

**Agenda Item:** {{section.number}}G

May 18, 2022

**TO: THE BOARD OF DIRECTORS**

Brenda Dennstedt, President  
Gracie Torres, Vice President  
Mike Gardner, Secretary-Treasurer  
Fauzia Rizvi  
Laura Roughton

**FROM:** Craig D. Miller, P.E., General Manager

**RECEIVE AND FILE NOTICE OF DISPOSAL OF SURPLUS DISTRICT PROPERTY**

**RECOMMENDATION:**

The Engineering, Operations, and Water Resources Committee and Staff recommend the Board of Directors:

1. Receive and File Notice of Disposal of Surplus District Property

**EXECUTIVE SUMMARY:**

Three vehicles, two tractors, and one generator are being recommended for orderly disposal due to poor or end-of-service life conditions or non-compliance with the California Air Resources Board. The generator is non-compliant and the tractors will not be compliant as of December 31, 2022. Western Municipal Water District Resolution 2533 cites Water Code section 71690 and grants the General Manager authority to sell or otherwise dispose of surplus property through various procedures, as listed in the resolution. Prior to disposal, Subsection 2(d) of the resolution requires that the General Manager report to the Board of Directors prior to disposing of machinery, motor vehicles, or other items with an original purchase price of \$10,000 or more.

**BUDGET IMPACT:**

Upon completion of the auction, the proceeds net of commission, will be used to calculate and recognize either a gain or loss on the disposal of surplus capital assets.

**DETAIL:**

The three vehicles, two tractors, and one generator listed in the attachment log (Attachment 1) are recommended for orderly disposal due to poor or end-of-service life conditions, as well as not being compliant with the California Air Resources Board emission requirements.

Under California Water Code section 71690, Western is authorized to dispose of real and personal property. Western Resolution 2533 updated and adopted in 2008 (Attachment 3), directs staff to identify the most efficient and economical means to dispose of surplus equipment and vehicles. As outlined in Resolution 2533, three (3) methods are described, including: public auction or sealed bid, internet auction, or open market sale. Staff reviewed each option and determined that a contracted public auction would provide the greatest efficiency in this case.

Requests for quotes were circulated to vendors that offered all-inclusive public auction services. Out of the seven vendors identified, three responded.

Staff identified Ken Porter Auctions as the best value to Western to provide auction services, with a commission rate of 3 percent of the sale price. A comparison of the three (3) responsive vendors is attached to this staff letter (Attachment 2).

**STRATEGIC PRIORITIES REFERENCE:**

Financial Stewardship: Asset Management Strategy.

**LEGAL COUNSEL REVIEW:**

Not applicable.

Respectfully submitted by:

Craig D. Miller, P.E., General Manager

Attachments:

1. Surplus Equipment Log - 2022
2. Vendor Bid Comparison Sheet
3. Resolution 2533 Surplus Property