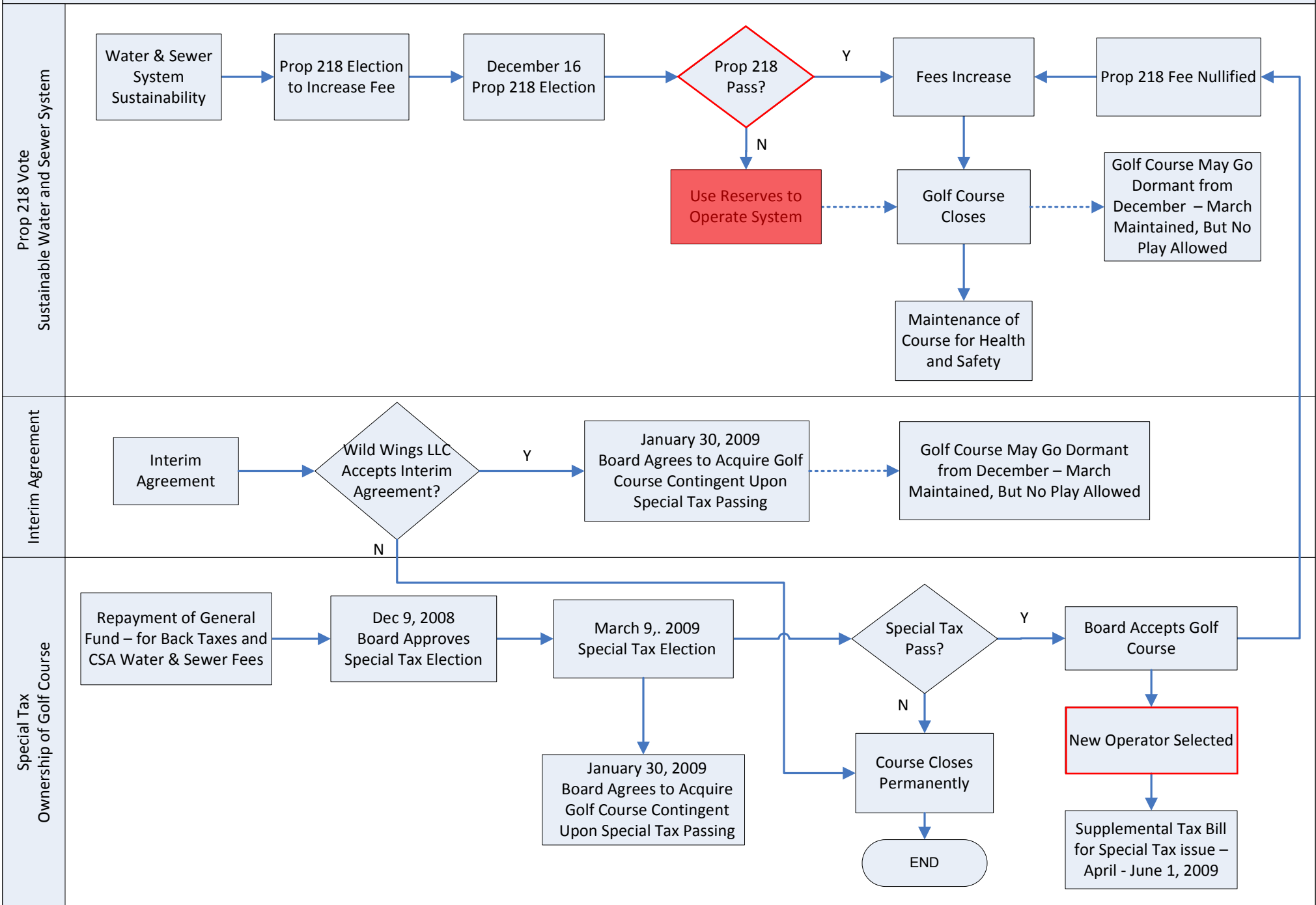


# CSA - Prop 218 Vote and Special Tax

Version 3.0 – Subject to Discussion – December 8, 2008



# Wild Wings LLC

November 25, 2008

Mr. Philip J. Pogledich  
SENIOR DEPUTY COUNTY COUNSEL  
County of Yolo  
625 Court Street, Room 201  
Woodland, California 95695

VIA ELECTRONIC MAIL & USM

Re: Wild Wings Golf Course

Dear Mr. Pogledich:

Wild Wings LLC (hereinafter "WWLLC") is in receipt of your letter dated November 21, 2008. We thank you for your time in working on this matter and, as well, thank the Board of Supervisors acting as the Wild Wings CSA (hereinafter "WWCSA") Board of Directors, together with the homeowner's and those who have worked so diligently under the banner of "Save Wild Wings Coalition". As well, we extend our thanks to Harold Duffey, who has been instrumental in this effort thus far. While we were very interested in completing this transfer before the end of the year, we understand the processes that are moving forward and appreciate those efforts.

As you know, we are approaching the winter season, a time when the golf courses in this region financially struggle. Wild Wings is no exception as operating losses, under normal winter conditions, produce significant greater monthly losses than the other months in the year.

In the spirit of continuing to support the noble efforts of the Wild Wings homeowners and their quest to secure the golf course for their future, we offer to keep the golf course open to the public through December 31, 2008 or an earlier date when the onset of inclement weather strikes, at which point the golf course will "temporarily close for the winter". Thereafter and up to a close of escrow date (no later than March 27, 2009), we will retain a small maintenance team sufficient to provide basic mowing and fertilization of the golf course.

As we understand, there are two distinct actions being taken by the WWCSA and the Wild Wings homeowners that, depending upon the outcome of those actions, may modify our operating plans as expressed in the immediately preceding paragraph. The first item is the Proposition 218 ballot (hereinafter "218 Ballot"). The second item is the so-called Special Tax Measure (hereinafter "Special Tax").

Mr. Philip Pogledich

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218 Ballot: The 218 Ballot is essentially intended to transfer all water and sewer charges of the golf course to the homeowners. The 218 Ballot has already been distributed to the homeowners and requires that a simple majority (50% plus 1) of the homes do not protest such transfer on or before December 16, 2008. However, if the WWCSA receives a simple majority of protest or no votes, then the 218 Ballot will fail and there will be no transfer of the water and sewer charges from the golf course to the homeowners. In the event that the 218 Ballot fails on December 16, 2008, WWLLC will close the golf course permanently, and any agreement that would have been entered into between WWLLC and the WWCSA shall immediately terminate.

Special Tax: The Special Tax is essentially a mechanism for the homeowners to tax themselves to fund the acquisition, and ongoing operation and maintenance of the golf course parcels. The WWCSA Board will consider approving a resolution and therefore agree to submit the Special Tax to the registered voters within the CSA on December 9, 2008. In the event that the Special Tax resolution is not approved and authorized to be submitted to the registered voters within the CSA on December 9, 2008, WWLLC will close the golf course permanently, and any agreement that would have been entered into between WWLLC and WWCSA shall immediately terminate. In the event the WWCSA affirmatively moves forward with the Special Tax on December 9, 2008, the registered voters within the CSA would then vote on the matter no later than March 13, 2009. In order for the Special Tax to be approved, it will require a two-thirds majority of the registered voters living within the CSA. In the event that the Special Tax fails (does not achieve the required votes) on or before March 13, 2009, WWLLC will close the golf course permanently, and any agreement that would have been entered into between WWLLC and WWCSA shall immediately terminate.

So, with the above in mind, WWLLC is prepared to move forward with the WWCSA and enter into a binding Donation/Acquisition Agreement (hereinafter "Agreement") under the following general terms and conditions:

- A. WWLLC shall donate the land, improvements, inventory, furniture, fixtures and equipment associated and used with the Wild Wings Golf Club to the WWCSA. A complete inventory of the personal property that is expected to be conveyed to the WWCSA will be referenced in the Agreement to be prepared by the WWCSA. WWLLC will not covenant as to the delivery of improvements and personal property at the close of escrow in the event of theft, natural disaster, vandalism, etc.

- B. At WWLLC's sole discretion and at the close of escrow, the WWCSA agrees to deposit into escrow Internal Revenue Service Form 8283 Noncash Charitable Contributions (the "Form 8283") for both land/improvements and personal property with the Donee Acknowledgement section fully completed and signed by an authorized representative of the WWCSA. WWLLC will give the County (10) days notice of its election to have the WWCSA complete the Donee Acknowledgement section of Form 8283 by delivery to the WWCSA the following items:
  - a. A written request that the WWCSA complete the Donee Acknowledgement section of Form 8283.
  - b. A fully executed original Form 8283 with all sections completed and except for the Donee Acknowledgement section.
- C. At the closing, WWCSA will assume all debts and liabilities including all outstanding property taxes and CSA fees for water and sewer services owed as of the closing date and thereafter. This shall also include the golf cart lease(s) associated with the Yamaha golf carts at Wild Wings Golf Club.
- D. At the closing, WWCSA will assume all obligations under any and all agreements entered into by WWLLC. A listing of such agreements to be generated and referenced in the Agreement.
- E. WWCSA shall have until Monday, January 30, 2009 to satisfy itself of all matters regarding its Due Diligence. WWCSA must provide a letter of approval of its Due Diligence, including its research of record title, to WWLLC no later than January 30, 2009.
- F. All costs associated with WWCSA Due Diligence, including all studies, tests, examinations, copies, environmental, etc shall be borne entirely by the WWCSA.
- G. All closing costs associated with this contemplated transaction shall be borne by the WWCSA, including any title insurance fees, escrow and closing costs.

Mr. Philip Pogledich  
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We understand that the WWCSA is not prepared to accept the donation and take title to the Wild Wings Golf Club unless and until: a). The 218 Ballot is supported and approved by the homeowners by December 16, 2008 so as to transfer water and sewer fees from the golf course to the homeowners; and b). the contemplated Special Tax is approved by the WWCSA and submitted to the registered voters located within the CSA on December 9, 2008; and c). the contemplated Special Tax is approved by the registered voters within the CSA, such to occur no later than Friday, March 13, 2009. The escrow closing transferring the Wild Wing Golf Course to the WWCSA shall occur no later than Friday, March 27, 2009

We look forward in continuing to work with you, Mr. Duffey and the Wild Wings homeowners so as to bring this matter to resolution.

Sincerely,  
For WILD WINGS LLC



William B. Baron

Cc: Mr. G. Harold Duffey  
Save Wild Wings Coalition



# County of Yolo

## Office of the County Counsel

625 COURT STREET, ROOM 201 WOODLAND, CALIFORNIA 95695 TELEPHONE: (530) 666-8172  
DIRECT: (530) 666-8275  
FACSIMILE: (530) 666-8279

ROBYN TRUITT DRIVON  
COUNTY COUNSEL

TO: Duane Chamberlain, Chairman and Members of the Board of Supervisors

FROM: Daniel C. Cederborg, Assistant County Counsel *Dec*  
Philip J. Pogledich, Senior Deputy County Counsel *PJ*

DATE: December 9, 2008

RE: Public hearing to consider a special election regarding a proposed special tax on all residential parcels within the Wild Wings County Service Area for golf course operations, maintenance, capital improvements, and related matters (No general fund impact)

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### RECOMMENDED ACTIONS

- A. RECEIVE a report from staff regarding the proposed special tax and related election proceedings; and
- B. ADOPT the attached Resolution providing for a special election to consider the proposed special tax for the acquisition, operation, maintenance, and improvement of the Wild Wings Golf Course.

### FISCAL IMPACT

No general fund fiscal impact is anticipated to result from the recommended actions. The CSA will reimburse the County for costs relating to the special election. The special tax includes amounts necessary to pay past due property taxes and water and sewer fees, which are considered part of the cost of acquiring the golf course.

### REASON FOR RECOMMENDED ACTIONS

On October 21, 2008, the Board of Supervisors (acting as the governing authority of the CSA) initiated proceedings under Proposition 218 to raise existing water and sewer fees for residential parcels and took various related actions. Those actions included directing County staff to return to the Board with information regarding the steps that are necessary to conduct a special tax election. That information is provided herein, together with a Resolution to initiate the election if the Board so desires.

If the Board adopts the attached Resolution, residents within the CSA will be asked to vote on a special tax to fund the acquisition, maintenance, and operation of the golf course, as well as future capital improvement projects thereon. Neither the adoption of the Resolution nor a favorable vote on the special tax obligates the CSA (through future action by the Board of Supervisors) to acquire the golf course. The acquisition of the golf course will instead be the subject of one or more future meetings.

Reviewed By *JKemp* Ext. # 8221

## **BACKGROUND**

The proposed sale or abandonment of the golf course has been the subject of prior discussions before the Board, most recently on October 21, 2008. Staff continue to work with the current golf course owner and operator (Wild Wings LLC) to develop the terms of the proposed sale and to provide for the continued operation of the golf course prior to any transfer. Presently, the golf course remains open, but the owner could elect to close it at any time.

As previously directed, staff have taken all steps necessary to initiate proceedings under Proposition 218 and related laws to raise existing water and sewer fees in the event the golf course is abandoned. The 45-day public protest period is ongoing, and on December 16, 2008 (after the protest period closes) the Board will hold a public hearing on the proposed fee increases.

The proposed special tax is distinct from the proposed fee increases. The purpose of the special tax is to provide a revenue stream for the acquisition, operation, maintenance, and improvement of the golf course, allowing it to stay open. As noted above, the acquisition costs include payment of past due property taxes and sewer and water fees. The amount of the special tax would be up to, but not more than, \$900.00 for the 2008-09 fiscal year, and up to \$1,700 in subsequent fiscal years, together with a cost of living adjustment beginning in the 2010-11 fiscal year of up to four percent annually. These amounts were calculated by CSA staff in consultation with the Auditor-Controller. [Please note that the original public notice for the hearing on this matter included higher estimated tax amounts of \$1,460 for 2008-09 and \$2,460 for subsequent years, and these estimates were reconsidered after publication of the notice.]

In contrast, the proposed fee increases are intended to cover limited maintenance of the golf course property and related costs of operating the CSA's water and sewer system if the golf course closes. The proposed increases would raise water and sewer fees from \$1,438 per year to as much as \$1,937.49 for the 2008-09 fiscal year and \$2,436.99 in subsequent fiscal years. If the special tax is approved and the golf course stays open (or at the very least, is maintained by the current owner in a manner sufficient to allow dispersal of treated wastewater), the proposed fees will not go into effect. But if the golf course is closed, the proposed fees will need to be put into effect to ensure that the CSA has sufficient funds to maintain that property, perform wastewater dispersal activities (currently performed by golf course personnel at no cost to the CSA), and otherwise continue to operate the CSA's water and sewer system.

The bottom line for residents is that if the special tax is approved, they will pay up to an additional \$900 this fiscal year and \$1,700 in subsequent fiscal years, with water and sewer fees remaining at \$1,438 because the proposed fee increases will not need to be put into effect. On the other hand, if the special tax is not approved and the golf course closes down with no maintenance by the current property owner, the new water, sewer, and related fees (unless protested by a majority) will go into effect and the homeowners will pay up to an additional \$500 this year and \$999 in subsequent years. The total cost per residence of "saving" the golf course is thus an estimated additional \$400 this year and \$701 in subsequent years.

To charge a special tax, the Board needs to present the proposed special tax to the electors of the CSA. The attached Resolution is an appropriate way of presenting the special tax to the electors (registered voters within the CSA) under California law. It explains the purpose of the tax, the amount of the tax, the method of

Duane Chamberlain, Chairman and  
Members of the Board of Supervisors  
December 9, 2008  
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collection, and certain related matters. The special tax can only be imposed if at least two-thirds of those voting in the election vote in favor of the tax. If approved, the special tax will not be put into effect unless and until the CSA acquires ownership of the golf course.

Special districts (like the CSA) can hold mailed ballot elections on any date other than an established elections date. Various procedural requirements in California law cover mailed ballot elections. Those requirements are reflected in the attached Resolution, which sets forth the proposed text of the special tax measure, and calls for a special election on March 9, 2009. Ballots will be sent out a few weeks prior to the election date, and they can be returned at any time before or on the election day. This is the earliest date under California law that the special election can be held. The special tax will not take effect unless the CSA acquires the golf course property.

#### **OTHER AGENCY INVOLVEMENT**

The County Counsel's office coordinated with the Planning and Public Works Department and the County Administrator's office in preparing this item for consideration. The Elections division and the Auditor-Controller and Treasurer-Tax Collector were also consulted.

Attachment - Resolution



RESOLUTION NO. \_\_\_\_\_

**Resolution of the Yolo County Board of Supervisors, Acting as the Governing Authority of the Wild Wings County Service Area, Calling and Providing for a Special Election for the Purpose of Submitting a Measure Proposing the Levy of a Special Tax for Golf Course Acquisition, Operations, Maintenance, Capital Improvements, and Related Matters**

**WHEREAS**, pursuant to Resolution No. 2003-11 of the Local Agency Formation Commission, the Wild Wings County Service Area (“CSA”) is authorized to provide park, recreation, and parkway facilities and services, upon a majority vote by the Board of Supervisors acting as the governing board of the CSA;

**WHEREAS**, a golf course facility known as the “Wild Wings Golf Course” (the “Golf Course”) is located within the boundaries of the CSA, and it is currently owned and operated by Wild Wings, LLC; and

**WHEREAS**, Wild Wings, LLC has offered to sell the Golf Course to the CSA subject to certain terms and conditions which remain the subject of ongoing negotiations; and

**WHEREAS**, the Board of Supervisors, acting on behalf of the CSA, has indicated that may consider acquiring the Golf Course if residential property owners within the CSA approve a special tax in an amount anticipated to provide sufficient revenues to defray the operating, maintenance, capital improvement, and related costs of the Golf Course, and to pay amounts owed by the Golf Course parcels for past due water and sewer fees and local property taxes; and

**WHEREAS**, Article XIII.A of the California Constitution and Government Code sections 21210.6a and 50075, et seq., authorize the Board of Supervisors to levy and collect a special tax within the CSA upon the approval of two-thirds of the votes cast by those voting on such special tax proposal; and

**WHEREAS**, the Board of Supervisors has conducted a noticed public hearing, as required by law, on the question of whether to request that the voters authorize a special tax in the CSA for the purposes stated above;

**NOW, THEREFORE**, the Board of Supervisors, acting as the governing authority of the CSA, hereby resolves and orders as follows:

1. **Special Tax.** A special tax shall be levied on all residential parcels within the CSA for the primary purpose of acquiring, operating, and maintaining the Golf Course for park and recreational purposes, subject to the approval of the special tax measure set forth in this Resolution by two-thirds of the registered voters in the CSA voting in a special election and the acquisition of the golf course by the CSA, as follows:

A. Upon the certification of the results of the special election and upon the CSA acquisition of the Golf Course, whichever is later, a special tax is to be levied

against all residential parcels within the CSA in the amount of \$900.00 for the period between the date the special tax becomes effective and June 30, 2009. Said special tax shall not be levied on any property belonging to the state or federal governments or to any local government agency, including the CSA;

- B. Commencing with the 2009-2010 fiscal year on July 1, 2009, and each fiscal year thereafter until rescinded or superseded, a special tax is to be levied against all residential parcels within the CSA in an amount that does not exceed \$1,700.00. Thereafter, said tax shall may be increased each year by an amount that does not exceed the Consumer Price Index (CPI-W and CPI-U) for the San Francisco-Oakland-San Jose, CA area for the most recent February to February as compiled by the Bureau of Labor Statistics, except that such increase shall not exceed four percent in any given year.;
- C. The proceeds of the special tax shall be used only for the purposes set forth in this Resolution, including funding the initial acquisition of the Golf Course (at a cost of \$1.00 plus payment of all outstanding liens and other obligations for water and sewer fees, property taxes, and any other outstanding obligations), as well as subsequent operating, maintenance, and capital improvement costs in an amount calculated to allow the Golf Course to operate on a break-even basis, taking into account expected revenues from golf course play, cart and equipment sales and rentals, and related revenues;
- D. The special tax shall be collected on the property tax roll in the same manner and at the same time as County property taxes, and shall be subject to all laws pertaining to the levy, collection, and enforcement of County property taxes. Under Government Code Section 50077, the County may deduct its reasonable costs incurred for the service of collecting the special tax before remittal of the balance to the CSA; and
- E. If any provision of this Resolution, the special tax measure contained herein, or the application of any such provisions to any persons or circumstances is held invalid, such invalidity shall not affect any other provision or application that can be given effect without the invalid provision or application, and to this extent the provisions thereof shall be severable.

2. **Accountability Measures.** In accordance with Government Code Sections 50075.1 and 50075.3, the following accountability measures shall apply to the special tax set forth in this Resolution:

- A. The specific purposes of the special tax shall be those purposes identified above;
- B. The proceeds of the special tax shall be applied only to those specific purposes identified above;
- C. A separate account shall be created into which the proceeds of the special tax must be deposited; and

- D. An annual written report shall be made to the Board of Directors showing (i) the amount of the funds collected and expended from the proceeds of the special tax, and (ii) the status of any projects required or authorized to be funded from the proceeds of the special tax, as identified above.

3. **Measure for Consideration.** A special election is called and ordered to be held within the CSA on Monday, March 9, 2009, for the purpose of submitting to the qualified electors of the CSA the following special tax measure:

Special Tax to Support Acquisition, Maintenance, and Operation of the Wild Wings Golf Course by the Wild Wings County Service Area.

Shall the Wild Wings County Service Area (CSA) be authorized to acquire, maintain, improve, and operate the Wild Wings Golf Course through the levy of a special tax not to exceed (a) \$900.00 on each residential parcel from the date of certification of this election and CSA acquisition of the golf course, whichever is later, through June 30, 2009; and (b) \$1,700.00 annually on each residential parcel, effective July 1, 2009, subject to cost of living adjustments not to exceed four percent in any year thereafter?

Yes \_\_\_\_\_ No \_\_\_\_\_

4. **Special Election.** The Board does hereby submit the special tax measure to the qualified electors of the CSA at said special election, and hereby designates and refers to said measure in substantially the form set forth above as the measure to be set forth on the ballot for use at said special election. The Board also orders and directs as follows:

- A. The Board hereby authorizes the use of mailed ballots for the special election, and establishes the Yolo Elections Office, 625 Court Street, Room B-05, Woodland, CA 95695, as the drop-off center for the in-person return of mail ballots;
- B. Said special election shall be held and conducted, and the votes received and canvassed, and the returns thereof made and the result thereof ascertained and determined in accordance with California law;
- C. Said special election hereby called shall be held on Monday, March 9, 2009, in all respects as required by and pursuant to California law;
- D. In accordance with the provisions of Section 9313 of the California Elections Code, the County Counsel is hereby directed to prepare an impartial analysis of this measure; and
- E. Arguments for and against this measure may be submitted in accordance with California Elections Code Section 9316 and thereafter.
- F. To the extent authorized by California law, the CSA shall bear all costs of the election, and shall reimburse the County for such costs in a timely manner.

**PASSED AND ADOPTED** by the Yolo County Board of Supervisors, acting as the Board of Directors of the Wild Wings County Service Area, this 9<sup>th</sup> day of December, 2008 by the following vote:

AYES:  
NOES:  
ABSTENTIONS:  
ABSENT:

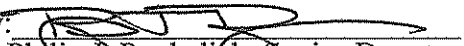
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Duane Chamberlain, Chairman  
Board of Directors

Attest:  
Ana Morales, Clerk of the Board

Approved as to Form:  
Robyn Truitt Drivon, County Counsel

By: \_\_\_\_\_  
Deputy (Seal)

By:   
Philip J. Pogledich, Senior Deputy

## **Wild Wings County Service Area Number 15**

### **Notice of Proposed Fee Adjustment and Public Hearing**

NOTICE IS HEREBY GIVEN that the Yolo County Board of Supervisors will hold a public hearing on Tuesday, December 16, 2008 at 1:30 p.m. at 625 Court Street, Room 206, to consider **proposed increases to water and sewer fees** applicable to residential lots in the Wild Wings County Service Area (the "CSA").

### **Explanation of Water and Sewer Fee Increases**

The proposed increases are necessary to pay for increased operating and maintenance costs anticipated to result from the proposed closure of the Wild Wings Golf Course. The golf course is an integral part of the CSA's water and sewer system. Golf course personnel currently irrigate the golf course with a blend of treated wastewater from the sewage treatment plant and raw water from golf course ponds. This allows for safe dispersal of treated wastewater and is part of the intended method of operating the CSA's water and sewer system.

If the golf course closes, the CSA must take responsibility for these tasks. This will include dispersal activities currently performed by golf course personnel, as well as related maintenance of the golf course property to the extent necessary to ensure proper disposal of blended water. The increased water and sewer fees are required to cover the cost of performing these tasks, as well as related system maintenance, repair, capital replacement, reserve funds, and administration costs. The fees will only be imposed in the amount necessary, which may be less than the amount proposed herein. The fees will take effect only if the golf course closes.

If the golf course closes and the proposed fee increases take effect, the golf course property will no longer be charged any amount for water and sewer services and related costs (though it will continue to be charged an annual fire protection system fee of \$543.00). This is because the golf course will not be able to use these services after it closes; the CSA may confirm this in a written agreement with the golf course operator. To begin using such services following any period of non-operation, the golf course operator will have to advise the CSA of its intentions and develop a means to reimburse the CSA for its fair share of water and sewer system costs. This may require a future fee adjustment notice and public hearing to reallocate these costs to the golf course. If this occurs, it would likely result in a reduction of fees charged to residential customers (assuming the increases proposed in this notice had previously taken effect).

### **Proposed Fee Increases**

The proposed fee increases for water and sewer service provided within the CSA, to be levied each year upon all residential parcels of land within the CSA, are as follows:

**FISCAL YEAR 2008/2009 PROPOSAL**

Proposed Water and Sewer Fee (prorated for the fiscal year):

	Current	Proposed
Water	\$437.79	\$651.98
Sewer, Health and Safety Maintenance	\$1,000.21	\$1,285.51
<b>TOTAL</b>	<b>\$1,438.00</b>	<b>\$1,937.49</b>

Note that the sewer fee has been renamed the “sewer, health and safety maintenance” fee. This reflects the comprehensive nature of the sewer services that will be provided with fee revenues, which (as discussed above) will include activities necessary to ensure the safe dispersal of treated wastewater on the golf course property.

**FISCAL YEAR 2009/2010 (and thereafter)**

Proposed Water and Sewer Fee:

	2008/09 Current fees	Proposed
Water	\$437.79	\$866.17
Sewer, Health and Safety Maintenance	\$1,000.21	\$1,570.82
<b>TOTAL</b>	<b>\$1,438.00</b>	<b>\$2,436.99</b>

This table reflects the full amount of the proposed fee increases.

In addition to these proposed fee amounts, as has been the case since the CSA began operations, a fee of \$0.055 per 100 gallons will be charged for any water use exceeding the baseline of 250,000 gallons per year per single family residence. This is not a change or increase and it will not be affected by the outcome of this proposal to increase the water and sewer fees. Rather, it is part of the existing base fees for services.

**Following these increases, all fees may be increased each year by an amount that does not exceed the Consumer Price Index (CPI-W and CPI-U) for the San Francisco-Oakland-San Jose, CA area for the most recent February to February as compiled by the Bureau of Labor Statistics.**

**Conditions to be Satisfied Prior to any Fee Increase**

As noted above, the proposed fee increases will only go into effect if the golf course operator (a) chooses to cease operations. Also, as required by California law, the fee increases will not take effect if there is a “majority protest” of the proposed increases. If written protests are submitted by a majority of the affected parcel owners, the proposed fee increases cannot be imposed. [Details on how to protest the fee increases are set forth below.]

### **Basis for the Fee Increases**

The water and sewer services that are the subject of this proposed increase are described in this document and in more detail in a fee rate analysis on file with the Clerk of the Board of Supervisors, located at 625 Court Street, Room 204, Woodland, California. The proposed fee increases represent the estimated annual cost of providing water and sewer services to each of the various uses within the Wild Wings County Service Area, assuming the golf course ceases operations and the operator does not use CSA water or sewer services thereafter. The increased fees shall continue from year to year and, as noted above, the actual fees charged will not exceed (and could be less than) the maximum rates set forth herein. Other than increases based on the Consumer Price Index to account for inflation and related factors, any additional increases would require further notice and hearing proceedings as prescribed by law.

The detailed fee analysis available to the public includes changes to two of the original fee allocation formulas to reflect that, if the conditions described above are met, CSA water and sewer services will no longer be provided or available to the golf course property. This information is available for review at the Office of the Clerk of the Board of Supervisors, at 625 Court Street, Room 204, Woodland, California. Specifically, tables 9 and 10 of the fee analysis have been revised (as attached thereto) to reflect the potential cessation of golf course operations and the corresponding impact on the apportionment and cost allocation formulas.

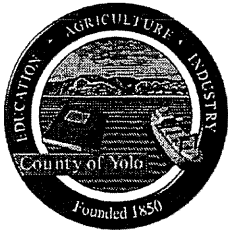
### **How to Protest the Proposed Fee Increases**

If you opposed the proposed fee increases, **your protest must be submitted in writing to be considered** even if you plan to attend the public hearing. If written protests are submitted by a majority of the affected parcel owners—i.e., the owners of all residential parcels in the CSA—the proposed changes cannot be imposed.

**Your written protest must be received prior to the public hearing.** Protests must include a description of the property (i.e., by address or assessor's parcel number), the name of the customer-of-record, a statement of protest ("I/we protest the proposed fee increases" will suffice), and the original signature of the protesting customer(s). Photocopies and e-mails will not be accepted. Your protest should be sent or hand-delivered to: Clerk of the Board of Supervisors, 625 Court Street, Room 204, Woodland, California 95695.

### **If You Want More Information**

Additional information regarding the proposed fee increases may be obtained from Harold Duffey, Chief Assistant Director for the Department of Planning and Public Works, at (530) 666-8040.





# County of Yolo

## PLANNING AND PUBLIC WORKS DEPARTMENT

John Bencomo  
DIRECTOR

292 West Beamer Street  
Woodland, CA 95695-2598  
(530) 666-8775 FAX (530) 666-8728  
www.yolocounty.org

**TO:** SUPERVISOR DUANE CHAMBERLAIN, Chairman,  
and Members of the Board of Supervisors

**FROM:** JOHN BENCOMO, Director,   
G. Harold Duffey, Chief Assistant Director   
Planning and Public Works Department

**DATE:** October 21, 2008

**SUBJECT:** As the Wild Wings County Service Area Governing Board, take the following actions: Consider the recommendations of the CSA Advisory Committee regarding the following: (a) a proposed special assessment for increased water and sewer costs and basic maintenance of the golf course property, (b) a proposed special tax for operation and management of the golf course property and related capital improvements, (c) negotiation with Wild Wings LLC for CSA acquisition of the golf course.

### RECOMMENDED ACTIONS

The Wild Wings County Service Area (CSA) Advisory Committee recommends that the governing Board of Directors for the Wild Wings County Service Area:

- A. Initiate a Proposition 218 hearing for December 16, 2008, at 1:30 p.m., to consider proposed changes in the existing special assessment for the collection of payment for water, sewer, and related services for the Wild Wings County Service Area ("CSA"), including an exemption for the golf course parcels and increased water, sewer, and related costs for all remaining parcels (Attachment A).
  1. Direct staff to mail notice of the proposed changes to the special assessment to property owners within the Wild Wings CSA, at least 45 days before the public hearing, including notification of the opportunity to protest the proposed rate structure and increase, as well as the notice of the public hearing;
  2. Direct the Clerk of the Board of Supervisors to publish a notice pursuant to Section 6066 of the Government Code; and,
  3. Direct staff to take all steps necessary to implement the revised special assessment if it is not successfully protested.
- B. Direct staff to research the steps that are necessary to initiate a special tax election for the collection of funds for Operating, Maintenance, and Capital Improvement projects for Wild Wings Golf Course Recreation Facility, and return to the Board with such information and any related action items at the next regularly scheduled Board meeting or as soon thereafter as such information and action items are ready for Board consideration.



- C. Exercise its authority granted at time of formation (Resolution 2003-11 22(G)) of the Wild Wings County Service Area to provide park and recreation services by directing staff to enter into non binding negotiations for the acquisition of the Wild Wings Golf Course and perform all reasonable due diligence in connection with the potential acquisition; and prepare a resolution of acquisition of the golf course on December 16, 2008, and act upon such said resolution only upon successful passage ( pass by 2/3 vote) of a Special Tax for the Management and Operations of the Wild Wings Golf Course.
- D. Direct CSA staff to work with the Wild Wings Advisory Board and Wild Wings CSA rate payers to:
  1. develop a Request for Proposal (RFP)/Request for Qualifications(RFQ) for the operations and maintenance of the Wild Wings Golf Course on behalf of the CSA;
  2. review the existing capacity of the water and sewer system, and investigate the feasibility of allowing additional customers to hookup to the water and sewer system to lower the overall cost to the system users (recommended by the Advisory Committee on September 15, 2008); and,
  3. return to the Wild Wings CSA Governing Board with results and recommendations no later than December 16, 2008.

### **FISCAL IMPACT**

It is estimated that the impact to the general fund is \$4,000 annually in lost property taxes (resulting from private to public ownership of the golf course). It is also conceivable the general fund would be further impacted if the Wild Wings Golf Course closes and property values are reduced, as some property owners in the Wild Wings development paid lot premiums for lot proximity and access to the golf course.

### **REASON FOR RECOMMENDED ACTIONS**

The recommendations before the Board of Supervisors have two origins:

1. Increase rates/fees to remaining customers in Wild Wings CSA for continued operations of the water and sewer system. The golf course is an integral part of the CSA's water and sewer system. Disbursement of treated water from the sewage treatment plant is currently implemented by golf course personnel. The golf course operator blends fresh/raw water from golf course ponds with treated effluent (gray water) to irrigate the golf course. If the course closes, the CSA will assume the responsibility of the disbursement of gray water and maintenance of the 90 acres (currently known as the golf course) for public health and safety reasons. Therefore, a public hearing and other procedures must be followed in accordance with California law to provide residents an opportunity to protest the new special assessment that will be necessary to fund these activities and related water and sewer costs.
2. The CSA Advisory Board heard testimony from residents at its October 7, 2008 meeting, stating that they are willing to assess themselves through a Special Tax to keep the golf course open; thereby reducing the assessment needed for health and safety purposes. The CSA Advisory Committee reviewed the financial statements of the existing golf course operator, and based on those financials, the committee is confident that a Special tax levied on residential parcels, sale of water to the golf course at costs, and public play green fees, will result in sufficient revenue to keep the golf course solvent.

## **BACKGROUND**

The Wild Wings CSA's fees and charges for sewer and water rates were approved on November 23, 2004. The fees and charges are based on a Water and Wastewater Engineer's Fee Report by Shilt's Consultants, Inc. (SCI) (Attachment B). The report divides the water and sewer system costs among two types of customers, 337 Residential parcels and golf course parcels (9). Wild Wings LLC, a private company (derived from the original developers of the Wild Wings Development), entered into the agreement to pay water and sewer fees of \$180,457 (\$147,452 for water and \$33,005 for sewer), as approved by the Board of Supervisors on November 23, 2004 (Attachment C).

On September 4, 2008, Wild Wings LLC informed Yolo County staff that after several unsuccessful attempts to sell the Wild Wings Golf Course, and/or reduce its operating liability, it would close the Wild Wings Golf Course, effective September 15, 2008. The date has since been extended, and the latest correspondence from Wild Wings LLC, states that the golf course will remain open on a week-to-week basis, allowing the CSA to address this issue with its governing board. Wild Wings LLC also stated that they are hopeful that the CSA or the county will purchase the Wild Wings Golf Course and its equipment from the Wild Wings LLC for \$1.00. In doing so, the Wild Wings LLC will apparently receive tax benefits because of the county's or CSA's tax status.

The CSA Governing Board (Board of Supervisors) received an informational report on September 15, 2008. Since that meeting, the Wild Wings Home Owners Association (HOA), along with a group of homeowners calling themselves "Save the Wild Wings Golf Course" (SWWG), met to discuss the best way to proceed. The HOA's governing rules would require substantial revisions to accept the golf course, and may not meet the tax status to allow Wild Wings LLC to achieve its tax benefit objectives. Therefore, the HOA and the SWWG determined that it would be in the best interest to ask the Wild Wings CSA, through its Advisory Committee, to advocate that the CSA Governing Board acquire the golf course for the \$1.00 fee as offered by Wild Wings LLC (Attachment D).

The Wild Wings CSA advisory committee met at a well-attended public meeting on October 7, 2008, and discussed the following:

- ability for the CSA to acquire the golf course - The Local Agency Formation Commission granted Wild Wings CSA the ability to operate a recreation facility at the time the CSA was formed (Attachment E);
- health and safety issues associated with the course closing - CSA staff solicited a proposal from the existing sewer and water system operator to assume responsibility for the disbursement of treated water from the sewer plant, blending the treated water with fresh water, and irrigating and maintaining the 90 acres in a park-like state, not as a golf course (Attachment F);
- property owner liability if course closes – Staff checked with County Counsel, and the property owner would still be liable for such activity as weed abatement, but the owners resolution to mitigate issues associated with the property may not be palatable or visually acceptable to the homeowners;
- impact to water and sewer system if golf course closes - Staff provided the CSA Advisory Board with information to address the impacts of existing rates for the water and sewer system if the golf course closed (Attachment G), and staff contacted Shilt's Consultants, Inc. (SCI), authors of the original Water and Wastewater Engineers Report, and confirmed that reallocation of the system costs does not warrant an updated, or new, Water and Wastewater Engineer's Report, because the overall costs to the system are being redistributed to the

remaining customers. Future use of the water and sewer system by others shall be at a negotiated rate, and the revenue derived from that use should be equally distributed to CSA customers in the form of lower assessment fees; and,

- ways to increase viability to have a successful golf course at Wild Wings - The committee discussed ideas and established a rate and fee structure to manage, operate, and provide enhancements to the golf course if it were under CSA ownership. Ideas included seeking contract management of the recreation facility (Attachment H).

The CSA Advisory Committee also discussed the outstanding CSA fees owed by Wild Wings LLC, which were paid to the CSA by the county's general fund through the Teeter Plan (Attachment I). The Special Tax includes repayment of CSA fees to the county general fund through the County Tax Collector's five point plan (Attachment J). There is little to no impact to the county's general fund if the CSA Governing Board acts on the CSA Advisory Committee's recommendation.

The CSA Advisory Committee had approximately 100 residents present during its four hour meeting. The CSA Advisory Committee has determined that it is a foregone conclusion that the current owner of the golf course will abandon the golf course, requiring a redistribution of the water and sewer fees to the remaining customers. In addition, the CSA Advisory Committee determined that additional costs will be necessary to distribute treated water in a manner that does not create public health and safety issues. Therefore, the CSA Advisory Committee believes it is in the best interest of the Wild Wings homeowners to have the opportunity to self assess for the additional fees to acquire the golf course for public health and safety reasons, as well as protection of property values.

#### **OTHER AGENCY INVOLVEMENT**

Local Agency Formation Commission  
Auditor–Controller and Treasurer-Tax Collector

#### **ATTACHMENTS**

- A – Proposition 218 Mail Notice
- B – Water and Wastewater Engineer's Fee Report by Shilt's Consultants, Inc.
- C – Establishment of Wild Wings Sewer and Water Fees
- D – Letter from Wild Wings LLC
- E – Resolution from Local Agency Formation Commission
- F – Proposal for Disbursement of Treated Water for Health and Safety Purposes
- G – Impact of Golf Course Closure on Water and Sewer Fees
- H – Proposed Special Tax Amount for Acquisition of CSA Recreation Facility
- I – Wild Wings LLC Outstanding CSA Fees and Property Taxes
- J – County's Tax Collector 5 Pay Plan

<b>Wild Wings Homeowner CSA Assessment</b>						
<b>Current Assessment Plus Special Tax</b>						
<i>WW Golf Course Operational</i>						
<i>Under Lease/or</i>						
<i>New Ownership</i>						
<i>Special tax (March)</i>						
Year 1	Apr-June 09	Year 1	Year 2	Year 3-5	Year 6 - beyond	
<i><b>Existing Annual Assessment</b></i>						
	\$ 1,438	\$ 1,438	\$ 1,481	\$ 1,526	\$ 1,526	
<i>Proposed Changes:</i>						
WW LLC back taxes 07/08 - paid over 5-year period						
	\$ 814	\$ 207	\$ 207	\$ 207	207	
Health & Safety Maintenance Plan provided by CSA (mowing and maintenance of water system)						
Homeowners assume all CSA fees for Golf Course (\$180,498)						
Homeowners assume CSA fees for Golf Course (\$180,498)						
	\$ -	\$ 535	\$ 535	535	535	
Homeowners payment for capital improvements of WW Golf Course						
	\$ -	\$ 200	\$ 200	200	200	
Initial operating and start-up support (\$240,000 per year).						
	\$ -	\$ 712	\$ 712	712	712	
<b>Increase In Annual Assessment</b>						
	\$ 814	\$ 1,654	\$ 1,654	\$ 1,654	\$ 1,654	
<b>Total New Annual Assessment</b>						
	\$ 2,252	\$ 3,092	\$ 3,135	\$ 3,180	\$ 3,180	

<b>Wild Wings Homeowner CSA Assessment</b>				
<b>Current Assessment Plus Health and Safety</b>				
	<i>CSA Maintain (Prop 218)</i>			
	<i>WW Golf Course</i>			
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3-5</b>	<b>Year 6 - beyond</b>
<b><u>Existing Annual Assessment</u></b>	\$ 1,438	\$ 1,481	\$ 1,571	\$ 1,667
<i>Proposed Changes:</i>				
WW LLC back taxes 07/08 - paid over 5-year period	\$ -	\$ -	\$ -	\$ -
Health & Safety Maintenance Plan provided by CSA (mowing and maintenance of water system)	\$ 464	\$ 464	\$ 464	\$ 464
Homeowners assume all CSA fees for Golf Course (\$180,498)	\$ 535	\$ 535	\$ 535	\$ 535
Homeowners assume CSA fees for Golf Course (\$180,498)				
Homeowners payment for capital improvements of WW Golf Course				
Initial operating and start-up support (\$240,000 per year).				
<b>Increase In Annual Assessment</b>	<b>\$ 999</b>	<b>\$ 999</b>	<b>\$ 999</b>	<b>\$ 999</b>
<b><u>Total New Annual Assessment</u></b>	<b>\$ 2,437</b>	<b>\$ 2,480</b>	<b>\$ 2,570</b>	<b>\$ 2,666</b>