



TAKE A CUE FROM THE FIRST LADY:
POLISH YOUR LOOK WITH RUNWAY STYLES OFF LOCAL RACKS.

FASHION C1



REMEMBERING TWO ICONS:
TWO 20TH-CENTURY POP CULTURE ICONS DIE IN LOS ANGELES, JUST HOURS APART.

OBITUARIES A5

THE UNION

FRIDAY, JUNE 26, 2009

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50 CENTS

WEATHER MAN



H: 85°
L: 57°
See full weather, A7

Ma said to wear sunscreen!

NEWS BRIEFS



The Union, en vogue

Today we are introducing Fashion on the cover of the C section. Fashion will publish on the last Friday of each month. Inside you'll learn about trendy shoes, fun colors and classic ensembles.

We hope you enjoy this new feature and that it helps connect you to some of our wonderful clothing and accessory shops right in our own backyards. We also hope to hear from you if you have any suggestions for style coverage. Please contact Features Editor Carol Guild at cguild@theunion.com or 477-4219.

Practice burn scheduled in Dobbins area

Smoke that could be seen toward the northwestern part of the county Thursday afternoon came from a controlled burn near Dobbins, a Calfire dispatcher said.

Emergency Command Center communications operator Rachel Sierer Wooden said the burn is between 30 and 300 acres and is for training.

Firefighters conducted a much smaller burn Wednesday.

Nevada City pays \$26K in parking fines

Nevada City manager Gene Albaugh and the City Council sent a check to Nevada County for more than \$26,600 and apologized to the county Collections Department for not paying its share of overdue parking fines.

"Together with the city's check in the full amount is an apology from the council for any confusion or misunderstanding that was generated by the long-delayed payment and the time it took staff to review our records," Albaugh wrote to the county in a letter Thursday.

The city determined its share of unpaid parking fines was \$26,625.63, according to the letter. That sum included interest on principal going back to 2002.

The parking fines had been a subject of ire for officials from the two governments after it was found Nevada City owed about \$50,000. By state law, local governments pay part of fines collected for court and jail costs.

The city also transferred responsibility for managing parking fines to the administration and finance departments, Albaugh wrote.

Lives Lived/Obituaries

Esther Barghoorn, 70
Lloyd Hauge, 61

Obituaries on Page A5

THE HASTERT FRAUD CASE

Judge rejects Hastert's plea bargain

BY LIZ KELLAR
Staff Writer

The Thomas Hastert real estate fraud case will go to trial in Nevada County Superior Court after the judge in the case rejected a plea bargain Thursday.

At a hearing that was

expected to see a sentence, Judge Sean Dowling rejected the plea agreement that was arranged between former Grass Valley loan broker Hastert and the state of California in the \$20 million real estate fraud and embezzlement case.

California Deputy Attorney General Keith Lyon

and defense lawyer Monica Lynch had reached a plea bargain that would have given

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Hastert five years in state prison — though he in fact would have served about two and a half years, after discounts for time

served and good behavior.

The Nevada County Probation Department, however, recommended 13 years of prison. The probation report weighed heavily in Dowling's decision, he said at the hearing.

"Uniformly, the victims said (five years) is not justified or fair," Dowling said. "The victims

do not have the right to control the proceedings, but they do have the right to have a say in the proceedings."

The second issue that weighed into Dowling's decision to reject the plea bargain was the amount of restitution, which has

See HASTERT A6

DEVELOPMENT

Possibility of Osborne Hill project builds hope, fear



Tom Royston, an 18-year resident of Osborne Hill Road east of Grass Valley, hopes future development in the area would bring water, improved roads and natural gas lines to the forested neighborhood bordering Empire Mine State Historic Park. Others fear the development of 76 residences could impact traffic, sewer and a network of trails many have used for decades.

Photo for The Union by Laura Brown

BY LAURA BROWN
Staff Writer

A proposed development near the Empire Mine State Historic Park has created a stir among recreationists and neighbors in the area riddled with old gold mines.

A developer is proposing to build 56 single-family houses and 20 townhouses on 224 acres on Osborne Hill, the site of a former mine just east of Grass Valley.

A public comment period on a draft environmental impact report on the project has been extended to 5 p.m. July 9. People who didn't speak during a Nevada County Planning Commission meeting on Thursday will have another opportunity to do so in two weeks.

Thirteen families who live in a quiet, forested neighborhood are torn on how

76 new residences would impact emergency fire access, traffic, water, sewer and a network of trails people have used for decades.

Some see the development as the answer to their prayers. They hope the development would bring water lines to a parched hill with poorly performing wells.

"The wells are all failing. It's ugly," said Tom Royston, who has lived on Osborne Hill Road for 18 years and recently sold his property. He sees a better road and possibly natural gas lines coming with the development. "It will improve the value and quality of life."

Others fear it would do just the opposite: If more people move in, more traffic would funnel onto already congested

Rattlesnake Road and Highway 174, where vehicles back up when Union Hill School lets out.

A smaller project of a dozen homes running along the road would fit better with the existing community, said Rebecca Hahn, a 10-year resident who lives at the end of Osborne Hill Road in the home of former mine superintendent George Starr. Hahn advocates absorbing the property into the state park.

Toxic cleanup, sewage worries

Toxic mine tailings dot the Osborne Hill project property, located above a hardrock gold mine once owned by Newmont Mining Corp. A preliminary endangerment assessment has been completed, and the developers are working with California Department of Toxic Substances Control to clean up heavy metals found there, said county Senior

See OSBORNE A8

THE BUDGET CRISIS

Locals battle Capitol clash

BY DAVE MOLLER
Senior Staff Writer

While the California Legislature drags its heels in putting together a passable budget to shore up a \$24.3 million deficit, Nevada County residents are outraged over the

INSIDE

Sen. Sam Anestad has asked for a 5% pay cut.
Read his letter on Page A6

now-yearly impasse between Republicans and Democrats.

The proposed closing of the Empire Mine State Historic Park has Virginia Brunini scrambling to keep it open, armed with petitions she has been taking to the state Capitol. Also lobbying in Sacramento this past week was Ana Acton, a disabled woman and executive director of Freed Center for Independent Living.

While the women have different interests in what comes out of the budget, they have a similar disdain for the way legislators are acting — or not acting.

"We're dealing with political ideologies and not people," Brunini said Thursday. "Basically, the problem is the Legislature. Everybody's defending their political position and not minding the store."

"We're well aware the state is in a dire situation, but we're worried that we don't have any visionaries in the Legislature for the future," Acton said.

Proposed cuts to local programs providing in-home

See BUDGET A6

FOCUS ON BUSINESS

Citizens Bank officials loaned \$11 million

BY DAVE MOLLER
Senior Staff Writer

The directors and officers of Citizens Bank of Northern California hold \$11 million in loans with the bank they watch, a bank official confirmed, but the lending institution's leader would not divulge who received the loans when, or how much they are for.

"We're a private bank, not an SEC (Securities and Exchange Commission) reporting company, so that information is not

public," said bank President and CEO Judy Hess, who confirmed the \$11 million figure this week.

"Not all of (the officers) are borrowers, and not all of our directors borrow," Hess added.

"It's common for directors and bank officials to get loans. They are typically some of the best borrowers, because they're stakeholders," Hess said. "Most of it was reinvested right back into the community to support local businesses."

See BANK A6



m-f 9-5:30
sat 9-5 sun 11-4

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