

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

This Memorandum of Understanding (“MOU”), dated as of June 24, 2025, is by and between the County of Nevada, hereinafter referred to as the “County”, and Rough & Ready Fire Protection District (“RRFPD”) and Penn Valley Fire Protection District (“PVFPD”), 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, 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of Government Code section 56000 et seq., a consolidation (“Reorganization”) and the Resolution for dissolution was withdrawn and

WHEREAS, LAFCo undertook a countywide Municipal Services Review, which was completed on November 21, 2024; 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; 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, on August 8, 2023, the County Board of Supervisors approved a Memorandum of Understanding (MOU) (Resolution 23-429) to support the Rough and Ready Fire, Penn Valley Fire, and Nevada County Consolidated Fire Districts’ efforts to reorganize through and funding contribution not to exceed \$1,000,000 to operate the Rough & Ready Fire Station #59 prior to consolidation; and

WHEREAS, on December 5, 2023, the County Board of Supervisors approved “Amendment 1” to the MOU (Resolution 23-608) to extend the deadline for Section 4(b) “Milestone 2”; and

WHEREAS, on May 28, 2024, the County Board of Supervisors approved “Amendment 2” to the MOU (Resolution 24-241) to provide a one-year extension of the MOU to support the consolidation effort underway; and

WHEREAS, the Rough and Ready Fire Protection District Board declined a reorganization proposal by Nevada County Consolidated Fire District at their April 8, 2025, Board meeting and decided to seek reorganization efforts solely with Penn Valley Fire Protection District; and

WHEREAS, the Penn Valley and Rough and Ready Fire Protection Districts seek to complete reorganization efforts and file required documentation with the Nevada County Local Agency Formation Commission (LAFCo) by December 1, 2025; and

WHEREAS, on May 15, 2025, the County received notice from Nevada County Consolidated Fire District that they will no longer be pursuing reorganization efforts as originally agreed and requested to withdraw from the original Memorandum of Understanding; and

WHEREAS, the Penn Valley and Rough and Ready Fire Protection Districts are providing operational coverage of Station #59 as of May 31, 2025; and

WHEREAS, repealing and replacing the previously approved MOU is necessary due to this new reorganization direction.

AGREEMENT

NOW, THEREFORE, the parties agree as follows:

1. The County will support the Districts’ Reorganization efforts by providing gap funding towards the operation of Rough & Ready Fire Station #59 while the effort is underway:
 - a. The Districts will submit a revised operational coverage plan and budget to the County no later than July 15, 2025, that includes a plan, budget and specific funding proposed to be used to fill any funding shortfalls through this agreement period for the operation of 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 RRFDP and other surrounding districts (e.g. PVFPD and NCCFD), for three years (Fiscal Years 23-24, 24-25, and 25-26), not to exceed \$600,000 in any fiscal year for a combined not to exceed total of \$1,000,000 including the gap funding already provided under the previous MOU to support the long-term goal of the Districts’ Reorganization.
 - c. The County funds will serve as a match to RRFDP’s annual revenue, estimated at \$517,000 per fiscal year including 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 memorialized 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, 2024-25, and 2025-26, 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 26-27 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 July 1, 2025.

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 cooperative service and financial analysis to support the Districts' Reorganization proposal.

4. The County will transfer funds to RRFPD operating fund 6724 (no more frequent than monthly) justified by the actual monthly financials submitted by PVFPD for the operations of Rough & Ready Fire Station #59 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: Districts will bring the agreement regarding Reorganization for approval by each of their Boards of Directors prior to reorganization application submission to LAFCo.
 - c. Milestone 3: The Districts will apply to LAFCo for reorganization by submitting Resolutions of Application and associated materials to LAFCo by July 1, 2025.
 - d. Milestone 4: The Districts will prepare for LAFCo to take action on the reorganization proposal at a LAFCo hearing to be held on or before October 16, 2025. (The intention is that LAFCo would submit the final statement of the reorganization of the new district with the State Board of Equalization by December 1, 2025).
 - e. Milestone 5: The Districts will provide enhanced services to the newly reorganized district by December 31, 2025.
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 MOU. This MOU 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 MOU.
9. This MOU may only be revisited and modified by written agreement of all the parties.
10. This MOU shall commence on the date executed by the County and the Districts.
11. This MOU contains all the terms and conditions agreed upon by the parties.

12. This MOU may be executed in counterparts. The execution of a signature page of this MOU shall constitute the execution of the MOU, which shall be binding on each party upon that party's signing of such a counterpart.
13. This MOU will expire June 30, 2026.
14. NOTICES: All notices, requests, demands, or other communications under this MOU 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 & 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

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

COUNTY OF NEVADA

 Heidi Hall, Chair, Board of Supervisors

Date: _____

APPROVED AS TO FORM:

 Katharine L. Elliott, County Counsel

ROUGH & READY FIRE PROTECTION DISTRICT

Date: _____

PENN VALLEY FIRE PROTECTION DISTRICT

Date: _____

