

NEVADA COUNTY BOARD OF SUPERVISORS RESPONSES TO

2022 Nevada County Civil Grand Jury Report

Report on responses to the 2021-2022 Grand Jury Report: *Joint Powers Authorities In Nevada County: Who Are They and Who's Watching?*

DATED September 13, 2022

In accordance with California Penal Code § 933.05(b), the Nevada County Board of Supervisors is responding to the Nevada County Civil Grand Jury FY 2021/22 Report entitled *Joint Powers Authorities In Nevada County: Who Are They and Who's Watching?* The responses to findings and recommendations are based on examination of official County records, review of the responses by the County Executive Officer, County Counsel, Local Government Formation Agency (LAFCo), and County staff.

In summary, Joint Power Authorities (JPAs) are wholly separate legal entities between two or more public entities that can be formed for a wide variety of purposes. As legal entities they are required to file notice with the state upon formation per applicable law and are subject to the same transparency requirements of their member entities. We thank the Grand Jury for its hard work investigating issues or interest to the public and providing the County with an opportunity to respond to its recommendations as listed below.

A. RESPONSES TO RECOMMENDATIONS

R1: The Board of Supervisors should identify a Nevada County resource/department responsible for obtaining, maintaining, and tracking an active list of all JPAs associated with Nevada County.

This recommendation will not be implemented because it is not warranted.

The recommendation is not warranted because the California Secretary of State maintains filing associated with all Joint Power Authorities (JPAs) legally formed in California, including notice of their agreement or amendment, per California Government Code §6503.5. The California Secretary of State subsequently files notice with the California Controller. Moreover, the Nevada County Local Agency Formation Commission (LAFCo) maintains an active list of all JPAs within the County that provide municipal services within the county. Additionally, as governmental entities, JPAs are subject to transparency requirements including, but not limited to, the Ralph M. Brown Act, the California Public Records Act, the Political Reform Act, amongst other requirements. To avoid jurisdictional duplication or public confusion, oversight of JPAs should remain vested within the state and local authorities as outlined within California Government Code §6500.

R2: The Board of Supervisors should identify a Nevada County resource/department responsible for auditing JPA compliance against Government Code 6500.

This recommendation will not be implemented because it is not warranted.

The recommendation is not warranted because while no local authority directly oversees JPAs, several state agencies are required to maintain information on JPAs including the California Secretary of State, California State Controller, and the California Debt Investment Commission. Additionally, JPAs are required to make an annual audit of the accounts and records subject to federal and state audit requirements and to file their annual audits with the county auditor where their home office is located as required by California Government Code §6505. If a JPA is out of compliance with applicable reporting requirements, the Board of Supervisors has jurisdiction authority over only those JPAs that it is a party or member of. To avoid jurisdictional duplication or public confusion, oversight of JPAs should remain vested within the state and local authorities as outlined within California Government Code §6500.