

RESOLUTION NO. ~~08-13262~~

A RESOLUTION DELEGATING TO THE GENERAL MANAGER OR HIS DESIGNEE THE AUTHORITY TO DECLARE ITEMS OF DISTRICT PERSONAL PROPERTY TO BE SURPLUS OR SCRAP AND TO SELL, CONVEY OR DISPOSE OF SUCH PROPERTY

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

RCW 54.16.180 provides that any public utility district may sell, convey, lease or otherwise dispose of property which has become unserviceable, inadequate, obsolete, worn out or unfit to be used in the District's operations and which is no longer necessary, material to, and useful in such operations. The property may be sold to any person, entity or public body and (except with respect to the sale of real property) there is no prescribed method of sale. Sales of property, either personal or real, are subject to requirements that the District obtain full and fair value for the items pursuant to Washington State Constitution Article 8, Section 7 and/or RCW 43.09.210.

Further, the District as a municipal entity may sell or transfer property to other governmental entities (i.e., cities, counties or public utility districts) pursuant to RCW 39.33.010 and .020. The District has sold items such as transformers, vehicles, equipment and other items to other public entities. It is in the District's best interests to continue the practice of selling items to other governmental entities.

Sales of system properties must comply with various bond resolutions which impose certain restrictions on the disposal of system properties. No sales shall be made pursuant to this delegation resolution that violates the provisions of outstanding bond resolutions.

This resolution applies to items of personal property, including scrap, material, equipment, vehicles, tools, furniture, stock and non-stock items, warehouse items, computers, computer-related equipment, and other items of personal property that are no longer of use in the District's operations ("Surplus Personal Property"). This resolution does not apply to surplus real property. This resolution also applies to items of personal property that are needed by another governmental entity when such sale or transfer does not detrimentally impact the District's operation and the items are sold or transferred pursuant to RCW 39.33 upon obtaining full and fair value as required in RCW 43.09.210.

The District regularly has the need to sell, convey or dispose of Surplus Personal Property. Delegation of authority to the General Manager to take actions necessary with respect to handling these transactions is in the best interests of the District because such action will allow the General Manager and his staff to more

efficiently handle the sale and/or disposal of surplus items. It is also most efficient and effective to provide a process by which items of personal property may be sold to other governmental entities and delegate such authority to the General Manager.

The District's Commission has the authority to delegate its administrative powers and duties provided guidelines and procedures are established herein.

### **ACTION**

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON, as follows:

Section 1. The Commission finds it is in the District's best interests to delegate to the General Manager or his designee the authority to exercise the District's power to declare items of personal property, including scrap, material, equipment, vehicles, tools, furniture, stock and non-stock items, warehouse items, computers, computer-related equipment and other items of personal property no longer of use in and surplus to the District's operations ("Surplus Personal Property").

Section 2. The Commission also finds it is in the District's best interests to delegate to the General Manager or his designee the authority to exercise the District's ability to sell items of personal property to other governmental entities pursuant to RCW 39.33.

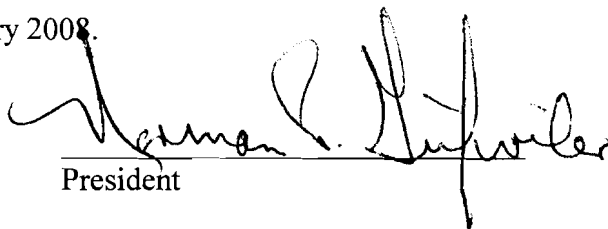
Section 3. The General Manager or his designee is delegated the authority to convey, sell or dispose of such personal property in a manner and under such terms and conditions as determined to be in the District's best interests within the limitations and procedures as follows:

- a. Surplus real property shall not be conveyed or sold without Commission approval except as allowed in other resolutions.
- b. The General Manager or his designee will provide periodic reports to the Commission of the sales of Surplus Personal Property and personal property sold to other governmental entities including a description of the method of sale. The reports will separately list items having an individual value of \$25,000 or greater. The report will not include scrap items. Scrap items are defined for these purposes as items not usable in their present state but may have some value as scrap material.
- c. The General Manager will establish appropriate procedures and processes by administrative policy to provide for the sale and disposal of surplus items. These procedures will include provisions to ensure that the public has access to purchase items to the extent possible and practicable. The procedures should also encourage recycling to the extent practicable. The procedures and processes shall include the necessary internal controls and segregation of duties with respect to the determination that an item is


surplus to the District's needs and the method for sale or disposal. The method of sale or disposal must adequately ensure receipt of full and fair value for the surplus items as required by Washington State Constitution Article 8, Section 7 and/or RCW 43.09.210.

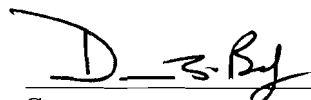
Section 4. All previous District resolutions pertaining to the disposal of surplus personal property or scrap inconsistent with this resolution are hereby superseded and rescinded.

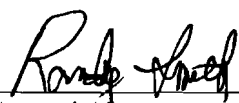
DATED this 25th day of February 2008.

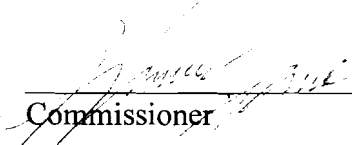
  
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President

ATTEST:

  
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Vice President

  
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Secretary

  
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Commissioner

  
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