

**OFFICE OF THE COUNTY COUNSEL
COUNTY OF NEVADA**

ALISON A. BARRATT-GREEN, COUNTY COUNSEL
AMANDA S. UHRHAMMER, ASSISTANT COUNTY COUNSEL
JAMIE L. HOGENSON, DEPUTY COUNTY COUNSEL
KATHRYN E. JACOBS, DEPUTY COUNTY COUNSEL
SCOTT A. MCLERAN, DEPUTY COUNTY COUNSEL
RHETTA K. VANDER PLOEG, DEPUTY COUNTY COUNSEL



ERIC ROOD ADMINISTRATIVE CENTER
950 MAIDU AVENUE, SUITE 240
NEVADA CITY, CA 95959
TELEPHONE (530) 265-1319
FACSIMILE (530) 265-9840
county.counsel@co.nevada.ca.us

April 29, 2016

Honorable Board of Supervisors
Eric Rood Administrative Center
950 Maidu Avenue
Nevada City, CA 95959

DATE OF MEETING: May 10, 2016

SUBJECT: Resolution Approving Amendment No. 4 to Personal Services Contract Between the County of Nevada, Acting on Behalf of Nevada County Community Facilities District No. 1990-1 (Wildwood Estates), and Allen Matkins Leek Gamble Mallory & Natsis LLP Increasing the Maximum Contract Amount by \$14,544.55, and Authorizing the Chair of the Board of Supervisors to Execute the Amendment

RECOMMENDATION: Adopt the attached Resolution

FUNDING: Legal services provided under this Agreement are paid on as needed basis. This contract is funded from surety bond proceeds the County received in the 1990's. This contract amendment was not included in the original 15/16 budget, and therefore a budget amendment is included in the Resolution. There is no impact on the General Fund.

BACKGROUND: Nevada County Community Facilities District 1990-1 (Wildwood Estates) ("CFD") was unable to meet its financial obligations with respect to a series of long-standing, defaulted special tax bonds. In April of 2015, the Board of Supervisors authorized County Counsel to initiate bankruptcy of the CFD as part of a workout plan to redeem the defaulted special tax bonds. We are pleased to report that the bondholders overwhelmingly supported the proposed workout plan, all distributions have been made to bondholders as provided in the plan and the bankruptcy action is now complete.

The Board of Supervisors, acting as the legislative body for the CFD, authorized the County Counsel's office to hire outside counsel to handle the bankruptcy proceeding and to pursue a strategy to redeem and retire the bonds, and eventually eliminate the CFD. The County entered into a Personal Services Contract with Debra A. Riley, a

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partner with the law firm of Allen Matkins, to analyze and advise the CFD in connection with this project.

The agreement has a Maximum Contract Price of \$385,000. At the close of bankruptcy, additional legal services were necessary to resolve last minute issues related to locating lost bondholders and final distribution of lost bondholder funds. Additional funding is necessary to cover these additional legal costs. This proposed Amendment increases the contract amount by \$14,544.55, for a maximum contract price of \$399,544.55, and will allow the County to pay the final invoices associated with this matter.

Ms. Riley and the Allen Matkins firm did an excellent job of developing and diligently implementing the CFD's workout strategy, and have successfully delivered this project on time and within budget. I recommend that the Board approve the proposed Amendment as submitted.

Respectfully submitted,



Alison A. Barratt-Green
County Counsel

Attachments: Resolution Approving Amendment No. 4 to Personal Services Contract
Amendment No. 4 to Personal Services Contract