



OLYMPIC VALLEY PUBLIC SERVICE DISTRICT BOARD REPORT



SUBJECT:	Review of Policy 3085, <i>Disposal of Surplus Property</i>	EXHIBIT:	F-4, 7 Pages
AUTHOR:	Jessica Asher, Board Secretary	MEETING DATE:	September 29, 2026

RECOMMENDED ACTION: Adopt Resolution 2026-22, approving revisions to Policy 3085, *Disposal of Surplus Property*.

DISCUSSION: The District's *Disposal of Surplus Property* Policy (Policy 3085) was last revised on October 31, 2006. The purpose of the policy is to establish how District property that's no longer needed for operations is identified, declared, and disposed of, and to make sure that process is fair, transparent, economically sound, and consistent with governing codes and policies, including California Water Code Section 31041.

Staff recommends a comprehensive revision of Policy 3085. The current policy does not reflect the range of disposal circumstances staff routinely encounter or provide for efficient disposal of lower-value property at the staff level. The proposed revision establishes tiered disposal authority for the Department Head, General Manager, and Board of Directors based on the estimated fair market value of the property; expands the approved methods of disposal; and updates documentation, conflict-of-interest, and data-security requirements and procedures. The revision also clarifies that real estate sales, including land and improvements, must follow the Surplus Land Act. The proposed approval thresholds allow for Department Head authority below \$500, General Manager authority from \$500 up to \$10,000, and Board of Directors authority at \$10,000 or above. These thresholds were developed for consistency with the District's existing policies, with the \$10,000 threshold for Board authority mirroring the capitalization threshold established in the District's Capital Asset Policy (Policy 2035).

To maintain transparency, staff will record all surplus property, regardless of approval level, on a surplus log and provide the Board with an annual summary of disposals for items not otherwise reported. Consistent with the District's other governing policies, Policy 3085 will continue to be reviewed periodically and updated as necessary.

FISCAL/RESOURCE IMPACTS: There is no fiscal impact of approving this policy.

ATTACHMENTS: Resolution 2026-22 (1 page)
Proposed Policy 3085 Disposal of Surplus Property (4 Pages)
Current Policy 3085, Disposal of Surplus Property (1 Page)

DATE PREPARED: September 21, 2026

RESOLUTION 2026-22

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLYMPIC VALLEY PUBLIC SERVICE DISTRICT ADOPTING REVISIONS TO THE DISPOSAL OF SURPLUS PROPERTY POLICY (POLICY 3085)

WHEREAS, the Olympic Valley Public Service District is an independent special district, organized under Water Code section 30000, et seq. in 1964; and

WHEREAS, the Board of Directors authorized the development of a District Policy Manual on July 25, 2006 to set forth operating policies applicable to all District employees and appointed and elected officials; and

WHEREAS, the District adopted a Disposal of Surplus Property Policy, policy number 3085, which was last revised on October 31, 2006; and

WHEREAS, the purpose of the Disposal of Surplus Property Policy is to establish the procedures and methods for the identification, declaration, and disposal of District property that is no longer needed for operations and to ensure that surplus property is disposed of in a manner that is fair, transparent, economically prudent, and consistent with governing codes and policies; and

WHEREAS, revisions to Policy 3085 (Disposal of Surplus Property) are necessary to replace the District's narrowly-scoped procedures for equipment and real estate sales with a comprehensive policy establishing tiered approval authority based on estimated value, an expanded range of disposal methods, and updated documentation, conflicts-of-interest, and data-security requirements, in order to give staff clear direction on the disposal of surplus property, efficient authority over lower-value dispositions, and strengthened transparency and oversight.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Olympic Valley Public Service District hereby adopts revisions to the Disposal of Surplus Property Policy, Policy Number 3085, a copy of which is attached hereto.

PASSED AND ADOPTED this 29th day of September, 2026 at a regular meeting of the Board of Directors of the Olympic Valley Public Service District, by the following vote on roll call:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Dale Cox, Board President

ATTEST:

Jessica Asher, Board Secretary

Policy 3085 Disposal of Surplus Property or Equipment

PURPOSE

This policy establishes the procedures for the identification, declaration, and disposal of District property that has little or no remaining useful life or that a Department Head or the General Manager has determined is no longer needed for the operations of that department and is not needed by any other District department. This Policy is intended to ensure that surplus property is disposed of in a manner that is fair, transparent, economically prudent, and consistent with California Water Code Section 31041 and the District's own governing codes and policies.

SCOPE

This policy applies to all District Departments and to all District-owned personal property, including but not limited to vehicles, apparatus, equipment, materials, tools, furniture, and technology assets, regardless of whether the item is a capitalized asset under Policy 2035.

Real estate sales for real property, including land and improvements, shall be conducted in accordance with the Surplus Land Act and any other applicable laws.

This policy does not apply to:

- a) lost and found items, or items that were never purchased by the District and otherwise did not become a District asset;
- b) supplies, materials, or hardware that are consumed, expended, or installed in the ordinary course of District operations (e.g., office and cleaning supplies, small hardware, replacement parts, packaging); or
- c) durable property with an estimated resale or reuse value of less than \$50, provided the item does not contain District data or present a safety, security, or environmental concern.

Items excluded under this section may be discarded, recycled, or otherwise disposed of at staff's discretion. Staff should consult their Department Head or General Manager if there is any question as to whether an item falls within the scope of this policy.

POLICY

Each Department Head is responsible for identifying items within the department that are no longer needed and reporting such items to the General Manager or designee, together with a description and estimated current value of each item.

Before an item is processed as surplus, the General Manager or designee shall determine whether the item is needed by another District department. If needed, the item shall be transferred to that department. If not needed, the item shall be processed as surplus under this policy.

Items that are broken, damaged, or otherwise deemed unsafe or unsuitable for continued use shall be recycled, scrapped, or otherwise disposed of promptly. Surplus hazardous substances shall be disposed of through appropriately licensed or permitted disposal methods, in compliance with all applicable laws.

Disposal of surplus technology assets, including District computers and other electronic devices, shall be coordinated with the General Manager or designee before disposal. Before disposal, sale, or donation, all data storage media shall be removed, wiped, or destroyed such that any District data is rendered irretrievable, and any District-specific configuration or credentials shall be removed from the device.

Approval Authority and Thresholds

Disposal of surplus property shall be approved based on the estimated fair market value of the item at the time it is identified as surplus, as follows:

Estimated fair market value may be established using recent comparable sales, dealer or auction estimates, published valuation information, staff's reasonable estimate based on condition and marketability, or other commercially reasonable means.

A. Less than \$500 per item – Department Head Authority

If an item of surplus property is found to have a resale value of less than \$500, the Department Head may authorize disposal of the item using any method described under the *Methods of Disposal* section below, without further approval, provided the item and its disposition are recorded on the Department's surplus log.

B. \$500 up to \$10,000 per item – General Manager Authority

The General Manager may authorize disposal of item(s) between \$1,000 and \$10,000 using any method described under the *Methods of Disposal* section below, without Board of Directors approval, provided the item and its disposition are recorded on the Department's surplus log.

C. \$10,000 or more per item – Board of Directors Authority

The Board of Directors shall authorize disposal of item(s) with an estimated fair market value of \$10,000 or higher and shall determine the method of disposal, including any sequential disposal methods or direction to staff to return to the Board if the initial method proves unsuccessful (e.g., no bids received, or bids received are not responsive or sufficient), consistent with the Sequential Disposal Methods provision below.

Related items proposed for disposal as part of the same transaction or disposal action shall be considered collectively for purposes of determining approval authority under this Policy. Property shall not be divided or separately disposed of for the purpose of avoiding an applicable approval threshold.

Methods of Disposal

The selected method shall be the one most likely to generate the greatest return to the District, or otherwise best serve the public good. Approved methods include:

A. Sale

Surplus property offered for sale shall be sold "as-is," with no warranty, express or implied, of any kind, and every sale shall include a contract stating as much. Results of all surplus sales shall be included in the appropriate monthly status report at the next regular Board meeting.

1. **Sealed Bid:** The item shall be advertised for sale with notation of the location, hours, and days during which it may be inspected, and the deadline date and time for submission of sealed bids. The advertisement shall state that the District reserves the right to set a minimum bid price based on fair market value and to reject any or all bids, and that the property is sold "as-is" with no warranty, express or implied, of any kind. The District shall provide public notice of any sale of surplus property no fewer than seven (7) calendar days before the sale or bid deadline. Notice shall be posted on the District's website and at two designated posting locations within the District. At the discretion of the General Manager or designee, the notice may also be published in a newspaper of general circulation, such as the Sierra Sun, or posted on an appropriate online auction, classifieds, or surplus-sale platform. Sealed bids shall be opened by the General Manager or designee, in the presence of at least one other District staff member, following the stated deadline, and the sale shall be awarded to the highest responsive and responsible bidder. A written record of all bids received, including bidder names and bid amounts, shall be retained on the surplus log, and all bidders shall be notified in writing of the outcome.
2. **Public Auction.** The District may contract with a licensed auctioneer or use an online public auction platform. The District reserves the right to set a minimum bid price based on fair market value, and sale shall be made to the highest responsive and responsible bidder.
3. **Negotiated Sale.** If the District is unable to sell the property through sealed bid or public auction, surplus property may be sold directly to a purchaser through a negotiated sale.
4. **Negotiated Sale to a Public Agency or a 501(c)(3).** Surplus property may be sold to another public agency or to a charitable organization exempt under Section 501(c)(3) of the Internal Revenue Code, on terms the approving authority determines to be reasonable and in the best interest of the District or the community, without first following the procedures set forth in A.1 "Sealed Bid" or A.2 "Public Auction" above.

B. Trade-In.

Surplus property may be offered or returned to the manufacturer as a credit toward the acquisition of replacement property.

C. Recycling or Disposal as Waste.

Property that has no salvage value, is obsolete, damaged, or unusable, or for which the cost of preparing the item for sale would exceed its estimated value, may be recycled, destroyed, or otherwise discarded in a manner appropriate to the item.

Sequential Disposal Methods. The approving authority may direct staff to attempt more than one method of disposal in sequence (e.g., sealed bid, if unsuccessful, negotiated sale to a public agency or 501(c)(3), if unsuccessful, recycling or disposal as waste) or may instead direct staff to return to it for further direction if the initial method proves unsuccessful. A sequential approach is not required unless otherwise stated, and a single method of disposal, including Negotiated Sale to a Public Agency or a 501(c)(3), may be selected from the outset.

Conflicts of Interest

As required by Government Code section 1090, no Member of the Board of Directors, employee, consultant, or other individual who plays any role in the surplus property process including, without limitation, declaring the property surplus, may bid on that property. District employees who do not participate in or influence the surplus property process and are not otherwise prohibited from participating in a publicly noticed sale of that property, may participate, provided no preferential treatment of any kind is given.

Documentation

- A. Each Department shall maintain a surplus log for all property subject to this policy, identifying the item, estimated fair market value, approving authority, method of disposal, date of disposition, and, if applicable, the purchaser or recipient and proceeds received. The General Manager shall provide the Board of Directors with an annual summary of surplus property disposals occurring under Department Head and General Manager authority.
- B. The General Manager, or designee, is authorized to sign bills of sale and any other documents necessary to transfer title to surplus property on behalf of the District.
- C. All proceeds from the sale of surplus property shall be remitted to the District by certified check, money order, credit card, or other manner acceptable to the Chief Financial Officer.
- D. For any District vehicle that is sold, transferred, or scrapped, staff shall obtain a Certificate of Junk, Salvage, or Non-Repairable Vehicle, a Release of Liability, or other documentation as applicable, to protect the District from ongoing liability associated with the vehicle.
- E. Disposal of surplus property shall be communicated to the Chief Financial Officer so that the District's capital asset schedules and insurance records may be updated in accordance with Policy 2035.

Policy 3085 Disposal of Surplus Property

3085.1 Sale of Surplus Equipment

3085.1.1 Board of Directors takes action by motion to declare equipment surplus.

3085.1.2 Item is advertised for sale with notation of location/hours/days it can be seen and deadline date for submission of sealed bids. (Advertisement also notes that the District reserves the right to reject any or all bids, equipment sold AS IS.)

3085.1.3 Sealed bids are opened by staff.

3085.1.4 Bidders are notified of staff's action.

3085.1.5 Certificates of Title Transfer are obtained for vehicles that are sold to protect the District from liability.

3085.1.6 Staff reports to the Board at the next regularly scheduled Board meeting.

3085.2 Sale of Real Estate

3085.2.1 Board takes action to declare property surplus and authorizes District staff to obtain appraisal.

3085.2.2 Property is offered to public agencies at the appraised price. (State law requires that public agencies have the opportunity to purchase property prior to advertisement to the general public.)

3085.2.3 If property is not purchased by a public agency, it is advertised in the newspaper with a request that sealed bids be submitted to the District.

3085.2.4 Board takes action at the next regular Board Meeting to accept or reject highest bid.

3085.2.5 Bidders are notified of the Board's action.