

Sacramento Suburban Water District

Disposing of Surplus District Real Property, Vehicles, and Large Equipment and Other Personal Property Policy

Adopted: July 21, 2003

Approved with Changes on June 17, 2024

100.00 Purpose of the Policy

The primary purpose of this policy is to allow management staff to determine if a parcel of real property, easement, vehicles, or large equipment or other personal property is no longer needed for daily, emergency, or future operations. A staff report is generated to document why a parcel of real property, easement, vehicles, or large equipment or other District property should not be retained.

100.10 Definitions

Real Property – Any parcel of land owned by the District.

Easement – An interest in another’s real property that permits the District to make limited use of that real property for a District purpose.

Vehicles and Large Equipment – Utility trucks, dump trucks, tractors, backhoes, forklifts, generators, and other significant equipment used in District operations.

Personal Property – Small equipment (cut-off saws, drills, etc.), computer equipment (monitors, printers, etc.), office furniture.

200.00 Disposal of Real Property

1. District management staff determines if a parcel of real property no longer meets the needs of daily, emergency, or future operations, and staff generates a report to document why the parcel should be disposed of.
2. District management staff determines if a parcel is either “surplus land” falling within the notice and offer procedures provided in the Surplus Land Act (“SLA”), Government Code sections 54220 through 54234, as it may be amended from time to time, or is “exempt surplus land” which is eligible to be disposed of with complying with the SLA’s notice and offer procedures. Staff shall prepare a resolution with appropriate findings for presentation at an upcoming regular noticed public meeting for the Board to declare the surplus real property either “surplus land” or “exempt surplus land” and a staff report describing the process

to be followed to dispose of the land depending on the determination of its status. The process shall comply with the requirements of the SLA and the California Department of Housing and Community Development's ("HCD") SLA Guidelines ("Guidelines"). If the District must follow the SLA's statutory notice and offer procedures before selling surplus real property, management staff shall obtain a qualified appraisal of the parcel. Management staff shall consult with legal counsel and HCD as necessary to determine if the proposed surplus land is exempt or non-exempt.

3. At the regular noticed public meeting where a resolution and findings for declaring a surplus parcel or parcels of real property will be presented, the Board of Directors shall review the staff report, resolution, findings, and other relevant information and determine whether to adopt the resolution declaring the subject real property exempt surplus or surplus subject to the SLA's notice and offer procedures. If the parcel or parcels must be offered to the designated public agencies and other entities under the statutory notice and offer procedures prescribed by the SLA, the General Manager or their designee will give the qualifying agencies and entities notice of the parcel's availability for purchase. If none of the agencies or entities to which notice must be given notifies the District within 60 days after receiving notice that they are interested in buying the surplus parcel, then the District may sell the parcel by advertised public sale. If an authorized agency or entity notifies the District of an interest in purchasing the surplus land, staff shall negotiate with the interested party for sale of the land for up to the statutory minimum 90 days.
4. In all cases where the statutory notice and offer procedures have not resulted in disposal of a non-exempt surplus parcel, the District will sell the surplus real property by public sale. The General Manager will notice the parcel's sale at the appraised value unless the Board of Directors authorizes a different price. The notice of sale will contain a description of the property; a statement of time and place for opening bids. Bids for the purchase of real property will be accepted or rejected by a resolution of the District Board of Directors. Alternatively, the District may list the surplus parcel for public sale with a licensed real estate broker in good standing who advertises the parcel through a multiple listing service or similar listing system at a fair market value determined by the broker using comparable sales data. Documents for the conveyance of title to surplus real property will be executed by the President of the Board upon authorization by the Board of Directors.
6. If the General Manager determines that a parcel is exempt surplus land and is not subject to the SLA notice and offer procedures, it will not be necessary to obtain a formal appraisal of the property. If circumstances warrant, the surplus parcel may be sold for less than fair market value. In such cases, the General Manager or their designee will prepare a staff report documenting why the parcel was not appraised, why it may be sold for less than fair market value, the fiscal impact of selling the parcel, and why it is exempt from the SLA's notice and offer

procedures. After review of the staff report, the Board of Directors may approve the sale of the exempt surplus parcel by motion. A staff report and a certified copy of the Board of Directors Meeting minutes reflecting the Board's approval of the sale is sufficient to authorize the General Manager to make the sale.

7. After a parcel of real property has been determined by the District to be surplus or exempt surplus and before the surplus parcel is disposed of, staff will process the determinations through HCD as required by law.

300.00 Relinquishment of District Interest in Easements

1. Staff determines if an easement no longer meets the needs of daily, emergency, or future operations of the District. Staff then will generate a report documenting the justification for relinquishing the easement and will determine if the easement has any fair market value. Staff will forward the report to the General Manager for review. The General Manager then will present the staff report to the Board at its next regular meeting with a recommendation for the Board to adopt a resolution declaring the easement to be exempt surplus land under Government Code section 54221(f)(1)(E) and authorizing its relinquishment after HCD approval.
2. If staff determines that an easement has no or nominal fair market value, the General Manager shall have the authority, after the required Board and HCD action, to sign and record a quitclaim deed to the underlying fee title property owner to relinquish the District's interest in the easement. If the easement is a Public Utility Easement, the General Manager shall notify the underlying property owner(s) of the District's decision to remove its existing uses from the easement.

400.00 Disposal of Vehicles and Large Equipment

1. At least once each calendar year, staff will prepare a list of District vehicles and large equipment that are deemed surplus.
2. District management staff will establish values and set minimum bid prices for each vehicle or piece of large equipment to be sold by public auction. If staff, during the process of establishing value to a vehicle or piece of large equipment, determines that the particular vehicle or equipment has minimal or no value or the costs of preparation for sale and sale are greater than the value of the vehicle or equipment, then the General Manager is authorized to dispose of the property in accordance with Sections 500.00 (5) and (6) of this policy.
3. The General Manager may authorize the sale of surplus vehicles and large equipment with an estimated value of \$15,000 or less. Vehicles and large equipment with an estimated value greater than \$15,000 will be sold as surplus following authorization by the Board of Directors at a public meeting.

4. Vehicles or large equipment are to be sold at public auction. The General Manager will consign the vehicles or equipment to a public auctioneer after posting a notice concerning the sale of the vehicle or large equipment.

400.10 Guidelines Concerning the Sale of Surplus Vehicles and Large Equipment

Prior to the sale of surplus vehicles or large equipment, the General Manager will direct staff to take the following actions:

1. Remove all District equipment from the vehicle or large equipment (radio, decals, etc.).
2. Clean, and if necessary, repair the vehicle or large equipment if it has an immediate safety issue.
3. Vehicle or large equipment will be sold at public auction.
4. Establish vehicle or large equipment value using an appropriate, publicly available valuation tool such as the Kelley Blue Book, qualified appraisal, trade publications, or classified newspaper advertisements. Staff will prepare a written report concerning the valuation of the item and attach appropriate documentation.
5. Arrange for the delivery and consignment of the item and in consultation with the General Manager and auctioneer, determine an appropriate reserve or minimum price for the item.
6. Prepare and post a notice of sale. The notice and advertisement will include the vehicle or large equipment description, minimum bid, conditions of sale, and place of public auction.
7. When the vehicle or large equipment is sold, the General Manager or their designee will sign the "pink slip," bill of sale, and any other documents required to complete the sale.
8. After the vehicle or large equipment is sold, the General Manager or their designee will complete paperwork as required by DMV to report the sale of the vehicle or large equipment and return all completed forms and vehicle license plates to DMV.

500.00 Disposal of Other Personal Property Other than Vehicles/Large Equipment

1. At least once each calendar year, staff will prepare a list of District personal property, other than vehicles and large equipment, which is deemed surplus.
2. District management staff will establish values and set minimum bid prices for each item of personal property to be sold by public auction. If staff, during the process of establishing value to an item of personal property, determines it to be

of diminutive or no value, the General Manager is authorized to dispose of the property in accordance with Sections 500.00 (5) and (6) of this policy.

3. The General Manager may authorize the sale of personal property with an estimated value of \$15,000 or less. Personal property with an estimated value greater than \$15,000 will be sold as surplus following authorization by the Board of Directors at a public meeting.
4. Surplus personal property is to be sold at public auction. The General Manager will consign the personal property to a public auctioneer after posting a notice concerning the District's sale of the property.
5. For surplus items not sold, the General Manager has the authority to donate such items to another government agency or any non-discriminatory, tax-exempt non-profit organization qualified under Internal Revenue Code section 501(c)(3).
6. If an item of surplus property is not sold during sale and the General Manager is unable to donate the surplus items to a qualified government agency or tax-exempt organization, the General Manager may properly dispose of such items at a legal disposal site.

600.00 Revenue from Disposal of Surplus Property

All revenue received from the disposal of surplus real or personal property will be deposited in the District's General Operating Fund unless otherwise specified by the Board of Directors.

700.00 Prohibition Against Upgrades

Unless necessary to ensure the safety, merchantability, or serviceability of surplus property, District staff may not make any repairs or upgrades to any real or personal property recommended or already deemed to be surplus. For example, staff may not replace a vehicle's worn but serviceable tires with new tires, nor may staff add or replace optional equipment that enhances a vehicle's value. Before sale and upon the General Manager's authorization, District staff may repair or replace parts on a surplus item if it is necessary to ensure that it is safe, serviceable, or merchantable.

800.00 Prohibited Director, Officer, and Employee Transactions

In accordance with Government Code section 1090, all members of the District Board of Directors and the General Manager are prohibited from purchasing surplus District real or personal property. Staff members generally are eligible to buy surplus District real or personal property noticed for sale on the same terms and conditions as those offered to members of the public, except that any District employee who actively participated in determining an item's price, surplus status, or conditions of sale is prohibited from purchasing such items because the employee is deemed by law to have a prohibited interest in the sale. The General Manager, in consultation with the

Board and legal counsel, will determine if an employee has a prohibited interest in an item of surplus property.

900.00 Lot or Group Sales

The District reserves the right to place items of surplus property in a group or lot for sale to the highest bidder.

1000.00 Policy Review

This policy shall be periodically reviewed by the Board of Directors in accordance with its established policy review schedule.