

**MEMORANDUM OF UNDERSTANDING
BETWEEN COUNTY OF NEVADA, ROUGH & READY FIRE PROTECTION DISTRICT, PENN VALLEY FIRE
PROTECTION DISTRICT, AND NEVADA COUNTY CONSOLIDATED FIRE DISTRICT**

This Memorandum of Understanding (“Memorandum”), dated as of August 8, 2023, is by and between the County of Nevada, hereinafter referred to as the “County”, and Rough & Ready Fire Protection District (“RRFPD”), Penn Valley Fire Protection District (“PVFPD”), and Nevada County Consolidated Fire District (“NCCFD”), hereinafter referred to as the “Districts”.

RECITALS

WHEREAS, in Nevada County, California, under the Fire Protection District Law of 1987, the Districts provide the inhabitants within District boundaries with various services, including, but not limited to, fire protection services, rescue services, emergency medical services, hazardous material emergency response services, ambulance services, and other services relating to the protection of lives and property (“Services”); and

WHEREAS, on March 20, 2023, RRFPD filed a Resolution of Application for dissolution with the Local Agency Formation Committee of Nevada County (LAFCo) and notified the public that the Rough & Ready Station #59 would close by June 30, 2023, and all parties recognize that it is imperative that the Rough & Ready community has adequate fire protection services; and

WHEREAS, on April 11, 2023, PVFPD filed a Resolution of Application for Annexation of the RRFPD territory, once RRFPD was dissolved; and

WHEREAS, LAFCo has undertaken a countywide Municipal Services Review, which should be complete by the end of 2023; and

WHEREAS, at the June 22, 2023, LAFCo meeting, the Districts announced that they would explore reorganizing into one district to increase the effectiveness and efficiency of fire protection and other services delivery, by seeking, pursuant to the provisions of Government Code section 56000 et seq., a consolidation (“Reorganization”); and

WHEREAS, in recognition that independent fire protection districts in Nevada County are essential in ensuring public peace, health and safety, the County supports the Districts’ efforts to reorganize into one new district; and

WHEREAS, California Government Code section 26227 provides that the County Board of Supervisors may appropriate and expend money to finance programs deemed to be necessary to meet the social needs of the population of the county, including, but not limited to, the areas of health, law enforcement and public safety; and

WHEREAS, the Districts have requested funding from the County for temporary support of fire protection services at Rough & Ready Fire Station #59; which all parties acknowledge is in an important location to respond to the Rough & Ready community, to Penn Valley and other surrounding districts; and

WHEREAS, the County Board of Supervisors, by this Memorandum, supports the Districts' efforts to reorganize, which may take at least a year, and will also identify temporary gap funds to be used as match funding for Fiscal Years 2023-24 and 2024-25 to operate Rough & Ready Fire Station #59 in the interim, with all parties signing on by August 8, 2023.

AGREEMENT

NOW, THEREFORE, the parties agree as follows:

1. The County will support the Districts' Reorganization efforts by providing gap funding towards operation of Rough & Ready Fire Station #59 while the effort is underway:
 - a. The Districts will submit a funding request to the County no later than July 21, 2023, that includes a plan and budget for the operation of Rough & Ready Fire Station #59 (see Attachment A, operation budget request for Rough & Ready Fire Station #59).
 - b. The County will provide temporary gap funding to support the operations of Rough & Ready Fire Station #59 to serve the residents of the RRFPD and other surrounding districts (e.g. PVFPD and NCCFD), in the amount of \$500,000 per year for two years (Fiscal Years 23-24 and 24-25), not to exceed a combined total of \$1,000,000 to support the long-term goal of the Districts' Reorganization.
 - c. The County funds will serve as a match to RRFPD's annual revenue, estimated at \$490,000 per fiscal year in tax revenues and special assessment fees, which shall be used for the sole purpose of operating Rough & Ready Fire Station #59.
 - d. The County's contribution may be provided from any available source including grant funds (including the SAFER grant that PVFPD applied for), at the County's discretion.
2. The Districts will provide fire protection and other services within RRFPD boundaries:
 - a. The Districts will memorialize agreements to provide fire protection and other services to the area formerly covered by the RRFPD, which services commenced starting July 1, 2023.
 - b. The Districts agree to utilize County funds for the sole purpose of operating Rough & Ready Fire Station #59.
 - c. The Districts will provide the County with a copy of their budgets and revenue and expenditure detail for Fiscal Years 2023-24 and 2024-25, which shall include a clear accounting of where the funding is appropriated in their budgets and its intended use. Accounting records of the Districts shall be open to inspection by the County Auditor-Controller at any time during business hours for the purpose of determining

whether the funds were utilized only for the purpose of fire protection services within RRFPD's boundaries.

- d. The Districts will develop and adopt a budget for the ongoing operation of Rough & Ready Fire Station #59 that does not assume County contributions in Fiscal Year 25-26 or beyond.
3. The Districts will initiate a Reorganization process with LAFCo. The Reorganization process will include the following actions:
 - a. The Districts will enter into an agreement regarding coordination of efforts for preparation of substantially similar resolutions of applications for the Reorganization pursuant to Government Code section 56853, for consideration for approval by each of their Boards of Directors, and if the Resolutions of Application are approved, for preparation, completion, and submission of an application and related documents to LAFCo for the Reorganization no later than February 1, 2024.

The agreement will define the level of service the newly reorganized district ("Reorganized District") will provide, and will address governance, administration, and operations for the Reorganized district.
 - b. The Districts agree to cause to be prepared a comprehensive financial analysis to support the Districts' Reorganization proposal.
 4. The County will make monthly payments to PVFPD based on the Districts meeting continued expectations and requirements towards the Districts' Reorganization, the Districts' operation of Rough & Ready Station #59 and tied to the "milestones" listed below.
 - a. Milestone 1: The Districts will provide fire protection and other services to the area formerly covered by the Rough & Ready Fire Protection District starting July 1, 2023.
 - b. Milestone 2: RRFPD, PVFPD, and NCCFD districts will bring the agreement regarding Reorganization for approval by each of their Boards of Directors by December 1, 2023.
 - c. Milestone 3: The Districts will apply to LAFCo for reorganization by submitting Resolutions of Application materials to LAFCo by February 1, 2024.
 - d. Milestone 4: The Districts will complete reorganization of the new district by July 1, 2024, if approved by LAFCo.
 - e. Milestone 5: The Districts will provide enhanced services to the newly formed district by December 31, 2024.

5. The Reorganized District may work with other interested fire districts on future reorganizations.
6. The Districts are a separate legal entity from the County with respect to all matters set forth in this Memorandum. This Memorandum is not intended, and shall not be construed, to create the relationship of agent, servant, employee, joint venture, joint powers, or association between County and Districts.
7. The Districts agree to cooperate and supply any documentation reasonably necessary for the convenience and information of the County.
8. The Districts shall comply with all applicable federal, state and local laws affecting the services covered by this Memorandum.
9. This Memorandum may only be revisited and modified by written agreement of all the parties.
10. This Memorandum shall commence on the date executed by the County and the Districts.
11. This Memorandum contains all the terms and conditions agreed upon by the parties.
12. This Memorandum may be executed in counterparts. The execution of a signature page of this Memorandum shall constitute the execution of the Memorandum, which shall be binding on each party upon that party's signing of such a counterpart.
13. This Memorandum will expire June 30, 2025.
14. NOTICES: All notices, requests, demands, or other communications under this Memorandum shall be in writing as follows:

To COUNTY: County of Nevada
Executive Office
950 Maidu Avenue
Nevada City, CA 95959
ATTN: Alison Lehman, CEO

To RRFPD: Rough and Ready Fire Protection District
14506 Rough and Ready Hwy
Mailing address: PO Box 10
Rough and Ready, CA 95975
ATTN: Chief Don Wagner

To PVFPD: Penn Valley Fire Protection District
10513 Spenceville Rd.
Penn Valley, CA 95946

ATTN: Chief Don Wagner

To NCCPD:

Nevada County Consolidated Fire District
640 Coyote Street
Nevada City, CA 95959
ATTN: Chief Jason Robitaille

IN WITNESS WHEREOF, County and District, by their duly authorized representatives, have executed this Memorandum on the day and year first written above.

COUNTY OF NEVADA

Edward C. Scofield
Chair, Board of Supervisors

Date: _____

APPROVED AS TO FORM:

Katharine L. Elliott, County Counsel

ROUGH AND READY FIRE PROTECTION DISTRICT

Date: _____

PENN VALLEY FIRE PROTECTION DISTRICT

Date: _____

NEVADA COUNTY CONSOLIDATED FIRE DISTRICT

Date: _____