

Amador Water Agency

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

Reviewed and Adopted:
04-23-2020

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 and/or future operations. A staff report is generated to document why a parcel of real property, easement, vehicles or large equipment or other Agency property should not be retained.

100.10 Definitions

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

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

Vehicles and Large Equipment – Utility trucks, dump trucks, tractors, backhoes, forklifts, and other significant self-propelled equipment used in Agency operations.

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

200.00 Disposal of Real Property

1. Agency management staff determines if a parcel of real property no longer meets the needs of daily, emergency and/or future operations. A staff report is generated to document why the parcel should not be retained.
2. Agency management determines if a parcel falls within the notice and offer procedures provided in Government Code sections 54220 through 54232, as they may be amended from time to time. If the statutory notice and offer procedures must be followed, the Agency must obtain a qualified appraisal of the parcel and offer the surplus real property to specified public agencies before it can sell the property to other public agencies or a private party. The specified public agencies are as follows:

- a) Amador Tuolumne Community Action Agency (ATCAA) for developing low- and moderate-income housing;
 - b) Amador County Recreation Agency (ACRA) for park and recreational purposes;
 - c) ACRA has jurisdiction over the area in which the surplus real property is located if it is to be used for park and recreational purposes;
 - d) The State Resources Agency for park and recreational purposes; and
 - e) The Amador County Unified School District (ACUSD) in whose jurisdiction the parcel is located.
3. A parcel of real property is exempt from the statutory notice and offer procedures if it:
- a) Is less than 5,000 square feet; **or**
 - b) Is less than “the minimum legal residential building lot size for the jurisdiction in which the parcel is located”; **or**
 - c) Has no recorded access and is less than 10,000 square feet; **and**
 - d) Is not: (a) contiguous to land owned by a state or local agency that is used for park, recreational, open-space, low- or moderate-income housing; or (b) located in an enterprise zone or high-density, economically-distressed areas involved in certain redevelopment program; **and**
 - e) Is sold to the owner of contiguous land.
4. The Board of Directors declares real property surplus and determines if a parcel must be offered to the designated public agencies under the statutory notice and offer procedures prescribed by the Government Code or is exempt from such procedures. If the Agency must sell a surplus parcel under the statutory notice and offer procedures, the General Manager will give qualifying public agencies notice of the parcel’s availability for purchase. If none of the agencies to which notice must be given notifies the Agency within 60 days after receiving notice that they are interested in buying the surplus parcel, then the Agency may sell the parcel by advertised public sale.
5. In all cases where the statutory notice and offer procedures have not resulted in disposal of a parcel, the Agency will sell 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 Agency Board of Directors. Alternatively, the Agency 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 surplus parcel is exempt from the Government Code's 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 his 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 Government Code notice and offer procedures. After review of the staff report, the Board of Directors may approve the sale of the 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.

300.00 Relinquishment of Agency Interest in Easements

1. Staff determines if an easement no longer meets the needs of daily, emergency and/or future operations of the Agency. Staff then will generate a report that documents the justification for relinquishing the easement and makes a determination whether the easement has any fair market value. Staff then will forward the report to the General Manager for review. If staff determines that the easement has fair market value, the General Manager will present the staff report to the Board at its next regular meeting with a recommendation for Board action on relinquishing the easement in accordance with Article 200.00 of this policy.
2. If staff determines that the easement has nominal fair market value, the General Manager shall have the authority, upon review and approval of the recommendation in the staff report, to sign and record a quitclaim deed to relinquish the Agency's interest in the easement. If the easement is a Public Utility Easement, the General Manager shall have the authority, upon review and approval of the recommendation in the staff report, to sign an easement relinquishment letter.
3. If, upon recommendation of staff, the General Manager authorizes disposal of an easement under this Article, then the General Manager will report the disposal of the easement to the Board at its next regular meeting following the recording of the quitclaim deed relinquishing the easement.

400.00 Disposal of Vehicles and Large Equipment

1. At least once each fiscal year, the General Manager will prepare a list of Agency items that have exceeded their useful life.
2. Agency management staff will establish values and set minimum bid prices for each vehicle or item of large equipment to be sold. If staff, during the process of establishing value to a vehicle or piece of large equipment, determines that the particular vehicle or equipment has diminutive 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. All vehicles and large equipment will be disposed of as surplus, at the General Manager's discretion, following authorization by the Board of Directors at a public meeting.

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 Agency 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 his/her 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 his/her 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 fiscal year, the General Manager will prepare a list of Agency personal property, other than vehicles and large equipment, which is deemed surplus.
2. Agency management staff will establish values and set minimum bid prices for each item of personal property to be sold. 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 to be sold as surplus following authorization by the Board of Directors at a public meeting.
4. 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).
5. 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 Agency's General Operating Fund unless otherwise specified by the Board of Directors.

700.00 Prohibition Against Upgrades

Unless necessary to ensure the safety, merchantability and/or serviceability of surplus property, Agency 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, Agency staff may repair or replace parts on a surplus item if it is necessary to ensure that it is safe, serviceable and/or merchantable.

800.00 Prohibited Director, Officer and Employee Transactions

In accordance with Government Code section 1090, all members of the Agency Board of Directors and the General Manager are prohibited from purchasing surplus Agency real or personal property. Staff members generally are eligible to buy surplus Agency real or personal property noticed for sale on the same terms and conditions as those offered to members of the public, except that any Agency 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 Agency 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 reviewed at least every two years.