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COUNTY OF NEVADA**

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May 1, 2015

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

**DATE OF MEETING:** May 12, 2015

**SUBJECT:** Resolution Approving Amendment No. 2 to Personal Services Contract Between the County of Nevada and Allen Matkins Leek Gamble Mallory & Natsis LLP Extending the Contract Term from June 30, 2015 to June 30, 2016 and Increasing the Maximum Contract Amount by \$160,000 (from \$100,000 to \$260,000), Authorizing the Chair of the Board to Execute the Amendment, and Approving a Budget Amendment

**RECOMMENDATION:** Adopt the attached Resolution

**FUNDING:** Legal services provided under this Agreement are paid on as needed basis. This Contract is funded from accrued interest on surety bond proceeds the County received in the 1990's. A 14/15 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") has been, and continues to be, unable to meet its financial obligations with respect to a series of long-standing, defaulted special tax bonds. At its April 28<sup>th</sup> meeting, 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. It will take several months to complete the CFD bankruptcy proceeding.

The Board of Supervisors, acting as the legislative body for the CFD, authorized the County Counsel's office to hire outside counsel to evaluate potential workout options related to the defaulted bonds, and develop a potential strategy to retire, redeem or restructure the bonds. The County entered into a Personal Services Contract with Debra A. Riley, a partner with the law firm of Allen Matkins, to analyze and advise the CFD in connection with this project.

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The agreement has a Maximum Contract Price of \$100,000. We have reached the limit of this contract amount. Additional funding and an extension of the contract are necessary to ensure that sufficient funds are available to cover the costs associated with the CFD's bankruptcy proceeding and implement the CFD workout strategy. The proposed Amendment increases the contract amount by \$160,000, for a maximum contract price of \$260,000.

Ms. Riley and the Allen Matkins firm are well qualified to represent the County in this matter. I recommend that the Board approve the proposed Amendment as submitted.

Respectfully submitted,

Alison A. Barratt-Green  
County Counsel

Attachments: Resolution Approving Amendment No. 2 to Personal Services Contract  
Amendment No. 2 to Personal Services Contract