

# BOLIVAR PENINSULA SPECIAL UTILITY DISTRICT

SUBJECT:  
**SALVAGE PROPERTY**

**Policy P-06**

## **PURPOSE**

To ensure the District remains financially prudent, yet allow for disposal of salvage property. For the purpose of this policy, property is defined as equipment, material, supplies, land, land improvements, buildings or building improvements purchased with any funds administered by the District, acquired for the District, or bequeathed or contributed to the District.

## **SCOPE**

This policy applies to all District property deemed surplus and compliance is required by all District employees and Directors. Modifications to the policy may only be approved by the District's Board of Directors.

## **POLICY**

In accordance with District policy P-02 (Capitalization & Fixed Asset Policy), the District will maintain records of all assets and document salvage dates. It is the policy of the District to dispose of excess property in a manner that will maximize the return or benefit to the District, consistent with laws governing District property. All funds received for salvaged property will be deposited in the District's General Fund unless otherwise directed by the District's Board of Directors in an Open Meeting as required by law.

Excess District property will be disposed as needed. Property not classified as an asset that is determined to be valued at less than \$300.00, may be cannibalized, scrapped or discarded if determined to be of no value by the District General Manager.

Hazardous material disposal shall be coordinated by the General Manager in accordance with State laws. If hazardous material is disposed of in a manner inconsistent with this policy, fines and/or penalties may be assessed against responsible individuals and possible criminal action.

Disposal of assets will be in accordance with this policy.

1. Land may only be disposed through action by the Board of Directors and in accordance with the requirements of Texas Water Code 49.226.
2. Property with a current value of more than \$300.00, determined by the District's General Manager, will be disposed either through a Public Auction (in accordance with the requirements of the Texas Water Code), or used as a trade-in if determined in the best interest of the District.
3. Property not sold through the Public Auction may be offered to other governmental entities as allowed in the Texas Water Code 29.226(b).
4. Contractors hired by the District to dispose of property must execute a written agreement and meet District requirements for contractors as indicated in Policy P-04 (Contracting for Services).

**SALVAGE PROPERTY  
POLICY P-06**

APPROVED AND EFFECTIVE ON \_\_\_\_\_, 2007.

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President

\_\_\_\_\_  
Secretary

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