

**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.

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

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%.

Money in the General Fund Not Used to Reduce Unfunded Liability Debt

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.

Chart 1

Fiscal Year	General Fund Year-End Balance (in millions)	Amount used to pay down unfunded liability debt (in dollars)
2019	\$34.9	\$0
2020	\$34.3	
2021	\$39.3	
2022	\$40.1	
2023	\$41.7	
2024	\$47.0	
2025	\$48.3 (projected)	
2026	\$43.8 (projected)	

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 unfunded 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 employees 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, CalMuni 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

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	<u>\$20,454,679</u>	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 Jury¹¹ 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

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.

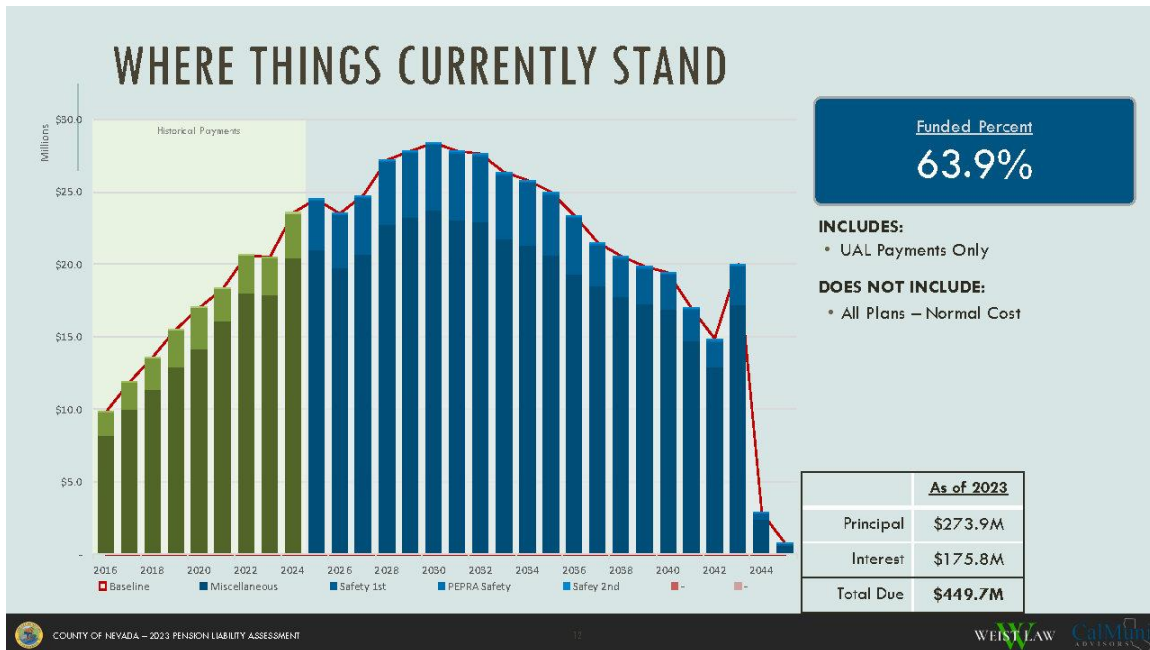
[County response] This recommendation will not be implemented because it is unwarranted. The County Executive Office already reports specifically on the Net Pension Liability issue multiple times during the year. It is presented in depth during the budget hearings, at the Board of Supervisors Annual 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.

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 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.

The County's Smokescreens

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

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.

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.



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

Exhibit A

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.

Exhibit A

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;

Exhibit A

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.

Exhibit A

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.

<u>Exhibit</u>	<u>Termination Date</u>
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

Exhibit A

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.

Exhibit A

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

Exhibit A

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 10/7/18/2025 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.

Exhibit A

- *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.

Exhibit A

- 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	<u>5</u>	<u>\$1,575</u>
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.

Exhibit A

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;

Exhibit A

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

Exhibit A

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 dual 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.

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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 RIGHTS 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-

Exhibit A

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.

Exhibit A

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:

Exhibit A

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.

Exhibit A

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

Exhibit B

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 the exercise of the power of eminent domain. Bond Counsel's services also do not include any responsibility for the negotiation or preparation of joint powers agreements with other agencies. Bond Counsel will not be responsible for 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.

Exhibit B

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.

Exhibit B

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 and exclusively by binding arbitration in San Jose, California. Such arbitration shall be conducted in accordance with the 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 share of the expenses and fees of the arbitrator, together with other expenses of the arbitration incurred or approved by the 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 and awards 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 arbitrator shall not have the right to award punitive damages or speculative damages to either party and shall not have the power 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

Exhibit B

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 cost shall 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 remaining sections 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 validity of 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]

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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 (97718/2025 16:55 PDT)

Name: Desiree Belding, CPPO, CPPB

Title: Deputy Purchasing Agent

THE WEIST LAW FIRM

By: 

Name: Cameron Weist

Title: Principal

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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.

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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.

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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

Exhibit B

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.

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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.

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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.