

Attachment 3

RESOLUTION 2533

RESOLUTION OF THE BOARD OF DIRECTORS
OF WESTERN MUNICIPAL WATER DISTRICT
OF RIVERSIDE COUNTY REGARDING DISPOSAL
OF SURPLUS DISTRICT PERSONAL PROPERTY

WHEREAS, pursuant to Water Code Section 71690, the District is authorized to hold, use, enjoy, lease or dispose of real and personal property of very kind; and

WHEREAS, from time to time personal property, such as equipment, formerly necessary for District operations becomes outdated, worn-out, unnecessary, or otherwise surplus to District needs; and

WHEREAS, the Board of Directors desires to adopt this Resolution in order to establish procedures under which the District may dispose of surplus District personal property.

NOW THEREFORE, the Board of Directors of the Western Municipal Water District of Riverside County hereby resolves as follows:

1. Authority to Dispose of Surplus Personal Property.

The authority and powers set forth herein shall be exercised by the General Manager or his or her designee (collectively referred to herein as the "General Manager") to sell such personal property, such as equipment, at prices, terms and conditions that are determined to be the most efficient and economical means and pursuant to the following procedures. Items that may be designated as surplus personal property may include any items of District property including, but not limited to, machinery, motor vehicles, furniture, supplies, or other equipment owned by the District.

2. Value of Surplus Personal Property Is Less Than \$10,000. In all cases where the estimated value of surplus personal property is less than ten thousand dollars (\$10,000),

the General Manager may sell or otherwise dispose of such surplus personal property by any of the following methods:

(a) Sealed bid or public auction. The procedure for conducting a sale by means of sealed bid or public auction shall be determined by the General Manager providing, however, that the following are included in such procedure: (1) At least one notice, three days before the sale, shall be posted in three public places in the District, containing a general description of the type of property to be sold and the time and place of such bid opening or auction; (2) The terms of all sales shall be cash; (3) The sale by sealed bid or auction shall be to the highest responsible bidder; and (4) A receipt shall be given to the purchaser. In conducting an auction, the General Manager may contract for professional auction services. The minimum bid price shall be set to recover as much of the District's administrative costs as possible regarding the bid process and sale.

(b) Sale in open market. For sale of surplus personal property in the open market, the General Manager shall make an investigation of the market conditions of personal property of the type declared surplus and determine the fair market value for all surplus property, plus the District's administrative costs regarding advertising and related costs. The General Manager may then sell the surplus personal property by advertising in the most appropriate means which, in his/her opinion, will bring the greatest number of potential purchasers. A notice of the sale shall be posted in three (3) places, at least three (3) days before the sale, which notice shall set forth the day and time it shall begin; the number of days it is to be continued if it is to last more than one (1) day; the place where the articles may be examined; the place where the purchase price is to be paid and the property delivered; and a

general description of the type of property being sold. The terms of all such sales shall be cash in the amount of the full purchase price. The General Manager shall give a receipt to the purchaser of such property and keep a copy for the files.

(c) Internet auction sale. The General Manager may determine the fair market value of surplus personal property and utilize an Internet auction service to sell such property. Notice of sale/auction of surplus personal property shall be posted on the District's website and at the District offices. In all cases, the minimum bid price or sale price shall be based on the fair market value of the items to be sold and shall be set to recover as much as possible of the District's administrative costs regarding the Internet auction and sale of surplus personal property.

(d) Report to the Board. Prior to implementing the procedures set forth in this Resolution, the General Manager shall report to the Board the following items: (i) motor vehicles; (ii) items which had an original purchase price of \$10,000 or more; (iii) any other items the Board may request to be notified of from time to time. Unless otherwise determined by the Board, said reporting and notification shall be for information purposes only and shall not constitute a requirement of prior Board approval before the General Manager may proceed with the sale and disposition pursuant to this Resolution.

3. Value of Surplus Property Is \$10,000 or Greater. In all cases where the estimated value of surplus personal property is ten thousand dollars (\$10,000) or greater, the surplus personal property will be sold or otherwise disposed of as follows. The Board, by resolution, may make the following findings and determinations: (a) that certain personal property held by the District is no longer necessary to be retained for

the uses or purposes of the District, and is not anticipated to become necessary to the District in the future; (b) that said property is therefore declared surplus; and (c) that the General Manager or designee shall then proceed to sell or otherwise dispose of said property in accordance with Resolution 2533 regarding Disposal Of Surplus District Property.

4. Trade-In Surplus Personal Property. Notwithstanding any provisions of this Resolution for the sale of surplus personal property in the open market or any auction, the General Manager may trade in surplus personal property with an amount he/she determines to be reasonable, to be allowed toward the purchase of a similar type of personal property. Typical situations where this might apply might be in the disposal of used motor vehicles and other machinery and equipment for which trade-ins are commonly permitted by the manufacturer.

5. Donation of Surplus Personal Property with Minimal or No Salvage Value. In all cases where the estimated value of surplus personal property has minimal or no salvage value, the General Manager may donate such personal property to non-profit groups and organizations. The General Manager shall ascertain donees through a list generated from applications filed by interested non-profits. Publication of available surplus property will be made to the public to provide an ongoing opportunity for various non-profits to apply. Although the District recognizes that non-profits with associations to the District's mission will receive priority for the donation of District surplus property, efforts will be made to rotate donations equitably among the listed non-profit groups and organizations.

6. Sale of Unserviceable Junk or Scrap Personal Property. When any surplus personal property is deemed to be unserviceable, junk or scrap, or otherwise no longer suitable

for its original purpose, the General Manager shall dispose of such surplus personal property by destruction, trade or sale of the property at the best competitive price available in the open market without regard to the other provisions of this Resolution.

7. Prohibited Participation. In order to avoid conflict of interest issues, as well as the appearance of any conflict of interest issues, no sale or other disposition shall be made hereunder to a District board member, employee, officer, consultant, or to any member of the immediate family of any such person. However, the Board may determine, in its sole discretion, to permit bids and/or sales to employees in the case of particular sales. Any such determination shall be made by resolution and shall be subject to applicable laws, rules and regulations. Such legal requirements include, but are not necessarily limited to, the restriction that any employee who participated in, or otherwise influenced, the determinations involved in the sale shall not be permitted to participate in said sale.

8. Resolution Shall Be Controlling. This Resolution shall be effective upon adoption and shall be deemed to be controlling over any other policy, rule or regulation which may be contrary to the provisions of this Resolution. Upon the effective date of this Resolution, Resolution 1899 and any other policy, rule or regulation in conflict with the provisions of this Resolution shall be deemed to be superseded and of no further force or effect.

ADOPTED, this 4th day of June, 2008.


S.R. 'Al' LOPEZ
President

June 4, 2008

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of Resolution 2533 adopted by the Board of Directors of Western Municipal Water District of Riverside County at its regular meeting held June 4, 2008.


CHARLES D. FIELD
Secretary / Treasurer