely fashion or in accordance with the schedule identified in Exhibit A, or is declared bankrupt, or commits any act of insolvency, or makes an assignment for the benefit of creditors without County's consent, or fails to make prompt payment to persons furnishing labor, equipment, materials or services, or fails in any respect to properly and diligently perform its Services, or otherwise fails to perform fully any and all of the Agreements herein contained, this Agreement shall be terminated.

D. If CalMuni fails to cure the default within seven (7) days after written notice from the County, the County may, at its sole option, demand possession of any documents or other materials (in paper and electronic form) prepared or used by CalMuni in connection with the provision of Services and (1) provide any such work, labor, materials or services as may be necessary to overcome the default and deduct the cost thereof from any money then due or thereafter to become due to CalMuni under this Agreement; or (2) terminate this Agreement.

E. This Agreement and all Services, in whole or part, may be terminated upon ten (10) days written notice from either party, with or without cause. In the event County elects to terminate this Agreement, CalMuni shall be paid for all services rendered, unless the termination is made for cause, in which event compensation, if any, shall be adjusted in the light of the particular facts and circumstances involved in the termination. This continuing right to receive full compensation shall survive the term of this Agreement.

SECTION VI. ASSIGNMENT

CalMuni shall not assign any interest in this Agreement or subcontract any of the work performed under the Agreement without the prior written consent of the County.

SECTION VII. RECOMMENDATIONS

If CalMuni makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by the County and is within the scope of the engagement, CalMuni will determine, based on the information obtained through reasonable diligence of CalMuni whether a municipal securities transaction or municipal financial product is suitable for the County. In addition, CalMuni will inform the County of:

i. the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;

ii. the basis upon which CalMuni reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the County; and

iii. whether CalMuni has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the County's objectives.

If the County elects a course of action that is independent of or contrary to the advice provided by CalMuni, then CalMuni is not required on that basis to disengage from the County

SECTION VIII. CONFIDENTIALITY

A. All information, data, reports, and records ("Data") in the possession of the County or any third-party agent to the County necessary for carrying out any services to be performed under this Agreement shall be furnished to CalMuni, and the County shall cause its agent(s) to cooperate with CalMuni in its conduct of reasonable due diligence in performing the services.

B. Unless otherwise provided for herein, all documents, materials, data, computer data files, basis for calculations, and reports originated and prepared by CalMuni under this agreement shall be and remain the property of the County for its use in any manner it deems appropriate. CalMuni shall deliver the work product to the County in the PDF format electronically. CalMuni shall use all reasonable efforts to ensure that any electronic files provided to the County will be compatible with the County's current computer hardware and software. CalMuni makes no representation as to long-term compatibility, usability or readability of the format resulting from the use of software application packages, operating systems or computer hardware differing from those in use by the County at the commencement of this Agreement. CalMuni shall be permitted to maintain copies of all such data for its files. The County acknowledges that its use of the work product is limited to the purposes contemplated by the Scope of Services and, should the County use these products or data in connection with additions to the work required under this Agreement or for new work without consultation with and without additional compensation to CalMuni, CalMuni makes no representation as to the suitability of the work product for use in or application to circumstances not contemplated by the Scope of Services and shall have no liability or responsibility whatsoever in connection with such use which shall be at the County's sole risk. Any and all liability arising out of changes made by the County to CalMuni's deliverables is waived against CalMuni unless the County has given CalMuni prior written notice of the changes and has received CalMuni's written consent to such changes.

C. To the extent the County requests that CalMuni provide advice with regard to any recommendation made by a third party, the County will provide to CalMuni written direction to do so as well as any Data it has received from such third party relating to its recommendation. The County acknowledges and agrees that while CalMuni is relying on the Data in connection with its provision of the services under this Agreement, CalMuni makes no representation with respect to and shall not be responsible for the accuracy or completeness of such Data.

D. In the course of performing services under this Agreement CalMuni may obtain, receive, and review confidential or proprietary documents, information or materials that are and shall remain the exclusive property of the County. Should CalMuni undertake the work on behalf of other agencies, entities, firms or persons relating to the matters described in the Scope of Services, it is expressly agreed by CalMuni that any such confidential or proprietary information or materials shall not be provided or disclosed in any manner to any of the County's other clients, or to any other third party, without the County's prior express written consent.

SECTION IX. NOTICES

All notices given under this Agreement shall be in writing, sent by registered United States mail, with return receipt requested, addressed to the party for whom it is intended, at the designated below. The parties designate the following as the respective places for giving notice, to wit:

County of Nevada
950 Maidu Avenue
Nevada City, CA 95959
Attention: Chief Fiscal Officer

California Municipal Advisors LLC
1401 21st Street, Suite 5778
Sacramento, CA 95811
Attention: Andrew Flynn

SECTION X. LIMITATION OF LIABILITY

Except to the extent caused by willful misconduct, bad faith, negligence, or reckless disregard of obligations or duties under this Agreement on the part of CalMuni or any of its associated persons, neither CalMuni nor any of its associated persons shall have liability to any person for any act or omission in connection with performance of its services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal securities, any municipal financial product or any other financial product or investment, or for any financial or other damages resulting from the County's election to act or not to act, as the case may be, contrary to or, absent negligence on the part of CalMuni or any of its associated persons, upon any advice or recommendation provided by CalMuni to the County.

SECTION XI. INDEPENDENT CONTRACTOR; NO THIRD-PARTY BENEFICIARY

A. CalMuni, its employees, officers and representatives at all times shall be independent contractors and shall not be deemed to be employees, agents, partners, servants and/or joint venturers of the County by virtue of this Agreement or any actions or services rendered under this Agreement. This Agreement shall not be construed as an agreement for employment. Nothing in this Agreement is intended or shall be construed to give any person, other than the Parties hereto, their successors and permitted assigns, any legal or equitable rights, remedy, or claim under or in respect of this Agreement or any provisions contained herein.

B. CalMuni acknowledges that CalMuni: (1) is free from the control and direction of the County in connection with the performance of the Services; (2) performs Services outside the usual course of the County's business; and (3) is customarily engaged in an independently established trade, occupation, or business of the same nature as CalMuni performs for the County, and has the option to perform such work for other entities. CalMuni shall have no authority to contract for or otherwise bind the County.

SECTION XII. DISPUTE RESOLUTION

A. If any dispute arises between the parties as to proper interpretation or application of this Agreement, the parties shall first meet and confer in a good faith attempt to resolve the matter between themselves. If the dispute is not resolved by meeting and conferring, the matter shall be submitted for formal mediation to a mediator selected mutually by the parties. The expenses of such mediation shall be shared equally between the parties. If the dispute is not or cannot be resolved by mediation, the parties may mutually agree (but only as to those issues of the matter not resolved by mediation) to submit their dispute to arbitration. Before commencement of the arbitration, the parties may elect to have the arbitration proceed on an informal basis; however, if the parties are unable so to agree, then the arbitration shall be conducted in accordance with the rules of the American Arbitration Association. The decision of the arbitrator shall be binding, unless within thirty (30) days after issuance of the arbitrator's written decision, any party files an action in court. Venue and jurisdiction for any such action between the parties shall lie in the Superior Court for the County of Nevada.

B. In the event of any controversy, claim or dispute relating to this Agreement, or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

SECTION XIII. APPLICABLE LAW

This Agreement shall be construed, enforced, and administered according to the laws of the State of California. CalMuni and the County agree that, should a disagreement arise as to the terms or enforcement of any provision of this Agreement, each party will in good faith attempt to resolve said disagreement prior to pursuing other action.

SECTION XIV. TOOL DEVELOPMENT

Except as otherwise set forth in this Agreement, the County will own all tangible written material originally prepared expressly for the County and delivered to the County under this Agreement, excluding any intellectual content and materials contained or embodied therein, which includes all: proprietary information, general skills, know-how, expertise, ideas, concepts, methods, techniques, processes, software, materials, or other intellectual property or information which may have been uncovered, generated, developed or derived by CalMuni either prior to or as a result of its provision of services under this Agreement.

SECTION XV. INSURANCE

CalMuni acknowledges that, as part of its obligations under this Agreement, it must maintain insurance coverage in compliance with the County's current requirements, as set forth in Exhibit C. CalMuni shall provide satisfactory proof of such insurance to the County within ten (10) business days of the execution of this Agreement.

SECTION XVI. INFORMATION TECHNOLOGY SECURITY REQUIREMENTS

This Agreement shall be subject to Exhibit E, "Information Technology Security Requirements," which is attached and incorporated by this reference. CalMuni's failure to comply with the requirements in Exhibit E is a material breach of this Agreement.

SECTION XVII. ENTIRE AGREEMENT; SEVERABILITY

This Agreement represents the entire agreement between the County and CalMuni and may not be amended or modified except in writing signed by both parties. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

SECTION XVIII. EXECUTION; COUNTERPARTS

Each party to this Agreement represents and warrants that the person or persons signing this Agreement on behalf of such party is authorized and empowered to sign and deliver this Agreement for such party (each an "Authorized Officer"). This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same document.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed by their proper Authorized Officer thereunto duly authorized, on the day and year first set forth above.

COUNTY OF NEVADA

By: Desiree Belding, CPPO, CPPB on behalf of
Desiree Belding, CPPO, CPPB on behalf of (07/18/2025 15:17 PDT)

Name: Desiree Belding, CPPO, CPPB on behalf of

Title: Deputy Purchasing Agent

CALIFORNIA MUNICIPAL ADVISORS LLC

By: ______________________

Name: Andrew Flynn

Title: Managing Director

EXHIBIT A
SCOPE OF SERVICES

A-I. Pension Management Plan and Policy Development.

Plan and Policy Development services shall include:

- Attend meetings and/or conference calls with the Board of Supervisors (the "Board"), staff, County Counsel, and other as requested by the County to provide information through presentations and general discussions pertaining to the existing Pension Plans.

- Work closely with staff to identify all potential Cost Mitigation Measures and pension liability management tools (as covered in the initial presentation).

- Provide the financial analysis and associated impacts (along with recommendations if requested by the County) of each potential Cost Mitigation Measure.

- Determine preferred pension liability management scenarios and determine key variables (e.g., desired pension plan funding levels, target reserve levels, priorities for immediate vs. overall cash flow savings, etc.).

- Draft and distribute a baseline draft Pension Management Plan and Policy to the working group.

- Working group submits comments which are integrated into the Pension Management Plan and Policy and then recirculated for continued review and comment.

- Once the draft Pension Management Plan and Policy is substantially complete, it is then presented to the Board of Supervisors for consideration and approval.

A-II. Issuance of Debt Obligations.

Should the Issuance of Debt Obligations be deemed an appropriate measure by the County, CalMuni will provide, at the express written request of the County, debt issuance advisory services including the creation of the financing plan (the "Financing Plan"), development of a pricing strategy, management of the financing schedule and coordination of required pre-and-post sale documentation. As municipal advisor, CalMuni will successfully perform the following duties on behalf of the County, as required:

- *Financing Schedule*. Manage the financing process and coordinate activities of financing team members. Prepare a schedule of activities and ensure the financing is completed in a timely manner.

- *Method of Sale, Timing, Sizing and Structure of Debt Obligations*. Assist the County in creating a customized Financing Plan for the Debt Obligations including method of sale (private placement vs. public offering), timing, sizing, and structure.

    a. *Method of Sale.* Advise as to the appropriate method of sale for the Debt Obligations.

    b. *Assist in the Preparation of Lender Request for Proposals.* If private placement is determined the best method of sale, assist the County (and any placement agent) with the preparation and distribution of Request for Proposals to banks and assist the County with analysis the responses of the responding banks.

    c. *Timing of Issuances.* Advise as to the timing for each series of Debt Obligations to be sold based upon the County's historical and projected revenues and expenses, market interest rate environment, and other factors.

    d. *Sizing of Issues.* Advise as to the sizing of the Debt Obligations to be sold based on the nature of the financing, federal tax law limitations, state regulatory restrictions, targeted tax rates, goals of the financing program, and other matters.

    e. *Structure of Debt Obligations.* Advise as to the repayment structure of the Debt Obligations to be sold based on targeted tax rates, impact on interest costs, prudent debt management practices, and other considerations.

- *Rating Agency Preparation*. Prepare the rating strategy and rating agency credit presentation to optimize the credit rating assigned to the Debt Obligations, if applicable.

- *Evaluation of Credit Enhance Opportunities*. Evaluate potential cost effectiveness of credit enhancement options.

- *Lender/Underwriter Due Diligence Assistance*. Assist the County in providing due diligence information requested by lenders/underwriters, as applicable.

- *Authorizing Documentation*. Provide bond counsel with information necessary for the preparation of authorizing documentation. Review authorizing documentation prior to their approval.

- *Review of Debt Policy*. Review and provide any necessary updates to the County's debt policy to ensure compliance with SB 1029 prior to issuance.

- *Board Presentations*. Assist County in presenting all related financing matters to the Board of Supervisors, as requested.

- *Pricing Strategy*. CalMuni will assist the County throughout the sales negotiation process with the Underwriter / Placement Agent.

a. Advise the County on the propriety of the Underwriter's or Placement Agent's proposed pricing and compensation relative to the current market conditions;

b. Negotiate to provide the lowest available rates and costs to the County;

c. Provide the County with a pricing analysis of proposed financing alternatives; and

d. Provide quantitative schedules showing the results of the final pricing.

- *Closing Documentation.* Review closing documents and otherwise assist in the closing of the transaction.

A-III. Annual Monitoring and Maintenance Services.

CalMuni will provide, at the express written request of the County, annual pension policy monitoring and maintenance services to the County, including the review of the County's Pension Management Plan and Policy, review of the most recent CalPERS Valuation Report, review of the 115 Trust and other Pension Reserve Funds, review of other relevant financial and operational data.

Based upon our review of all relevant data, CalMuni will produce a detailed "Pension Policy Compliance Report" that, among other things, (i) estimates the upcoming CalPERS UAL bases (i.e., the increase or decrease in UAL debt for the ensuing Fiscal Year), (ii) updates available fund balances that have been pledged or set-aside (such as 115 Trust monies or other pension stabilization funds or reserves established pursuant to the Pension Management Plan and Policy) to make discretionary payment to your Pension Plans, (iii) reviews the Pension Management Plan and Policy for compliance as well as opportunities to further mitigate Pension Plan costs, and (iv) concludes with specific recommendations.

A-IV. General Financial Consulting Assistance

CalMuni will provide, at the express written request of the County (which can be by simple email direction), assistance to the County with development of strategic financial plans, funding capacity scenarios (evaluating the capital needs of the County and the revenue available to finance those needs), financial modeling/quantitative analysis, cost allocation analysis, public-private partnership evaluations and other similar engagements. This shall include, upon the request of the County, collecting data from County and external sources, developing financial models and presentation materials as required to educate internal and external stakeholders of the County. These services may also include general advisory, financial policy assistance, strategic and analytical services, obtaining and analyzing proposals from third-party financial providers, facilitating strategic meetings with long-term financial implications, and other financial advisory services as may be needed at the direction of the County.

EXHIBIT B

COMPENSATION FOR SERVICES

B-I. Pension Management Plan and Policy Development.

For the Services described in Section A-I (Pension Management Plan and Policy Development) of Exhibit A, CalMuni will be compensated on a time and materials basis, not to exceed total budget, as shown below. The invoices and additional documentation requested by County, as applicable, will be submitted to the County no more frequently than monthly.

In no case shall the total compensation under this Agreement exceed the "not-to-exceed" amount specified below without prior written authorization of the Chief Administrative Officer or other Authorized Officer.

If there are material changes to the Scope of Services, a revised budget may be determined by mutual written agreement between CalMuni and the County.

Task	Description	Hours [1]	Amount @ $345/hr [1]
1	Pension Management Plan and Policy Development	15	$5,175
2	Pension Management Presentations	5	$1,575
	TOTAL	**20**	**$6,900**

[1] Time and cost are estimates and will vary. Billings will be done on a T&M basis for actual amount of time required, not to exceed the total amount shown.

B-II. Issuance of Debt Obligations.

For the Services described in Section A-II (Issuance of Debt Obligations) of Exhibit A, if the County elects to issue Debt Obligations, CalMuni will be compensated on a contingent basis (i.e., only if Debt Obligations successfully issued) a flat fee of $40,000 for private placements and $50,000 for public offerings, plus reasonably incurred out of pocket expenses, including travel, conference calls, printing, data services, and other reimbursable expenses not to exceed $2,150. All fees and expenses associated with the issuance of Debt Obligations shall be paid from the proceeds of such Debt Obligations.

B-III. Annual Monitoring and Maintenance Services.

For the Services described in Section A-III (Annual Monitoring and Maintenance Services) of Exhibit A, CalMuni will be compensated on the basis an annual flat fee of $1,950, plus reasonably incurred out of pocket expenses, including travel, conference calls, printing, data services, and other reimbursable expenses not to exceed $750. The invoice for these services will be submitted upon release of the Pension Policy Compliance Report.

B-IV. General Financial Consulting Assistance.

For the Services described in Section A-IV (General Financial Consulting Assistance) of Exhibit A, CalMuni will be compensated on an hourly basis of $345, plus reasonably incurred out of pocket expenses, including travel, conference calls, printing, data services, and other reimbursable expenses. The invoice for these services will be submitted to the County no more frequently than monthly. Hourly fees are subject to an annual inflationary adjustment to not exceed 3% in a year with written approval of the County.

EXHIBIT C

DISCLOSURE OF CONFLICTS OF INTEREST AND OTHER INFORMATION CALIFORNIA MUNICIPAL ADVISORS LLC

I. Introduction

California Municipal Advisors LLC (hereinafter, referred to as "CalMuni") is a registered municipal advisor with the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. In accordance with MSRB rules, this disclosure statement is provided by us to each client prior to the execution of its advisory agreement with written disclosures of all material conflicts of interests and legal or disciplinary events that are required to be disclosed with respect to providing financial advisory services pursuant to MSRB Rule G-42(b) and (c) (ii). CalMuni employs a number of resources to identify and subsequently manage actual or potential conflicts of interest in addition to disclosing actual and potential conflicts of interest provided herein.

How We Identify and Manage Conflicts of Interest

Code of Ethics. CalMuni requires all of its employees to conduct all aspects of our business with the highest standards of integrity, honesty and fair dealing. All employees are required to avoid even the appearance of misconduct or impropriety and avoid actual or apparent conflicts of interest between personal and professional relationships that would or could interfere with an employee's independent exercise of judgment in performing the obligations and responsibilities owed to a municipal advisor and our clients.

Policies and Procedures. CalMuni has adopted policies and procedures that include specific rules and standards for conduct. Some of these policies and procedures provide guidance and reporting requirements about matters that allow us to monitor behavior that might give rise to a conflict of interest. These include policies concerning the making of gifts and charitable contributions, entertaining clients, and engaging in outside activities, all of which may involve relationships with clients and others that are important to our analysis of potential conflicts of interest.

Supervisory Structure. CalMuni has both a compliance and supervisory structure in place that enables us to identify and monitor employees' activities, both on a transaction and firm-wide basis, to ensure compliance with appropriate standards. Prior to undertaking any engagement with a new client or an additional engagement with an existing client, appropriate municipal advisory personnel will review the possible intersection of the client's interests, the proposed engagement, our engagement personnel, experience and existing obligations to other clients and related parties. This review, together with employing the resources described above, allows us to evaluate any situations that may be an actual or potential conflict of interest.

Disclosures. CalMuni will disclose to clients those situations that it believes would create a material conflict of interest, such as:

1. any advice, service or product that any affiliate may provide to a client that is directly related to the municipal advisory work of CalMuni;
2. any payment made to obtain or retain a municipal advisory engagement with a client;
3. any fee-splitting arrangement with any provider of an investment or services to a client;

4. any conflict that may arise from the type of compensation arrangement we may have with a client; and
5. any other actual or potential situation that CalMuni is or becomes aware of that might constitute a material conflict of interest that could reasonably be expected to impair our ability to provide advice to or on behalf of clients consistent with regulatory requirements.

If CalMuni identifies such situations or circumstances, we will prepare meaningful disclosure describing the implications of the situation and how we intend to manage the situation. CalMuni will also disclose any legal or disciplinary events that are material to a client's evaluation or the integrity of our management or advisory personnel. CalMuni will provide this disclosure (or a means to access this information) in writing prior to starting our proposed engagement and will provide such additional information or clarification as the client may request. CalMuni will also advise clients in writing of any subsequent material conflict of interest that may arise, as well as the related implications, its plan to manage that situation, and any additional information such client may require.

II. General Conflict of Interest Disclosures

Disclosure of Conflicts Concerning the Firm's Affiliates

CalMuni's affiliates offer a wide variety of financial and legal services, and our clients may be interested in pursuing an affiliate's services separately. The affiliate's business with the client could create an incentive for CalMuni to recommend a course of action designed to increase the level of the client's business activities with the affiliate or to recommend against a course of action that would reduce the client's business activities with the affiliate. In either instance, CalMuni may be perceived as recommending services for a client that are not in the best interests of our clients, but rather are in our interests or the interests of our affiliates. Accordingly, CalMuni mitigates any perceived conflict of interest that may arise in this situation by disclosing it to the client, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives and financial circumstances. Further, CalMuni receives no compensation from its affiliates with respect to a client introduction or referral. If a client chooses to work with an affiliate, we require that the client consult and enter into a separate agreement for services, so that the client can make an independent, informed, evaluation of the services offered.

Disclosure of Conflicts Related to the Firm's Compensation

From time to time, CalMuni may be compensated by a municipal advisory fee that is or will be set forth in an agreement with the client to be, or that has been, negotiated and entered into in connection with a municipal advisory service. Payment of such fee may be contingent on the closing of the transaction and the amount of the fee may be based, in whole or in part, on a percentage of the principal or par amount of municipal securities or municipal financial product. While this form of compensation is customary in the municipal securities market, it may be deemed to present a conflict of interest since we may appear to have an incentive to recommend to the client a transaction that is larger in size than is necessary. Further, CalMuni may also receive compensation in the form of a fixed fee arrangement. While this form of compensation is customary, it may also present a potential conflict of interest if the transaction ultimately requires less work than contemplated and we are perceived as recommending a more economically friendly pay arrangement. Finally, CalMuni may contract with clients on an hourly fee basis. If CalMuni and the client do not agree on a maximum amount of hours at the outset of the engagement, this arrangement may pose a conflict of interest as we would not have a financial incentive to recommend an alternative that would result in fewer hours. CalMuni manages and mitigates all of these types of conflicts by disclosing the fee structure to the client, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives, and financial circumstances.

Disclosure Concerning Provision of Services to State and Local Government, and Non-Profit Clients

CalMuni regularly provides financial advisory services to state and local governments, their agencies, and instrumentalities, and non-profit clients. While our clients have expressed that this experience in providing services to a wide variety of clients generally provides great benefit for all of our clients, there may be or may have been clients with interests that are different from (and adverse to) other clients. If for some reason any client sees our engagement with any other particular client as a conflict, we will mitigate this conflict by engaging in a broad range of conduct, if and as applicable. Such conduct may include one or any combination of the following: 1) disclosing the conflict to the client; 2) requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, including the client's needs, objectives and financial circumstances; 3) implementing procedures that establishes a "firewall" that creates physical, technological and procedural barriers and/or separations to ensure that non-public information is isolated to particular area such that certain governmental transaction team members and supporting functions operate separately during the course of work performed; and 4) in the rare event that a conflict cannot be resolved, we will withdraw from the engagement.

Disclosure Related to Legal and Disciplinary Events

CalMuni has never been subject to any legal, disciplinary or regulatory actions. As registered municipal advisors with the SEC and the MSRB, pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2, our legal, disciplinary and judicial events are required to be disclosed on our forms MA and MA-I filed with the SEC, in 'Item 9 Disclosure Information' of form MA, 'Item 6 Disclosure Information' of form MA-I, and if applicable, the corresponding disclosure reporting page(s). To review the foregoing disclosure items and material change(s) or amendment(s), if any, clients may electronically access CalMuni filed forms MA and MA-I on the SEC's Electronic Data Gathering, Analysis, and Retrieval system, listed by date of filing starting with the most recently filed.

III. Specific Conflicts of Interest Disclosures – Client

The principal of Weist Law LLP ("WeistLaw"), Cameron Weist, is also a principal of CalMuni. We do not believe that this duel representation creates a conflict because the California Rules of Professional Conduct governing the ethical standards imposed on lawyers are aligned with and equal or exceed the fiduciary duties imposed on municipal advisors, and also because CalMuni receives no compensation from WeistLaw, or vice versa, and both firms are independently engaged under separate contracts which have been vetted in light of various factors, including the client's needs, objectives and legal and financial circumstances, to ensure that each such client has made an independent, informed, evaluation of the type and quality of services offered by each entity. If you believe this creates a conflict, please do not sign this Agreement.

To our knowledge, following reasonable inquiry, we are not aware of any other actual or potential conflict of interest that could reasonably be anticipated to impair our ability to provide advice to or on behalf of the Client in accordance with applicable standards of conduct of MSRB Rule G-42.

IV. Additional Disclosures – MSRB Rule G-10

Pursuant to Municipal Securities Rulemaking Board Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

1. CalMuni is currently registered as a Municipal Advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

2. Within the MSRB website at www.msrb.org, our clients may obtain the Municipal Advisory Client Brochure (the "Brochure") that is posted on the MSRB website. The Brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

EXHIBIT D
INSURANCE REQUIREMENTS

CalMuni shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by CalMuni, its agents, representatives, or employees. Coverage shall be at least as broad as:

1. **Commercial General Liability CGL:** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. **Workers' Compensation:** Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **$1,000,000** per accident for bodily injury or disease. CALMUNI FURTHER AGREES TO WAIVE ALL RIGTHS TO WORKERS' COMPENSATION BENEFITS FOR ANY ACCIDENT FOR BODILY INJURY OR DISEASE. CALMUNI HEREBY GRANTS TO COUNTY A WAIVER OF ANY RIGHT TO SUBROGATION WHICH ANY INSURER OF SAID CALMUNI MAY ACQUIRE AGAINST THE COUNTY BY VIRTUE OF THE PAYMENT OF ANY LOSS UNDER SUCH INSURANCE.

3. **Professional Liability (Errors and Omissions):** Insurance covering **financial malpractice** with limit no less than **$2,000,000** per occurrence or claim, **$2,000,000** aggregate.

If CalMuni maintains broader coverage and/or higher limits than the minimums shown above, County requires and shall be entitled to the broader coverage and/or the higher limits maintained by CalMuni. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to County.

Other Insurance Provisions:

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **Additional Insured Status.** County, its officers, employees, agents, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of the work or operations performed by or on behalf of CalMuni including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to CalMuni's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, then through the addition of both CG 20 10, CG 20 25, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions are used.)

2. **Primary Coverage.** For any claims related to this Agreement, **CalMuni's insurance shall be primary** insurance primary coverage at least as broad as ISO CG 20 01 04 13 as respects County, its officers, employees, agents, and volunteers. Any insurance or self-

insurance maintained by the County, its officers, employees, agents, and volunteers shall be excess of CalMuni's insurance and shall not contribute with it.

3. **Umbrella or Excess Policy.** CalMuni may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until CalMuni's primary and excess liability policies are exhausted.

4. **Notice of Cancellation.** This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to County.

5. **Waiver of Subrogation.** CalMuni hereby grants to County a waiver of any right to subrogation which any insurer or CalMuni may acquire against County by virtue of the payment of any loss under such insurance. CalMuni agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

6. **Sole Proprietors.** If CalMuni is a Sole Proprietor and has no employees, they are not required to have Workers Compensation coverage. CalMuni shall sign a statement attesting to this condition, and shall agree they have no rights, entitlements or claim against County for any type of employment benefits or workers' compensation or other programs afforded to County employees.

7. **Self-Insured Retentions.** Self-Insured Retentions must be declared to and approved by the County. The County may require CalMuni to provide proof of ability to pay losses and related investigations, claims administration, and defense expenses within the retention. The Policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or County. The CGL and any policies, including Excess liability policies, may not be subject to a self-insured retention (SIR) or deductible that exceeds $25,000 unless approved in writing by the County. Any and all deductibles and SIRs shall be the sole responsibility of CalMuni or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. County may deduct from any amounts otherwise due CalMuni to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. County reserves the right to obtain a copy of any policies and endorsements for verification.

8. **Acceptability of Insurers.** Insurance is to be placed with insurers authorized to conduct business in the State with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to County.

9. **Claims Made Policies.** If any of the required policies provide coverage on a claims-made basis: *(Note – should be applicable only to professional liability)*

    a. The Retroactive Date must be shown and must be before the date of the Agreement or the beginning of Services.

    b. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the Scope of Work.

    c. If the coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date, prior to the Agreement effective date, CalMuni must purchase "extended reporting" coverage for a minimum of five (5) years after completion of Scope of Work.

10. **Verification of Coverage**. CalMuni may be requested to furnish County with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and the County reserves the right to request a copy of the Declarations and Endorsement page of the CGL policy listing all policy endorsements to County before work begins. Failure to obtain and provide verification of the requested/required documents prior to the work beginning shall not waive CalMuni's obligation to provide them. County reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. (note – obtaining a copy of the policy declarations and endorsement page to facilitate verification of coverages and spot any undesirable policy limitations or exclusions prior to Agreement execution is preferred but not required to begin work).

11. **Subcontractors**. CalMuni shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and CalMuni shall ensure that County is an additional insured on insurance required from subcontractors. For CGL coverage subcontractors shall provide coverage with a format at least as broad as CG 20 38 04 13.

12. **Special Risks or Circumstances**. County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

13. **Premium Payments**. The insurance companies shall have no recourse against County and funding agencies, its officers, and employees or any of them for payment of any premiums or assessments under any policy issued by a mutual insurance company.

14. **Material Breach**. Failure of CalMuni to maintain the insurance required by this Agreement, or to comply with any of the requirements of this section, shall constitute a material breach of the entire Agreement.

15. **Certificate Holder**. The Certificate Holder on insurance certificates and related documents should read as follows:

County of Nevada
950 Maidu Ave.
Nevada City, CA 95959

Upon initial award of the Agreement to your firm, you may be instructed to send the actual documents to a County contact person for preliminary compliance review.

Certificates which amend or alter the coverage during the term of the Agreement, including updated certificates due to policy renewal, should be sent directly to Contract Administrator.

EXHIBIT E

INFORMATION TECHNOLOGY SECURITY REQUIREMENTS

1. Notification of Data Security Incident

For purposes of this section, “Data Security Incident” is defined as unauthorized access to the CalMuni’s business and/or business systems by a third party, which access could potentially expose County data or systems to unauthorized access, disclosure, or misuse. In the event of a Data Security Incident, CalMuni must notify County in writing as soon as possible and no later than 48 hours after CalMuni determines a Data Security Incident has occurred. Notice should be made to all parties referenced in the “Notices” section of the Agreement. Notice must reference this contract number. Notice under this section must include the date of incident, CalMuni’s systems and/or locations which were affected, and County services or data affected. The duty to notify under this section is broad, requiring disclosure whether any impact to County data is known at the time, to enable County to take immediate protective actions of its data and cloud environments.

Failure to notify under this section is a material breach, and County may immediately terminate the Agreement for failure to comply.

2. Data Location

2.1 CalMuni shall not store or transfer non-public County of Nevada data outside the United States. This prohibition includes backup data and Disaster Recovery locations. CalMuni will permit its personnel and contractors to access County of Nevada data remotely only as required to provide technical support. Remote access to data from outside the continental United States is prohibited unless expressly approved in advance and in writing by the County.

2.2 CalMuni must notify the County in writing within 48 hours of any location changes to CalMuni’s data center(s) that will process or store County data. Notice should be made to all parties referenced in the “Notices” section of this Agreement.

3. Data Encryption

3.1 CalMuni shall encrypt all non-public County data in transit regardless of the transit mechanism.

3.2 CalMuni shall encrypt all non-public County data at rest.

3.3 Encryption algorithms shall be AES-128 or better.

4. Cybersecurity Awareness and Training

The County maintains a robust Cybersecurity Awareness and Training program intended to assist employees and contractors with maintaining current knowledge of changing cybersecurity threats and countermeasures. Any contractor that is assigned a County network account will be assigned User Awareness training and must complete it within the time period it is assigned. Training completion progress is monitored by sponsor departments and non-compliant users may have their account suspended or restricted.

The County conducts email Phish testing on a regular basis to expose account holders to the types of potential threats.

CalMuni will maintain a Cybersecurity Awareness and Training program for training staff at a minimum of once a year. CalMuni will maintain records of the program for review by the County when requested.

Exhibit B

AGREEMENT FOR BOND COUNSEL SERVICES

THIS AGREEMENT is made and entered into as of this 1st day of July, 2025, by and between the COUNTY OF NEVADA (the "County"), whose address is 950 Maidu Avenue, Nevada County, CA 95959 and THE WEIST LAW FIRM (the "Bond Counsel"), whose address is 1875 South Bascom Avenue, Suite 2400, Campbell, CA 95008.

RECITALS:

WHEREAS, the County is a member of the California Public Employees' Retirement System ("CalPERS") and, as such, is obligated by the Public Employees' Retirement Law, constituting Part 3 of Division 5 of Title 2 of the California Government Code (the "Retirement Law"), and the contract between the Board of Administration of CalPERS and the County (as amended, the "CalPERS Contract"), to make contributions to CalPERS to (a) fund pension benefits for its employees who are members of CalPERS, (b) amortize the unfunded accrued liability with respect to such pension benefits (the "UAL"), and (c) appropriate funds for the purposes described in (a) and (b); and

WHEREAS, the County seeks to engage the services of Bond Counsel, as outlined herein, under the terms and conditions specified, to provide assistance in (i) the formulation and execution of a comprehensive pension management plan (the "Pension Management Plan"), (ii) the development and implementation of a pension management policy (the "Pension Management Policy," and collectively, the "Pension Management Services"), all as more particularly described in Exhibit A; and

WHEREAS, Bond Counsel is experienced in collaborating with municipalities as necessary to provide the Pension Management Services and to clarify and implement pension cost mitigation techniques and strategies, which may include the issuance of municipal bonds (collectively, the "Financing Obligations"), designed to lower the costs associated with UAL and normal cost liability payments (the "Cost Mitigation Measures"); and

NOW, THEREFORE, in consideration of the covenants and premises herein contained and other good and valuable consideration, the parties hereto agree as follows:

Section 1. Scope of Services.

Bond Counsel shall perform legal services described in Exhibit "A" as attached to this Agreement and incorporated by reference (interchangeably, the "Services" or "Scope of Work").

Section 2. Excluded Services.

Services are limited to those specifically set forth above. Services do not include representation of the County or any other party to the transaction in any litigation or other legal or administrative proceeding involving the Services or any other matter. Bond Counsel's services also do not include legal services not specified above relating to the issuance of Financing Obligations, including but not limited to compliance with the California Environmental Quality Act, the National Environmental Policy Act, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Hazardous Material Transportation Act, the Resource Conservation and Recovery Act,the Federal Water Pollution Control Act, the Occupational

Safety and Health Act, the Safe Drinking Water Act,the Porter-Cologne Water Quality Control Act, the Safe Drinking Water and Toxic Enforcement Act of 1986, the Hazardous Substance Account Act, the Hazardous Waste Control Act, or any determinations pertaining to completion and readiness for acceptance.

Bond Counsel's services also do not include any responsibility for compliance with state blue sky, environmental, land use, real estate or similar laws or for title to or perfection of security interests in real or personal property, including the acquisition of interests in real property, whether through gift, negotiation or theexercise of the power of eminent domain. Bond Counsel's services also do not include any responsibility for thenegotiation or preparation of joint powers agreements with other agencies. Bond Counsel will not be responsiblefor the services performed or acts or omissions of any other participant.

Also, Bond Counsel's services for a particular series of Financing Obligations will not extend past the date of issuance of such series of Financing Obligations and will not, for example, include services related to on-going administration, annexation, tax rebate compliance or continuing disclosure or otherwise related to such series of Financing Obligations, proceeds of such series of Financing Obligations or a refunding after issuance of such series of Financing Obligations.

Bond Counsel may be willing to perform such excluded services on such terms as might be mutually agreed to at the time of need. The performance by Bond Counsel of services excluded by the preceding paragraph, if required by the County, shall be under separate written agreement.

Section 3. Compensation.

For the Services provided under this Agreement, Bond Counsel's professional fees shall be paid as provided in Exhibit B to this Agreement. Any services which are not included in the Scope of Services set forth in Exhibit A of this Agreement will be subject to separate, mutually acceptable fee structures.

Section 4. Termination of Agreement and Legal Services.

This Agreement and all legal services to be rendered under it may be terminated by providing ten days written notice by either party, with or without cause. In that event, all finished and unfinished documents prepared for adoption or execution by the County, shall, at the option of the County, become its property and shall be delivered to it or to any party it may designate; provided that Bond Counsel shall have no liability whatsoever for any subsequent use of such documents. In the event of termination by the County, the County will pay Bond Counsel for services performed in accordance with this Agreement up to the date of termination. If not sooner terminated as aforesaid, this Agreement and all legal services to be rendered under it shall terminate (i) upon the completion of the Pension Management Services contemplated by this Agreement, and (ii) upon the closing of the last issue of the Financing Obligations contemplated by this Agreement for the work pertaining to the Financing Obligations. Upon termination, Bond Counsel shall have no future duty of any kind to or with respect thereto.

Section 5. Insurance.

Bond Counsel has obtained and shall maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below.

General Liability Insurance. Bond Counsel shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate, for bodily injury, personal injury, and property damage.

Automobile Liability Insurance. Bond Counsel shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Bond Counsel arising out of or in connection with Services to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than $1,000,000 combined single limit for each accident.

Professional Liability (Errors & Omissions) Insurance. Bond Counsel shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of $1,000,000 per claim and $2,000,000 in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and Bond Counsel agrees to maintain continuous coverage through a period no less than three (3) years after completion of the services required by this Agreement.

Workers' Compensation Insurance. Bond Counsel shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance, with limits of at least $1,000,000.

Proof of insurance. Upon execution hereof, Bond Counsel shall provide certificates of insurance to County as evidence of the insurance coverage required herein.

Section 6. Conflicts of Interest.

Bond Counsel warrants by execution of this Agreement that no person or selling agent has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for commission, percentage, brokerage or contingent fee, and that Bond Counsel maintains no agreement, employment, or position which would be in conflict with the duties to be performed for County under this Agreement. Bond Counsel further agrees that during the term of this Agreement, Bond Counsel will not obtain, engage in, or undertake any interests, obligations or duty that would be in conflict with, or interfere with, the services or duties to be performed under the provisions of this Agreement. Bond Counsel will not make or participate in making or in any way attempt to use Bond Counsel's position to influence a governmental decision in which Bond Counsel knows or has reason to know Bond Counsel has a direct or indirect financial interest other than the compensation promised by this Agreement. Bond Counsel will not have such interest during the term of this Agreement. Bond Counsel will immediately advise the County if Bond Counsel learns of such a financial interest of Bond Counsel's during the term of this Agreement. If Bond Counsel's participation in another County project would create an actual or potential conflict of interest, in the opinion of the County, the County may immediately terminate the Agreement.

Section 7. Standards of Professional Conduct.

Bond Counsel and every employee thereof shall provide their services, advice and any reports in full compliance with all applicable law and professional standards. Bond Counsel represents that it is specially trained, experienced and competent to perform the services required under this Agreement, and that each individual providing legal services is a member in good standing of the State Bar and is licensed to practice in California. Bond Counsel certifies that it will not accept representation in any matters, including litigation, under this Agreement if it or any employee thereof has any personal or financial interest therein.

Bond Counsel certifies that it accepts this retention because it has the time, energy, skills and ability necessary to perform the duties required in an efficient, trustworthy, professional and businesslike manner. It is understood that the services under this Agreement must be provided immediately, and that they are time-critical. Bond Counsel is engaged by County for its unique qualifications and skills.

Bond Counsel agrees that it will comply with all ethical duties, will maintain the integrity of the Bond Counsel-client relationship, and will take all steps available to preserve all applicable legal privileges, confidences, and records from disclosure; however, where it is contended by third parties, Bond Counsel's work product or attorney-client privileged communications are subject to disclosure, and County directs Bond Counsel to not disclose the records, County agrees to indemnify Bond Counsel from any cost or expense related to protecting said records from disclosure.

Section 8. Independent Contractor.

Bond Counsel and County understand and agree that Bond Counsel is an independent contractor and that the County shall not be liable for Workers' Compensation, retirement or unemployment benefits for Bond Counselor Bond Counsel's agents, partners or employees.

Section 9. No Guarantee of Outcome.

County hereby acknowledges and agrees that this is a best effort undertaking, and that no guarantee of success or outcome has been, or can be, made by Bond Counsel.

Section 10. Arbitration.

Any controversy, claim or dispute arising out of or relating to this Agreement, shall be settled solely andexclusively by binding arbitration in San Jose, California. Such arbitration shall be conducted in accordance withthe then prevailing commercial arbitration rules of JAMS/Endispute ("JAMS"), with the following exceptions if in conflict: (a) one arbitrator shall be chosen by JAMS; (b) each party to the arbitration will pay its pro rata shareof the expenses and fees of the arbitrator, together with other expenses of the arbitration incurred or approved bythe arbitrator; and (c) arbitration may proceed in the absence of any party if written notice (pursuant to the JAMS'rules and regulations) of the proceedings has been given to such party. Each party shall bear its own attorney's fees and expenses.

The parties agree to abide by all decisions and awards rendered in such proceedings. Such decisions andawards rendered by the arbitrator shall be final and conclusive. All such controversies, claims or disputes shall be settled in this manner in lieu of any action at law or equity; provided however, that nothing in this Section shall be construed as precluding the bringing an action for injunctive relief or other equitable relief. The arbitratorshall not have the right to award punitive damages or speculative damages to either party and shall not have thepower to amend this Agreement. The arbitrator shall be required to follow applicable law.

Section 11. Entire Agreement.

This Agreement contains the entire understanding between Bond Counsel and County. All previous proposals, offers and communications related to the Policy Development Work and this Agreement, whether oral or written, are hereby superseded except to the extent that they have been incorporated into this

Agreement. No future waiver of or exception to any of the terms, conditions, and provisions of this Agreement shall be considered valid unless specifically agreed to in writing by both Bond Counsel and County. No oral agreement or implied covenant shall be held to vary the provisions of this Agreement. This Agreement shall bind and inure to the benefit of the parties to this Agreement and any subsequent successors or assigns as may be permitted pursuant to the provisions of this Agreement.

Section 12. Modification.

Both County and Bond Counsel understand that it may be desirable or necessary during the execution of this Agreement for Bond Counsel or County to modify the scope of services provided for under this Agreement. Any material extension or change in the scope of work shall be discussed with County and all changes and their costshall be memorialized in a written amendment to this original Agreement prior to the performance of the additional work. Until a written change order is so executed, County shall not be responsible for paying any charges Bond Counsel may incur in performing such additional services, and correspondingly Bond Counsel shall not be required to perform any such additional services.

Section 13. Severability.

All sections and subsections of this Agreement are severable, and the unenforceability or invalidity of any of the sections or subsections of this Agreement shall not affect the validity or enforceability of the remainingsections or subsections of this Agreement, but such remaining sections or subsections shall be interpreted and construed in such a manner as to carry out fully the intention of the parties.

Therefore, if any part, term, or provision of this Agreement shall be held illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Agreement, the validityof the remaining portions or provisions shall not be affected by such holding and shall nevertheless continue in full force without being impaired or invalidated in any way.

Section 14. Waiver.

The waiver by either party of a default or breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent default or breach of the same or of a different provision of that party. No waiver or modification of this Agreement or of any covenant condition, or limitation contained in this Agreement shall be valid unless in writing and duly executed by the party or parties to be charged therewith.

Section 15. Counterparts.

This Agreement may be executed in any number of counterparts and each counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Agreement.

[Signature Page to Follow on Next Page]

Exhibit B

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers and representatives thereto duly authorized, all as of the day and year first above written.

COUNTY OF NEVADA

By: Desiree Belding, CPPO, CPPB
Desiree Belding, CPPO, CPPB (07/18/2025 16:55 PDT)

Name: Desiree Belding, CPPO, CPPB

Title: Deputy Purchasing Agent

THE WEIST LAW FIRM

By:

Name: Cameron Weist

Title: Principal

Exhibit B

EXHIBIT A

SCOPE OF SERVICES

AI. Pension Management Plan Services

In connection with the development and implementation of the Pension Management Plan, Bond Counsel shall provide the following Services:

1. Request and review the data necessary to prepare a draft Pension Management Plan.

2. Review the CalPERS valuation reports and all other relevant information that might have a bearing on the development and implementation of the Pension Management Plan.

3. Define the County's goals and priorities, and correspondingly translate the County's overarching goals and objectives into actionable strategies and tactics.

4. Develop a project schedule with milestones and timelines.

5. Based on County's goals and objectives, commence drafting of Pension Management Plan language integrating actionable strategies and tactics based upon best practices and guidelines for pension management discipline and sustainability.

6. Work with municipal advisor to develop appropriate pension cost mitigation modeling.

7. Integrate financial model proforma results into the Pension Management Plan.

8. Facilitate a virtual workshop to demonstrate progress to date on the Pension Management Plan to solicit feedback from staff and/or finance committee.

9. Create overview presentation of the Pension Management Plan for County review and recommendations for action.

10. Finalize Pension Management Plan for approval and adoption by Board of Supervisors.

AII. Pension Policy Services

Bond Counsel shall provide the following Services in connection with the Pension Policy Services. Such Services shall include the following:

1. Consult with the appropriate members of the County's staff, municipal advisor and others with respect to the development and implementation of a Pension Management Policy, which is synchronized with the Pension Management Plan.

2. Attend such meetings or hearings of the Board of Supervisors, finance committee and working group meetings or conference calls as the County may request, and as Bond Counsel deems prudent and necessary to properly carry out the Pension Policy Services.

3. Draft all resolutions, staff reports and/or ordinances required in connection with the Pension Policy Services.

4. Review pertinent documentation prepared or provided by County staff, consultants and financial advisor, as necessary in the conduct of Pension Policy Services.

5. Finalize Pension Management Policy for approval and adoption by Board of Supervisors.

AIII. Bond Counsel Services Related to the Issuance of Financing Obligations

Should the County choose to pursue Mitigation Measures that include the issuance of Financing Obligations, and only upon adoption of a resolution of the Board of Supervisors indicating its desire to proceed with the issuance of a Financing Obligation, Bond Counsel shall provide the following legal services in connection with the preparation of the resolutions, documents and certifications necessary for the sale and delivery of the Financing Obligations. Such services shall include the following:

1. Consult with representatives of the County, including the County Administrative Officer, Treasurer, Auditor-Controller and other appropriate members of the Board of Supervisors, staff, financial advisors, underwriter and others, with respect to the timing, terms and legal structure of the proposed issuance of Financing Obligations.

2. Prepare all resolutions, ordinances, notices, affidavits, Depository Trust Company agreements, indentures, lease agreements, escrow agreements, fiscal agent agreements, and other legal documents customarily prepared by Bond Counsel, as required for the issuance of Financing Obligations.

3. Review pertinent documentation prepared with County staff, consultants, financial advisor or underwriter, including the purchase contract(s) to be derived therefrom, and the continuing disclosure undertaking or undertakings.

4. Review pertinent documentation with respect to any bond provisions, parity debt provisions and reserve fund policy provided or required in connection with the Financing Obligations, if any.

5. Review and evaluate the various financing structures that may be available to the County for the securing of the Financing Obligations. Our analysis will examine the range of capital borrowing methods available to the County.

6. Attend such meetings or hearings of the Board of Supervisors, finance committee and working group meetings or conference calls as the County may request, and as Bond Counsel deems prudent and necessary.

7. Assist in the preparation of the portions of the official statement for the sale of the Financing Obligations which relate to the terms of the Financing Obligations and the firm's legal opinion delivered with respect to the Financing Obligations.

8. Coordinate legal presentations to the rating agencies and/or credit enhancement providers. We will advise on the legal prudence of seeking a rating and/or bond insurance.

9. Prepare final closing papers to be executed by the County required to effect delivery of the Financing Obligations and coordination of the closing of the Financing Obligations.

10. Render Bond Counsel's customary final legal opinion on the validity of the Financing Obligations and the exemption from California personal income tax of interest thereon.

11. Render a legal opinion to the underwriter or purchaser of the Financing Obligations as to the applicability of the registration requirements of federal securities laws and a statement as to the fair and accurate nature of those portions of the Official Statement described in 7 above.

12. Prepare the required reports to the California Debt and Investment Advisory Commission (pursuant to section 8855 et seq. of the Government Code) respecting the sale of the Financing Obligations.

13. Prepare of a complete transcript of the proceedings, containing originally signed copies of all resolutions, ordinances, legal agreements, disclosure statements, certificates and notices. Copies shall be provided to the County and each member of the financing team.

AIV. CDIAC Reporting (SB 1029)

Effective January 1, 2017, state and local issuers are required to submit an annual debt transparency report (ADTR) for any issue of debt for which they have submitted a Report of Final Sale to CDIAC during the reporting period. The ADTR is due to CDIAC no later than January 31st of each year for any debt outstanding at any point during the prior fiscal year.

Any joint powers authority ("Authority") selling bonds pursuant to the Act, on or after January 1, 1996, which uses the proceeds of the Marks-Roos bonds to acquire one or more local obligations or transfers funds to a local obligor under the terms of a debt contract between the Authority and the local obligor is required to report annually on the fiscal status of the Authority bonds and the local obligations acquired until the final maturity of the Authority bonds ("Fiscal Status Reports"). The Fiscal Status Reports must be submitted to CDIAC no later than October 30 each year for any debt outstanding at any point during the prior fiscal year.

Bond Counsel will work with the County to complete and file any required ADTRS and/or Fiscal Status Reports with CDIAC prior to their relative due date each year.

AV. General Consultation Services

General Consultation Services under this Agreement shall generally include on-call legal work pertaining to the County's long-term financing plans, capital improvement plans, funding plans, debt capacity analysis, and other similar engagements.

General Consultation Services shall be effectuated pursuant to the task orders issued pursuant to this Agreement (each a "Task Order"). The General Consultation Services shall be more particularly described in the individual Task Order(s) issued by the County. Bond Counsel shall furnish all technical and professional services including labor, material, equipment, transportation, supervision and expertise to fully and adequately perform the services described in each Task Order, to be negotiated and executed for all General Consultation Services to be performed under this Agreement. The County and/or Bond Counsel shall prepare a written description of Services for each Task Order. The County and Bond Counsel shall negotiate and establish a budget for each Task Order.

EXHIBIT B

COMPENSATION FOR SERVICES

Pension Management Plan and Policy Development Work

For all work involved in the performing the Pension Management Services, Bond Counsel shall receive compensation calculated at an hourly rate of $565 per attorney hour, not to exceed 6.5 hours, unless an alternate agreement, communicated through written correspondence (including email), is reached. Bond Counsel's hourly rate is presently $565 per hour and is subject to an annual inflationary adjustment (based upon CPI) not to exceed 3% per year.

Transactional Based Compensation

For services authorized by the Board of Supervisors related to the issuance of Financing Obligations (as outlined in paragraph AIII of Exhibit A), Bond Counsel fees are charged on a "per Financing" basis and are contingent upon the successful issuance of the Financing Obligations. This means that if no Financing occurs, the County incurs no Transactional-Based Compensation for Bond Counsel services.

Compensation is structured as follows:

- For each installment sale or lease agreement, Bond Counsel receives a flat fee of $29,500.
- For transactions utilizing an overarching pooled revenue bond structure, Bond Counsel receives a fee of $26,750 for the revenue bonds.
- For any series of Financing Obligations that are publicly offered, Disclosure Counsel receives a flat fee of $39,500 for providing standard disclosure services on any publicly offered series of Financing Obligations.

The final transaction type is selected after data analysis, and the recommended approach is presented to the Board of Supervisors for approval, ensuring the County's best interests are prioritized.

CDIAC Regulatory Reporting

For all annual ADTR and Fiscal Status Reports required to be submitted to the CDIAC (i.e., those Services set forth in Exhibit A-IV), County shall pay Bond Counsel an annual fee of $495 for each report successfully filed with CDIAC; to be paid within 30 days of receipt of invoice.

General Consultation Work

For the Services described in Exhibit AV, Bond Counsel will be compensated on a time and materials basis. Each individual Task Order will be scoped for effort and a not to exceed total budget shall be provided for each such Task Order. The invoices and additional documentation requested by County, as applicable, will be submitted to the County no more frequently than monthly, but not less frequently than annually. Bond Counsel's hourly rate is presently $565 per hour and is subject to an annual (each January 1st) inflationary adjustment (based upon CPI) not to exceed 3% per year.

Exhibit B

Expenses (Out-of-Pocket)

In addition to the legal fees, Bond Counsel shall be reimbursed its normal and customary out-of-pocket expenses, including travel (which includes an out of office fee of one hour of attorney time for each one hundred miles of travel) and customary mileage rates; parking charges and bridge tolls as incurred, business tax expenses, photocopies at forty-five cents per page; telephone and facsimile charges as incurred, and postage and express delivery charges as incurred in connection with the services set forth above.

Bond Counsel does not charge for secretarial support services and internal computer time. For any hourly assignments invoices shall be provided periodically, but no more frequently than monthly or less frequently than annually. For Transactional Based Compensation services invoices shall be submitted and payable upon completion of each Financing Obligation transaction or upon earlier termination of intention to proceed with the Financing Obligation transaction. All such billings shall be due and payable within thirty (30) days after receipt of the statement.

NEVADA COUNTY BOARD OF SUPERVISORS RESPONSES TO
2026 Nevada County Civil Grand Jury Report
Report on responses to the 2025-2026 Grand Jury Report: Planning for the Future: The Board of Supervisors' Approach to the Growing $220-Million Problem of Unfunded Pension Liabilities

DATED April 16, 2026

In accordance with California Penal Code § 933.05(b), the Nevada County Board of Supervisors is responding to the Nevada County Civil Grand Jury FY 2025/26 Report entitled "Planning for the Future: The Board of Supervisors' Approach to the Growing $220-Million Problem of Unfunded Pension Liabilities." The responses to findings and recommendations are based on examination of official County records, review of the responses by the County Executive Officer, County Counsel, and County staff.

A. RESPONSES TO FINDINGS

Finding 1: At the end of FY2015, the County's unfunded pension liability was $117,142,264.

Disagree.

The CalPERS Actuarial reports that determined valuations for the various pension plans (the Miscellaneous group and the three tiers of the Safety group) as of 6/30/2015 identified Unfunded Accrued Liability (called UPL in this report) in those four reports totaling $162,574,446. It is also worth noting that this represents a Funded Ratio of 68% (Market Value of Assets as compared to the calculated total Accrued Liability).

The CalPERS Annual Valuation Report as of June 30, 2015, also referred to as the CalPERS Actuarial report, reflects valuation that is two years in arrears from the Fiscal Year in which payments are due, in this case FY 2017-18.

CalPERS Actuarial Valuation – June 30, 2015		**Plan's UPL at June 30, 2015**
Miscellaneous Plan	Page 5	$139,808,599*
Safety First Tier	Page 5	$22,770,118
Safety Second Tier	Page 5	($11,634)
PEPRA Safety	Page 5	$7,363
	Total	**$162,574,446**

** Note: approximately $1.8M of this UPL is attributable to and the responsibility of the Nevada County Superior Court. However, the County's Funded Ratio remains essentially unchanged as a result of this nuance.*

Finding 2: At the end of FY2024, the County's unfunded pension liability was $223,565,943.

Disagree.

The CalPERS Actuarial reports that determined valuations for the various pension plans (the Miscellaneous group and a combined report for the Safety group) as of 6/30/2024 identified UPL in those two reports totaling $261,167,320. It is also worth noting that this represents a Funded Ratio of 67% (Market Value of Assets as compared to the calculated total Accrued Liability).

The CalPERS Annual Valuation Report as of June 30, 2024, also referred to as the CalPERS Actuarial report, reflects valuation that is two years in arrears from the Fiscal Year in which payments are due, in this case FY 2026-27.

CalPERS Actuarial Valuation – June 30, 2024		**Plan's UPL at June 30, 2024**
Miscellaneous Plan	Page 15	$219,666,624*
Safety Risk Pool	Page 12	$41,500,696
	Total	**$261,167,320**

** Note: approximately $12M of this UPL is attributable to and the responsibility of the Nevada County Superior Court. However, the County's Funded Ratio remains essentially unchanged as a result of this nuance.*

Finding 3: The County has followed CalPERS's amortization plan over the past decade.

Agree.

The annual amortization plan prepared by CalPERS is the standard practice for compliance and reflects a point in time (June 30 each year) valuation of obligations less amount paid, interest earned and remaining obligation spread out over a 20-year time line.

Finding 4: The County's financial position with respect to UPL has worsened over the last decade.

Partially Disagree.

While the total dollar value of UPL has expanded, so has the Market Value of Assets. The result is that the Funded Ratio remains essentially the same (67% vs 68%). This is important context and offers another perspective that the County's position has not worsened but rather has remained static.

Finding 5: The County's FY2015 amortization payment to CalPERS was $9,508,354.

Disagree.

The FY 2014-15 UPL payment was $7,391,504 for Miscellaneous. The UPL and normal costs for Safety were not calculated or paid separately based on the Actuarial Reports, rather there was just one overall Actuarially Determined Contribution for the Safety Risk Pool Plans.

Finding 6: The County's FY2024 amortization payment to CalPERS was $20,454,679.

Disagree.

The FY 2023-24 pre-payment was $17,322,343 for Miscellaneous and $2,493,196 for Safety for a total of $19,815,539.

Finding 7: From FY2015 through FY2024, the County paid CalPERS $169,688,442.

Disagree. Over this time period, Nevada County paid $141,004,015 toward its unfunded accrued liability.

Finding 8: As of FY2019, CalPERS's projected date of returning the County to fully funded status was 2039.

Agree

The annual amortization plan prepared by CalPERS is the standard practice for compliance and reflects a point in time (June 30 each year) valuation of obligations less amount paid, interest earned and remaining obligation spread out over a 20-year timeline. The 2039 date of fully funded status reflects the 20-year amortization period of payments for the UPL as of June 30, 2019.

Finding 9: As of FY2024, CalPERS's projected date of returning the County to fully funded status was 2044.

Agree

The annual amortization plan prepared by CalPERS is the standard practice for compliance and reflects a point in time (June 30 each year) valuation of obligations less amount paid, interest earned and remaining obligation spread out over a 20-year timeline. The 2044 date of fully funded status reflects the 20-year amortization period of payments for the UPL as of June 30, 2024.

Finding 10: The Board of Supervisors believes that California's 2013 change from classic retirement to PEPRA will help the unfunded-pension-liability problem.

Agree.

The three tiers in both Miscellaneous and Safety categories changes pension formulas for employees based upon their entry (hire) date into CalPERS from a primarily employer-funded pension to an equitable share of costs between employer and employee under PEPRA.

The Board of Supervisors acted ahead of PEPRA, eliminating new employee eligibility for the Classic Tier 1 benefits in 2012. This action created a "Tier 2" level of pension benefit for employees hired after December 13, 2012 which raised the retirement age, pension calculation formula and contribution rate. Entry into this Tier was then terminated on December 31, 2012 and replaced by PEPRA for employees hired after January 1, 2013.

In addition to an equitable cost share, PEPRA increased the retirement age and capped the maximum pensionable salary factor. By implementing PEPRA, the Board of Supervisors took action to reduce its long-term liability for employees within that tier.

Finding 11: The Board of Supervisors has performed no data studies on the impact PEPRA is likely to have.

Agree.

The County has not performed its own data studies on the impact of PEPRA, however the CalPERS Actuarial Reports provide analysis within each County plan (Miscellaneous and Safety) for each of the three tiers, including PEPRA. Under the new Pension Management Policy, the Annual Pension Management Plan and Compliance Report will provide data relative to the PEPRA tiered benefits, including number of participating employees, their normal cost, and UPL.

Finding 12 The Board of Supervisors has prioritized immediate needs over making additional voluntary payments to reduce the unfunded-liability debt.

Disagree.

The Board reviews its priorities each year in concert with fiscal projections and reviews pension obligations within that effort. The Board established a Section 115 Pension Trust Fund and has contributed towards it. Over the last year the Board has directed staff to improve the Pension Management Policy and develop a process for annual review of the pension obligation. The Board also weighs this long-term liability against emerging issues such as fire preparedness and public safety and strives to balance its limited resources based on assessed and emergent needs.

Finding 13 In the past 10 years, the County has made no voluntary additional payments to reduce the amount of unfunded pension liability.

Agree.

This has been intentional as over the last ten years the County has prioritized building fund balance reserves, establishing the Section 115 Pension Trust Fund, navigating through the COVID-19 pandemic and managing seven local FEMA-declared natural disasters due to fire, winter storms and flooding, including:

- **Lobo Fire, 2017**
- DR-4301-CA https://www.fema.gov/disaster/4301/designated-areas

- **Jones Fire, 2020**
- FM-5332-CA: https://www.fema.gov/disaster/5332

- **Wildfires, 2017, 2020, 2021**
- DR-4344-CA https://www.fema.gov/disaster/4344/designated-areas
- DR-4558-CA https://www.fema.gov/disaster/4558/designated-areas
- DR-4610-CA https://www.fema.gov/disaster/4610

Two emergencies were declared in 2017 for severe winter storms, flooding, and mudslides:

- DR-4301-CA https://www.fema.gov/disaster/4301/designated-areas
- DR-4308-CA https://www.fema.gov/disaster/4308/notices

The primary objective of the County's 2019 Pension Policy was to institute strong financial management practices and support fiscal prudence by: targeting the long-term health of the County's pension plan; encouraging stabilization of pension costs to avoid disruptions of services; smoothing the impact of pension costs to avoid extreme costs in any given budget year; maintaining budgetary flexibility to meet fiscal requirements in times of stress.

Each year the County reviews available revenue against expenditures and prioritizes annual pension payments as part of our core services funding plan. The County ensures the annual payment is made at the beginning of the year to save interest costs.

Finding 14 As of December 31, 2025, the balance of the 115 Trust was $4,129,940.

Agree.

Finding 15 There is no record of the Board of Supervisors ever having discussed the unfunded-pension-liability problem for the past 10 years other than the Board's responses to earlier GJ reports.

Disagree.

Over the past 10 years, unfunded pension liability has been presented on and discussed on no less than 27 separate occasions. This includes every annual Board Workshop and Budget Hearing, in addition to regular Board Meetings. Here is the list of dates and links to Board Meeting records:

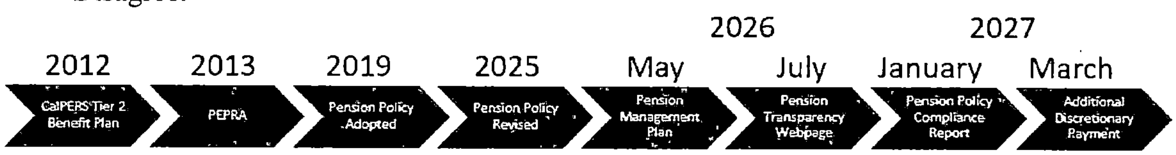
- 4/28/2026 – Budget Workshop: Unfunded pension liability discussed during Introduction presentation by Deputy County Executive Officer/Chief Fiscal Officer, Erin Mettler (SR 26-0255).
- 1/28/2026 – Workshop (Budget Kickoff): Unfunded pension liability discussed during PowerPoint presentation (SR 25-2330).
- 6/10/2025 – Proposed Budget Hearing: Unfunded pension liability discussed during PowerPoint presentation by Deputy County Executive Officer/Chief Fiscal Officer, Erin Mettler (SR 25-0357).
- 1/22/2025 – Workshop (Budget Kickoff): Unfunded pension liability discussed during PowerPoint presentation (SR 25-0077).
- 6/18/2024 – Final Budget Hearing: Unfunded pension liability discussed during PowerPoint presentation (SR 24-1029).
- 1/17/2024 – Workshop (Budget Kickoff): Unfunded pension liability discussed during PowerPoint presentation (SR 24-0144).
- 6/20/2023 – Final Budget Hearing: Unfunded pension liability discussed during PowerPoint presentation (SR 23-3165).
- 2/7/2023 – Regular Meeting: Board adopted RES 23-068, which included Financial Stability as a Board Objective. Unfunded pension liability was presented as part of the financial stability piece at the 1/25/2023 Board Workshop (SR 23-0077).
- 1/25/2023 – Workshop (Budget Kickoff): Unfunded pension liability discussed during PowerPoint presentation by former Deputy County Executive Officer/Chief Fiscal Officer, Martin Polt (SR 23-0120).
- 6/21/2022 – Final Budget Hearing: Unfunded pension liability discussed during PowerPoint presentation by former Deputy County Executive Officer/Chief Fiscal Officer, Martin Polt and Management Analyst, Barry Anderson (SR 22-0759).
- 1/19/2022 – Workshop (Budget Kickoff): Unfunded pension liability discussed during Budget Kickoff presentation (SR 22-0075).
- 6/22/2021 – Regular Meeting: Unfunded pension liability was discussed and RES 21-279 adopted, directing the Auditor-Controller to release $2,000,000 of pension fund dollars to pre-fund pension contributions in the Post-Employment Benefits Trust Program administered by PARS (SR 21-0508).
- 6/15/2021 – Final Budget Hearing: Pension identified as a General Fund Balance priority by the Board (SR 21-0476).
- 6/1/2021 – Final Budget Hearing: Unfunded pension liability discussed during PowerPoint presentation by former Deputy County Executive Officer/Chief Fiscal Officer, Martin Polt and Management Analyst, Barry Anderson (SR 21-0415).
- 1/28/2021 – Workshop (Budget Kickoff): Unfunded pension liability discussed during Budget Kickoff presentation by former Deputy County Executive Officer/Chief Fiscal Officer, Martin Polt (SR 21-0041).

- 6/2/2020 – Final Budget Hearing: Unfunded pension liability discussed during PowerPoint presentation by former Deputy County Executive Officer/Chief Fiscal Officer, Martin Polt and Management Analyst, Barry Anderson (SR 20-2896).
- 1/22/2020 – Workshop (Budget Kickoff): Unfunded pension liability discussed during Budget Kickoff presentation by former Deputy County Executive Officer/Chief Fiscal Officer, Martin Polt (SR 20-0481).
- 6/4/2019 – Final Budget Hearing: Unfunded pension liability discussed during PowerPoint presentation presented by County Executive Officer, Alison Lehman, former Deputy County Executive Officer/Chief Fiscal Officer, Martin Polt, and former Management Analyst II, David Jones (SR 19-0456).
- 1/23/2019 – Workshop (Budget Kickoff): Unfunded pension liability discussed during Budget Kickoff presentation by former Deputy County Executive Officer/Chief Fiscal Officer, Martin Polt and Management Analyst, Barry Anderson (SR 19-0082).
- 6/5/2018 – Final Budget Hearing: Unfunded pension liability discussed during PowerPoint presentation presented by former County Executive Officer, Richard Haffey and former Deputy County Executive Officer/Chief Fiscal Officer, Martin Polt (SR 18-0424).
- 1/24/2018 – Workshop (Budget Kickoff): Unfunded pension liability discussed during Budget Kickoff presentation by former Deputy County Executive Officer/Chief Fiscal Officer, Martin Polt (SR 18-0085).
- 6/20/2017 – Regular Meeting: Unfunded pension liability was discussed and RES 17-284 adopted, directing the Auditor-Controller to release $3,200,000 of pension fund dollars to pre-fund pension contributions in the Post-Employment Benefits Trust Program administered by PARS (SR 17-0489).
- 6/6/2017 – Final Budget Hearing: Unfunded pension liability discussed during PowerPoint presentation presented by former County Executive Officer, Richard Haffey and former Deputy County Executive Officer/Chief Fiscal Officer, Martin Polt (SR 17-0383).
- 5/9/2017 – Regular Meeting: Unfunded pension liability was discussed and RES 17-208 was adopted, approving an agreement for Public Agency Retirement Services (PARS) administrative services to adopt a Pension Trust Program (SR 17-0290).
- 1/25/2017 – Workshop: Unfunded pension liability discussed during Budget Kickoff presentation by former Deputy County Executive Officer/Chief Fiscal Officer, Martin Polt (SR 17-0046).
- 6/7/2016 – Final Budget Hearing: Unfunded pension liability discussed during PowerPoint presentation presented by former County Executive Officer, Richard Haffey (SR 16-0465).

- 1/27/2016 – Workshop (Budget Kickoff): Unfunded pension liability discussed during Budget Kickoff presentation by former Deputy County Executive Officer/Chief Fiscal Officer, Martin Polt (SR 16-0133 and SR 16-0134).

Finding 16 From 2015 until to the present, despite rising UPL, rising amortization payments, and repeated extensions of the amortization period, the County did not develop and implement any plan that addressed the mounting debt.

Disagree.



The primary objective of the County's 2019 Pension Policy was to institute strong financial management practices and support fiscal prudence by:

- targeting the long-term health of the County's pension plan;
- encouraging stabilization of pension costs to avoid disruptions of services;
- smoothing the impact of pension costs to avoid extreme costs in any given budget year; and
- maintaining budgetary flexibility to meet fiscal requirements in times of stress.

Each year the County reviews available revenue against expenditures and prioritizes annual pension payments as part of our core services funding plan. The County ensures the annual payment is made at the beginning of the year to save interest costs.

In response to the 2023-24 Grand Jury Report, the County updated its Pension Management Policy and a pension funding plan has been in development over the course of FY 2025-26 and is scheduled to go before the board on May 12, 2026. The updated pension management policy was approved by the board in October 2025, Resolution No. 25-494. Additionally, the 2026 Priority Objectives charter for Core Services, presented to the board on March 24, 2026, specified that the adoption of an annual pension funding plan, including an additional discretionary payment (ADP) towards UPL, is planned in FY 2026-27.

Finding 17 In response to the 2023-2024 Grand Jury report, the County promised to have a plan to address the unfunded-pension-liability problem within a year.

Disagree.

The County agreed to bring the unfunded pension liability to the Board Workshop in 2025 for Board discussion and policy direction to staff. Resulting from that 2025 Workshop, staff engaged the services of two consultants, CalMuni Advisors and Wiest Law based upon their expertise and work with other municipal organizations. Those contracts were executed July 1, 2025 and staff met with the consultants over the next several months to develop the revised Pension Management Policy which the Board approved on October 14, 2025. Since that time, staff worked to prepare the Annual Pension Management Plan, coming before the Board on May 12, 2026, and has developed recommendations for ADP incorporation into the FY 2026/27 Budget.

Finding 18 At the end of the year, the County had developed no plan.

Disagree.

See above; the County has been working on developing a plan to address unfunded pension liabilities since the release of the 2023-24 Grand Jury report and subsequent response on August 20, 2024. After the 2025 Board Workshop, the County engaged the services of CalMuni Advisors and Wiest Law based upon their expertise and work with other municipal organizations. Those contracts were executed July 1, 2025 and staff met with the consultants over the next several months to develop the revised Pension Management Policy which the Board approved on October 14, 2025. Since that time, staff worked to prepare the Annual Pension Management Plan, coming before the Board on May 12, 2026, and has developed recommendations for ADP incorporation into the FY 2026/27 Budget.

Finding 19 At the end of the year, the County had not hired any consultants to help the County address the unfunded-pension-liability problem.

Disagree.

See above; the County has been working on developing a plan to address unfunded pension liabilities since the release of the 2023-24 Grand Jury report and subsequent response on August 20, 2024. After the 2025 Board Workshop, the County engaged the services of CalMuni Advisors and Wiest Law based upon their expertise and work with other municipal organizations. Those contracts were executed July 1, 2025 and staff met with the consultants over the next several months to develop the revised Pension Management Policy which the Board approved on October 14, 2025. Since that time, staff worked to prepare the Annual Pension Management Plan, coming before the Board on May 12, 2026, and has developed recommendations for ADP incorporation into the FY 2026/27 Budget.

Finding 20 By prepaying the full annual amortization amount at the beginning of the fiscal year, the County has saved hundreds of thousands of dollars in interest over the past decade.

Disagree.

The amount saved is significantly higher at over $5.6 million resulting from pre-paying the UPL amortization amount identified in the CalPERS Actuarial reports from FY 2017-18 through FY 2025-26.

Finding 21 Since FY 2019, the County general fund at the end of each fiscal year has had from $34.3 million to $47.0 million of unspent funds in the County's General Fund,

Agree.

As described further below, much of that balance is set aside in reserves and assignments for specific uses.

Finding 22 Since FY 2019, the County has devoted $0 of that money to making voluntary additional payments to reduce its total UPL.

Agree.

The primary objective of the County's 2019 Pension Policy was to institute strong financial management practices and support fiscal prudence by:

- targeting the long-term health of the County's pension plan;
- encouraging stabilization of pension costs to avoid disruptions of services;
- smoothing the impact of pension costs to avoid extreme costs in any given budget year; and
- maintaining budgetary flexibility to meet fiscal requirements in times of stress.

Finding 23 Given the County's UPL position at the end of FY2024, if the County then began to pay an additional $5,000,000 each year, elimination of the 2024 UPL would occur in 2037 rather than 2044

Disagree.

It is impossible to say with certainty that such an investment would eliminate UPL entirely by 2037. While this statement is true with respect to the UPL as of June 30, 2024, the total UPL is an aggregate of amortization bases that represent investment performance and other adjustments for each of the previous years until those bases have been paid off. That will continue to be the case into the future, meaning new bases will further adjust the total UPL every year going forward (either up or down, depending on investment performance in those future years). This is why each year's CalPERS Actuarial Report contains a new 20-year amortization schedule.

A. RESPONSES TO RECOMMENDATIONS

R1 The County should provide a detailed report of why the adopted Pension Management Policy from 2019 failed to address the problem and allowed it to become more pronounced.

Will not be implemented.

The intent of the 2019 Pension Management Policy was to strike the balance between mitigating the impacts of rising pension costs and maintaining budgetary flexibility to facilitate service delivery to the community. The County's funded level at the end of Fiscal Year 2014-15 was 68% and at the end of Fiscal Year 2024-25 was 67%. That the difference in funded ratio is minimal despite a growing amount of UPL over a 10-year period supports the premise that PEPRA is limiting the growth.

R2 The County's response to this report should include in detail the "numerous proactive measures" that its response to the 2018 Jury report said it had undertaken.

Will not be implemented.

The intent of the 2019 Pension Policy has been met through maintaining budgetary flexibility to meet fiscal requirements in times of stress. Establishment and funding of the Section 115 Trust can provide stabilization of annual pension costs to avoid disruptions of services. The County has maximized revenue opportunities through prepayment of the UPL and has accumulated fund balance within a pension assignment of general fund dollars to help address changes in pension costs.

R3 The County's response to this report should include in detail the amount of money those "numerous proactive measures" generated or saved.

Will not be implemented.

See above; the Section 115 Trust contains a balance of $4,129,940 and prepayment of UPL has saved $5.6 million in interest costs since 2018. The Pension assignment within the general fund balance is $6 million. Implementation of the 2025 Pension Management Policy through Annual Pension Management Plans and Annual Compliance Reports will recommend how these amounts will be leveraged to maximize benefit to the County.

R4 The County's response to this report should include in detail how much of the money from R2 the County expended each year to reduce its UPL beyond making the minimum amortization payment that CalPERS requires.

Will not be implemented.

As this report has already identified, the County has not made any additional contributions above and beyond the minimum amortization payment that CalPERS requires. The intent of the 2019 Pension Policy has been met through maintaining budgetary flexibility to meet fiscal requirements in times of stress, stabilization of annual pension costs to avoid disruptions of services, and smoothing the impact of pension costs to avoid extreme costs in any given budget year.

R5 As part of an approach to the mounting debt problem, the County should consider staff reductions.

Has been implemented.

The County Executive Office reviews all requests to fill vacant positions for necessity, sustainability and alignment with Board priorities. The County Executive Office also reviews requests for changes in staffing which includes adding positions, reclassifying and restructuring based on overall County necessity, sustainability and alignment with Board priorities. When staffing positions are funded with limited term sources, i.e. grant awards, the additions are not considered permanent, but are aligned to terminate when the grant does.

Staffing increases since 2013 have been largely filled with PEPRA benefitted employees, which means there is a cap on the level of income that the pension formula can be applied to, the annual cost towards funding an employee's pension benefit is shared between the County and the employee, all of which mean the associated UPL is limited and managed.

R6 As part of an approach to the mounting debt problem, the County should consider limiting salary and pension increases.

Has been implemented.

Through the adoption of the PEPRA, pension benefits have a limited salary which can be used in calculating employee retirement benefits. Employees joining CalPERS since 2013 are enrolled under this new tier of benefit and represent 77% of the County's workforce as of June 30, 2024.

Municipal credit rating agencies such as Moody's and Standard & Poors include UPL in their review of overall debt risk. Nevada County's estimated credit rating is in the AA to AA- category, which is consistent with past debt ratings. That rating dictates favorable interest rates, viability of issuing debt and offers investors a low-risk opportunity for future debt offerings. Nevada County's credit rating is also consistent with neighboring agencies as noted below:

Yuba County (pop. 85,722): AA-
Mendocino County (pop. 89,108): AA-
Placer County (pop. 423,561: AA+
Butte County (pop. 207,172): AA
Yolo County (pop. 220,544): A+
*(Source: S&P data from Oct. 7, 2021, U.S. Local Governments Credit Brief: California Counties And Municipalities | S&P Global Ratings)

As of December 2025, Nevada County's outstanding tax-exempt debt (which is separate and additional to our unfunded actuarial liability on our pension obligations) was under $20M (just over $2M of payments per year) as follows:

Current Outstanding Tax-Exempt Debt				
Purpose	Original Amount	Current Outstanding	Average Annual Payment	Maturity Date

Operations Center (2019)	$17,060,000	$12,770,000	$1,252,046	2038
Solar (fed. Taxable) (2016)	$10,806,000	$5,657,399	$689,558	2036
Solar (tax-exempt) (2016)	$1,975,000	$857,240	$161,179	2031
TOTAL	**$29,841,000**	**$19,284,639**	**$2,102,783**	

*From the 12/16/25 presentation in support of SR 25-2039.

R7 As part of an approach to the mounting debt problem, the County should consider having caps on County executive salaries.

Has been implemented.

See above. Through the adoption of the PEPRA, pensions benefits have a limited salary which can be used in calculating employee retirement benefits. Employees joining CalPERS since 2013 are enrolled under this new tier of benefit and represent 77% of the County's workforce as of June 30, 2024. Executive salaries must remain competitive within the municipal market to attract and retain talent. To accomplish this, the County contracts with a third-party vendor to complete compensation market studies (i.e., of comparable positions in other jurisdictions) for use in recommending salary and benefit adjustments. The County has also implemented an Agency structure and consolidation of positions at the executive level where workload demands support it.

R8 As part of an approach to the mounting debt problem, the County should consider reducing the level or frequency of some County services not directly related to public health and safety.

Has been implemented.

The level and frequency of County services is reflected by the policy direction of the Board of Supervisors and what available revenues can support. As the County's revenue related to COVID-19 comes to an end on December 31, 2026, specific services have been eliminated and service levels have been reduced. The County's suite of services continues to follow state mandates and core services identified through community input and Priority Objectives reviewed each year. In addition, the County leverages its scarce resources against state and federal dollars as a way to continue to provide critical services such as wildfire evacuation route planning and mitigation projects as well as for replacement of bridges, road repairs, and modernization of law enforcement equipment.

R9 As part of an approach to the mounting debt problem, the County should consider eliminating County services that duplicate services that the state provides.

Has been implemented.

The County, as an arm of the State, carries out specific mandated services for which we receive funding. There is high coordination amongst regional jurisdictions and the state for specific services such as law enforcement and emergency management. Our realigned programs do have state coordination through professional associations (particularly in Public Health and Social Services) and we are not aware of any duplicate services provided by the State as well as the County.

R10 The County should develop a realistic plan that will fully amortize the UPL by 2037 and will maintain the pension plan fully funded.

Will not be implemented.

As part of implementing the new Pension Management Policy (adopted 10/14/25), the Board will start to see annually a Pension Management Plan which provides an analysis of the County's pension funding status and recommends specific strategies to activate in the upcoming Fiscal Year planning. In addition, January 2027 will see the presentation of an Annual pension policy compliance report to identify how the County is following its policy and track the funded level status.

Based upon industry best practices, attaining fully funded status will be through a combined use of additional discretionary payments and deposits in the Section 115 Trust and is not attainable within a ten-year time frame without catastrophic cuts to public health and safety. Furthermore, the UPL is impacted annually through several factors outside the County's control such as investment market performance and actuarial assumptions.

R11 As part of that plan, the County should annually devote a substantial part of unexpended budgeted funds to reduce its unfunded liability debt.

Will be implemented.

As noted above, implementation of the new Pension Management Policy significantly changes the process for regular review and analysis of the County's unfunded liability. In combination with an updated fund balance policy and improved transparent budgeting for pensions, allocation of unexpended budget funds will be reviewed as part of creating the Annual Pension Plan.

Washington Ridge Conservation Camp

Shower at your own risk!

2025-2026 Nevada County Grand Jury Report
Date: June XX, 2026

Summary

The 2025/2026 Nevada County Civil Grand Jury inspected the Washington Ridge Camp (WRCC) on April 16, 2026, to “inquire into the conditions and management of public prisons in the county” as Penal Code § 919(b) requires. California Department of Corrections and Rehabilitation operates Washington Ridge Conservation Camp in collaboration with CALFIRE.

The Grand Jury commends the WRCC. It is well run. Its services cost significantly less than other available options. A facility official reported that Washington Ridge Conservation Camp saves our taxpayers over $3 million each year in firefighting and fuel reduction costs.

WRCC manages the facility well, and it is in good condition except for an issue related to the facility’s age.

This California State facility provides numerous services including brushing roads and trails, fuel breaks, clearing ditches, tree removal, weed abatement to mention a few. Some of its projects include:

Nevada County Public Schools
Nevada County Public Works
California Department of Water Resources (clearing the local waterways)
Placer County Roads (fuel reduction)
Placer County Parks (fuel reduction)
Auburn Parks and Recreation Areas (fuel reduction)
Tahoe National Parks (fuel reduction and habitat improvement)
Yuba County Public Works (clearing the local waterways)
Firefighting

Glossary

CDCR	California Department of Corrections and Rehabilitation
CALFIRE	California Department of Forestry and Fire Protection
IPs	Incarcerated Persons—
Jury	2025-2026 Nevada County Civil Grand Jury
WRCC	Washington Ridge Conservation Camp

Background

On June 1, 2005, the California Department of Corrections and Rehabilitation (CDCR) took possession of the WRCC from the California Youth Authority. Currently, it is jointly operated by the California Department of Forestry and Fire Protection (CALFIRE) and the California Department of Corrections and Rehabilitation.

The primary mission of the camp is to provide IP fire crews for fire suppression, principally in the Nevada, Yuba, and Placer County areas. In addition to fire suppression, IP hand crews provide a work force for floods, conservation projects, and community services for local, state, and federal government agencies.

The CDCR is responsible for the supervision, care, and discipline of the IPs. CALFIRE is responsible for the custody of the IPs during project activities.

Approach

The Jury conducted a site visit and an interview with the officials at the WRCC in April 2026.

Discussion

When we visited, the camp had 62 IPs. Camp capacity is 100 Ips. The Camp generally assigns three crews per day to duty; but, if conditions demand and other IPs are available, may assign additional crews. IPs on fire crews must meet stringent standards of physical fitness and competence. IPs must be non-violent offenders. Being at WRCC is a privilege.

IPs receive educational opportunities to acquire skills for future employment, including repairing and maintaining the chain and hand saws IPs use daily. There is a wood shop where IPs can learn carpentry skills. Upon release, they are certified in wildland fire suppression and are qualified to attend academies to become residential firefighters.

The IPs benefit by being able to see a future with the vocational training given to them. They also get excellent medical services. The average stay is approximately one year. The WRCC has a $6 million annual operating budget and is a valuable community resource. In 2025, WRCC crews worked 72,768 man hours on community service projects, saving the state approximately $1.5 million. They worked 47,470 hours on fire assignments, saving the state approximately $1.75 million.

IPs receive $2.90 per day for general labor, $4.90 for skilled labor. In 2025, firefighters received $1.00 per hour on firefighting assignments. Recent legislation has passed raising the hourly rate to $7.25 per hour on firefighting assignments. These increases are not reflected in the 2025 data.

The camp receives $394 per day for a crew from the government agencies and non-profits that utilize the crews. In addition, state pays $4 per day for each IP at the facility. These monies are returned to the camp budget for repair and/or replacement of tools and equipment.

Fourteen CALFIRE employees manage the IPs when they are away from the facility. Each crew has one CALFIRE employee who drives the bus and supervises IPs. Often there is another CALFIRE employee at the work site to assist. There are five buses, with two buses available to the National Guard. These vehicles average 60,000 to 80,000 miles before the engines need rebuilding.

The Forest Service owns WRCC land. CALFIRE owns the buildings and is responsible for the facility upkeep. CDCR is responsible for board and care of IPs.

Finding

The Jury observed one area where there is a possible health and safety issue for the IPs. The showers need attention as was noted in the 2022-2023 Nevada County Grand Jury report. There are cracked and missing tiles, and the shower facility suffers from age. The plumbing is antiquated with several shower heads appear inoperable. Paint is peeling in multiple areas and mold is visible throughout.

There is a remodel project that has funding, but the remodel remains on the Camp Infrastructure Repair Plan. California Department of General Services received the repair assignment in October 2021. WRCC continues to wait for the work to begin. According to the WRCC and CALFIRE administrators, funds are now available. Due to the current building and architectural code updates over the past few years, the cost of repair/replacement has significantly increased. WRCC now awaits final approval from various state agencies before the work can begin. The fact remains that in the last three years nothing has been done. As a result, the IPs are being exposed on a daily basis to potentially hazardous conditions.

Conclusion

The showers need immediate attention. The repairs have been delayed by the multiple state bureaucracies responsible for ensuring they are corrected, allowing the problem to worsen and increasing costs to the taxpayers. The state has been aware of the condition of the facility and had approved funds for the repairs. Despite this, the state is being irresponsible in removing the hazard. The Jury has no authority over state agencies, so it concludes its only choice is to publish this report. The Jury expects this second report on this issue will remind and inform California Department of General Services of the importance of this project.

Copy to: WRCC
CALFIRE
Dept of Corrections
California Department of General Services

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