



Council Agenda Report

Item 6I

Department: Utilities
Cost Center: 6104 and 6003
For Agenda of: 7/20/2021
Placement: Consent
Estimated Time: N/A

FROM: Aaron Floyd, Utilities Director
Prepared By: Jennifer Thompson, Utilities Business Manager

SUBJECT: EQUIPMENT SURPLUS DESIGNATION AND AUTHORIZATION OF SALE

RECOMMENDATION

Authorize the designation and disposal of surplus items in accordance with the City's policies and procedures as prescribed in the Financial Management Manual Sections 480-A and 480-B.

DISCUSSION

Background

The City has policies and procedures governing the designation of surplus property. This report discusses several items no longer used by the Utilities Department which are of a value and require Council approval prior to their sale.

Surplus Items

Propane Emergency Generator. The emergency standby generator at the Water Resource Recovery Facility (WRRF) is used in the event of a power outage to keep the facility operational. During the WRRF upgrade, this unit will be replaced with a larger unit and will no longer be needed. The value is estimated at approximately \$50,000.

Generator Specifications:

Make: Caterpillar (CAT)
Fuel: Propane
Engine model: 3512 – SITA
Engine serial: 4KC00322
Engine arrangement: 9Y4110
Engine power rating: 718 H.P./ 535.5 KW
Total hours: 573

The unit was installed in 1991 and is very well maintained. Preventative maintenance runs were performed on the unit at least once a month for an hour, with occasional power outage use. The unit is serviced annually by a local CAT service company.



Figure 1. Propane Generator

Miscellaneous Ozone System Parts. The Water Treatment Plant (WTP) upgrade is nearly complete and there are miscellaneous surplus parts remaining from the old system. Attachment C is a partial list of the remaining parts. There are just a few remaining agencies in the country that may be able to utilize these ozone system parts so it is expected that one of these agencies will bid on the entire lot. The value is estimated at approximately \$10,000.

Policy Context

In compliance with the City's Charter Section 906, policies and procedures which govern how surplus materials are disposed of are provided in Sections 480-A and 480-B of the Financial Management Manual (Attachments A and B). The items recommended for surplus are no longer used and are ready to be designated surplus. Some of these items have an estimated value of more than \$1,000 and therefore require Council approval before they can be sold.

Public Engagement

This is an administrative item, so no outside public engagement was completed. Public comment can be provided to the City Council through written correspondence prior to the meeting and through public testimony at the meeting.

CONCURRENCE

Not Applicable.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act does not apply to the recommended action in this report, because the sale of surplus property is not a “project” as defined by CEQA Guidelines Section 15378.

FISCAL IMPACT

Budgeted: No

Budget Year: 2021-22

Funding Identified: N/A

Fiscal Analysis:

Staff anticipates the sale of these surplus items will generate approximately \$50,000 in the Sewer Fund and \$10,000 in the Water Fund at auction. Any associated advertising and auction fees will be deducted and the remaining funds generated by the sale of surplus items will be returned to the respective funds.

Fund	Estimated Revenue
Sewer Fund	\$50,000
Water Fund	\$10,000
Total	\$60,000

ALTERNATIVES

Deny Surplus designation and sale. The City Council could reject the surplus designation request and direct staff to maintain all items. Staff does not recommend this option because these items are no longer used.

ATTACHMENTS

A – Section 480A surplus policy

B – Section 480B surplus policy

C – Ozone system parts