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NOBLE SPRUNGER

ATTORNEY AT LAW

December 15, 1998

Wilbur Yost **GOLDEN WEST CSD** P. O. Box 448 El Dorado, CA 95623

RE: surplus land

Dear Mr. Yost:

Your question is how to dispose of unneeded District real property if the Board determines it wants to do so. Under Gov't. Code § 61611 the District may hold, use, enjoy, lease or dispose of any of its property. But, a threshold political concern seems to me to be deciding whether the land is really "surplus" to the District. I cannot remember if one of the District's powers was recreation in addition to road maintenance. If the District does not have recreational powers then it is pretty easy to conclude the land is surplus. If it does have recreational power then the decision has some political risk. To resolve that risk I would strongly suggest that you consider holding a personally noticed public hearing on the issue of declaring the property surplus.

If it is determined that the land is surplus then the property must first be offered for sale to public entitles in conformance with Gov't. Code § 54229 et.seq. (attached). This will, of course, require an independent appraisal which would be necessary for sale to anyone. After the property is turned down by other public agencies (since nobody has any money), the land can be sold on the open market. I would suggest that this first be done by bid with a reserve price in the amount of the appraisal. If bidding does not result in a sale you may then go to negotiated sale or re-bid without a reserve.

I think it might be productive for me to have a face-to-face meeting with two Board members to discuss the above before you go public with this idea.

Sincerely,

Noble Spring NOBLE SPRUNGER

District Counsel

NS:hl Enc. EXCERPTS FROM THE MEETING WITH NOBLE SPRUNGER OF FEB. 8

Regarding the fee schedule in the revision of Ordinance 1:

Page 4 has several amendments which were recommended by Mr. Sprunger. Please refer to the revision I made following Mr. Sprunger's recommendations..

The fee schedule that was on Page 4 has been deleted from the ordinance. Rather the fee schedule should be done as a resolution, and it should be a published notice in the Democrat. While it cannot be voted upon until after it is published, it can be a discussion item.

RE: SURPLUS LAND (the 19 acres)

The following order for disposal is to be followed:

A public hearing to be held-this will be done at the upcoming meeting. Under Gov't Code 6161 the District may hold, use, enjoy, lease or <u>dispose</u> of any of its property. Insofar as it has not been designated for any specific use there appears to be no problem to declare it surplus.

It is first to be offered to any public entity. e.g. EID, County Parks, etc. as specified by Gov't Code 54229.

It will require an independent appraisal which is necessary for a sale to anyone.

If there are no offers, and this is likely, the property can be sold to anyone. This to be done by bid with a reserve price in the amount of the appraisal. All bids after the initial bid must be at least 5% of the preceding bid.

If bidding does not result in a sale we then go to a negotiated sale or re-bid without a reserve.

Please understand that this not preclude that the residents in the immediate vicinity of the property could purchase the property

Also advised was that the proposed should be published.

The meeting with Mr. Sprunger was also attended by Art Ercolini.