



SURPLUS PROPERTY DISPOSAL POLICY

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Administering Entity: : Board of Directors and General Manager

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Responsibility for Review: : Board of Directors and General Manager

Purpose for Surplus Property Disposal Policy

This policy sets the authority and guidelines of disposing of surplus property belonging to CCCSD that is no longer needed or has no practical use to CCCSD any longer. The General Manager is responsible for the orderly disposition of surplus property. The disposal of CCCSD surplus property for personal gain or to benefit the interest of any person or party other than the CCCSD, including the handling or disposal of trash or junk is strictly prohibited. CCCSD employees shall not claim ownership of, give away, recover or salvage any materials abandoned, disposed of or stored on CCCSD property outside of these guidelines. This prohibition includes giving any such property or proceeds to any person or party other than for the benefit and interest of CCCSD. Nor shall they authorize any other person or party to accept, receive or take any such surplus property to benefit their own interest, except as provided herein.

POLICY

The General Manager shall present a list of items to the CCCSD Board of Directors intended to be declared as surplus and shall determine the fair market value for each individual item. The list shall contain a full description of the item and the fair market value.

Items that may be declared as surplus property may include any item of CCCSD property including, but not limited to:

- Machinery
- Motor Vehicles
- Furniture
- Supplies
- Equipment, such as computers and printers, phones, cameras, scanners, monitors, etc.
- Land-the sale of land requires authorization by an Ordinance and must follow all state laws.

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

1. **Sealed Bid or Public Auction**-the procedure for conducting a sale by these methods shall be determined by the General Manger, however the following must be included in the procedure:
 - a) At lease one (1) notice, seven (7) days before the sale, shall be posted in three (3) public places within the CCCSD area, containing a general description of the type of property to be sold and the time and place of such bid opening or auction.
 - b) The terms of all sales shall be cash.
 - c) The sale by sealed bid or auction shall be to the highest responsible bidder.
 - d) A receipt shall be given to the purchaser.

If conducting an auction, the General Manager may contract for professional auction services if deemed necessary. The minimum bid price shall be set to recover as much of the CCCSD's administrative costs as possible regarding the bid process and sale.

2. **Sale in Open Market**-For sale of surplus property in the open market, the General Manager shall investigate the condition of the market for the type of surplus item and determine the fair market value for that item, the CCCSD's administrative costs regarding advertising and related costs. The General Manger may then sell the surplus property by advertising in the most appropriate means which will bring the greatest number of potential purchasers. The following must be included in the procedure:
 - a) The sale shall be posted in three (3) public places within the CCCSD area three (3) days before the sale, containing a general description of the item to be sold and the time and place where the item may be examined and the place where the purchase price is to be paid in full and the place where the item may be picked up.
 - b) The terms of all sales shall be cash.
 - c) A receipt shall be given to the purchaser.

3. **Internet Auction Sale**-The General Manager shall determine the fair market value of surplus property and utilize an internet auction service to sell such property. The following must be included in the procedure:
 - a) Notice of sale/auction of surplus property shall be posted on CCCSD's website and at the District Office.
 - b) In all cases the minimum shall be based on fair market value plus the costs of using the auction service.
4. **Trade-In Surplus Property**-The General Manager may trade in surplus property after determining the fair market value of the item and determining the trade-in value to be reasonable, that will be applied toward the purchase of a similar type of property. Typical situations where this might apply might be the trade in of a used motor vehicle or machinery or equipment for which trade-ins are commonly permitted by the seller.
5. **Donation of Surplus Property with Minimal or No Salvage Value**-In all cases where the fair market value has minimal or no salvage value the General Manger may donate such items to other like agencies or non-profit groups and organizations with CCCSD's boundary. The General Manger shall follow these procedures:
 - Place a notice of the items to be donated on CCCSD's website
 - Provide a description of the items to be donated
 - Request that interested non-profit organizations or groups within CCCSD's boundaries call the District office and request to be put on the list for consideration of receiving the donated items.
 - Effort will be made to rotate donations equitably among the list of non-profit groups or organizations, so they same ones are not always the recipient of donated items.
6. **Sale of Unserviceable Junk or Scrap Property**-When any surplus property is deemed to be unserviceable, junk or scrap or otherwise no longer suitable for its original purpose, the General Manger shall dispose of such items by destruction, scrap, trade or sale of property at the best competitive price available.

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 CCCSD Director, employee, a District consultant or to any member of the immediate family of any such persons. However, the General Manger may determine, in his/her sole discretion, to permit bids and/or sales to employees in the case of items for sale of \$500.00 or less. Any such determination shall be made subject to applicable laws, rules and regulations. Such requirements include but are not 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.

Employees violating this policy may be subject to disciplinary action in accordance with CCCSD policies.

NOTIFICATIONS

The General Manager will post all surplus property items for sale on CCCSD's website in addition to the advertising requirements in the above sections.

A CCCSD Director or other interested member of the public may ask that the CCCSD Board discuss a particular surplus property item in a public meeting prior to sale as long as that request is made in writing 72 hours prior to the scheduled sale and/or auction.

All property is Public Record and reported to Shasta County annually on Form 571-L Business Property statement. Make sure that the sale of surplus property is reported correctly to the county on this form.