

CHAPTER 4. FINANCIAL PROVISIONS

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4.010 Establishment of Funds or Accounts.

(A) Each of the following funds or accounts is established:

- (1) Bond Funds.
- (2) General Operating Fund.
- (3) Hillside Zone Reserve Account
- (4) Trust Funds.

(B) The board may establish such other funds by resolution as it considers necessary or convenient.

NOTE: West Valley Sanitation District funds are provided for in Health and Safety Code Sections 4792, 4813, and 4816, and in Streets and Highways Code Section 10424.

(Adopted by Ord. 46, July 23, 1975; Amended by Ord. 100, July 13, 1988; Amended by Ord. 106, August 22, 1990; Amended by Ord. 115, May 27, 1992; Amended by Ord. 149, April 10, 2019)

4.020 Bond Funds.

(A) Money to be deposited in several bond funds of the district consist of the following:

- (1) Revenue collected for payment of principal and interest of bonds issued by the district;
- (2) Other money which the board directs to be deposited.

(B) These funds may be used only for payment of principal and interest of the bonds issued by the district.

NOTE: This fund is regulated by Sections 4810 and 4814 of the Health and Safety Code.

(Adopted by Ord. 46, July 23, 1975; Amended by Ord. 149, April 10, 2019)

4.030 Repeal by Ord. 149, April 10, 2019.

4.040 General Operating Fund.

(A) Money to be deposited in the general operating fund of the district shall consist of the following:

- (1) Taxes, fees, or charges levied for maintenance and operation of the district;
- (2) Revenue from sewer service and use charges; and
- (3) Other money which the board directs to be deposited.

(B) This fund may be used only to maintain, operate, extend, or repair any work or improvements of the district for the collection, treatment and disposal of sewage and to defray all other

expenses incidental to the exercise of any of the district powers relating thereto.

NOTE: This fund is regulated by Sections 4815 and 4816 of the Health and Safety Code.

(Adopted by Ord. 46, July 23, 1975; Amended by Ord. 149, April 10, 2019)

4.050 Hillside Zone Reserve Account.

(A) Money to be deposited in the hillside zone reserve account of the district shall consist of the following:

(1) Revenue derived from the hillside zone additional sewer rate collected pursuant to Section 10.060(H);

(2) Other money which the board directs to be deposited.

(B) This fund may be used only for the repair and replacement of sewer facilities within the hillside sewer maintenance zone as defined by District Ordinance Code Section 10.110.

(Adopted by Ord. 46, July 23, 1975; Amended by Ord. 106, August 22, 1990; Amended by Ord. 148, May 9, 2018; Amended by Ord. 149, April 10, 2019)

4.060 Trust Funds.

(A) Money to be deposited in the trust fund of the district shall consist of the following:

(1) Deposits assuring payment for services provided by district;

(2) Cash bonds assuring installation of sewers; and

(3) Other money which the board directs to be deposited.

(B) This fund may be used only for reimbursement of persons depositing money with the district, reimbursement for sewer installations, and payment to district for services provided and secured by deposits.

(Adopted by Ord. 46, July 23, 1975; Amended by Ord. 111, June 12, 1991; Amended by Ord. 149, April 10, 2019)

4.070 Repeal by Ord. 149, April 10, 2019.

4.080 Storm Drainage Zone Reserve Account.

(A) Money to be deposited in the storm drainage zone reserve account of the district shall consist of the following:

(1) Funds from the storm drainage service charge account collected from all properties within the storm drainage zones as defined by District Ordinance Code Section 10.115; and

(2) Other money which the board directs to be deposited.

(Adopted by Ord. 115, May 27, 1992; Amended by Ord. 149, April 10, 2019)

4.100 Surplus Property. District owned property is considered surplus property when it has been determined to be obsolete, unusable, ineffective, or otherwise deemed to have reached its useful life. Surplus property may include capital assets, equipment, supplies, and materials. A surplus sales system to dispose of surplus property requires the establishment of efficient procedures, fiscal controls, and authority to administer the disposal of surplus property.

(Adopted by Ord. 82, March 9, 1983; Amended by Ord. 149, April 10, 2019)

4.110 Surplus Sales Officer. The district manager or appointee shall be and is appointed to perform the functions of the surplus sales officer for the district and shall have the responsibility and authority to:

(A) Sell surplus property as may be required by the district in accordance with procedures prescribed either by this chapter, or by such administrative rules and regulations as the surplus sales officer may adopt pursuant thereto;

(B) Prepare and adopt administrative rules and regulations not in conflict with the provisions of this chapter for the purpose of carrying out the requirements and intent of this chapter.

(Adopted by Ord. 82, March 9, 1983; Amended by Ord. 149, April 10, 2019)

4.120 Centralized Sales. To the extent that efficiency, maximum return on investment, fair and reasonable pricing may best be achieved in the sale of surplus property, the process for disposal and acceptance of all bids or payments, if any, surplus property be centralized under the surplus sales officer.

(Adopted by Ord. 82, March 9, 1983; Amended by Ord. 149, April 10, 2019)

4.130 Notice of Surplus Status. All departments of the district shall notify the surplus sales officer, whenever it is determined that such department requires disposal of surplus property. Said notification shall be a prerequisite to the sale of any surplus property.

(Adopted by Ord. 82, March 9, 1983; Amended by Ord. 149, April 10, 2019)

4.140 Surplus Sales by Auction Only.

(A) Sales of surplus property, which, in the opinion of the surplus sales officer, have an estimated individual value of five thousand dollars (\$5,000) or more, shall be made only by means of public auctions held under the authority and scrutiny of the surplus sales officer, or through contracted private auction services selected by the surplus sales officer.

(B) Public auction sales held by the surplus sales officer shall be with reserve and any surplus property can be withdrawn at any time prior to the completion of the sale.

(C) At the sole discretion of the surplus sales officer, a private auction service can be used to dispose of surplus property to satisfy public auction requirements. In this case, no reserve shall be required.

(Adopted by Ord. 82, March 9, 1983; Amended by Ord. 149, April 10, 2019)

4.150 Bidding and Payment. All sales of surplus property made by public auction, as set forth in Section 4.140(B), shall be to the highest bidder pursuant to the procedure hereinafter described:

(A) Notices inviting bids shall be prepared, published through an e-commerce platform or once in a newspaper of general circulation published and circulated within the district service area, and distributed to persons who have requested to be notified of such bidding opportunities. The notices shall contain a description of the items to be auctioned and the reserve set for each item, shall state where and when the items may be viewed prior to the auction, and shall state the time and place of the auction.

(B) A twenty percent (20%) deposit must be made by the successful bidder. All sales must be completed within one (1) week of the auction, and payment may be made only by cash, certified check, cashier's check or money order.

(C) On refusal or failure of the successful bidder to complete the sale as prescribed above, the sale may be made to the next highest bidder, and the twenty percent (20%) deposit forfeited. Or

(D) If the sale of surplus property is made through a private auction service, the net auction proceeds are to be paid to the district, accompany with detailed accounting of commission and fees statement.

(Adopted by Ord. 82, March 9, 1983; Amended by Ord. 149, April 10, 2019)

4.160 Open Market Sales. Surplus property may be sold on the open market by the surplus sales officer without regard to formal bidding procedures as required by Section 4.140, Surplus Sales by Auction, when, in his or her opinion, the individual estimated value of the supplies property is less than

five thousand dollars (\$5,000); provided, however, that whenever practical, price offers shall be solicited either orally or in writing and the sale is made to a responsible buyer with the highest offer, or at the listed sale price, whichever is higher. The method of advertisement for open market sales includes but is not limited to local newspapers, specialty advertisement circulations, internet sale sites, and/or other modes of advertisement that solicits offers from the public-at-large.

(Adopted by Ord. 82, March 9, 1983; Amended by Ord. 149, April 10, 2019)

4.170 Sales to Other Public Agencies. The sale of surplus property to any other public agency created under the laws of the State of California or of the United States government is exempted from the provisions of this chapter. The surplus sales officer may sell surplus property directly to a public agency for a price deemed to be fair and reasonable with respect to his or her opinion of estimated market value.

(Adopted by Ord. 82, March 9, 1983; Amended by Ord. 149, April 10, 2019)

4.180 Sales to Officials, Officers, and Employees of the District. Officials, officers, and employees of the district, when not otherwise prohibited by law, may purchase surplus property offered for sale under the provisions of this chapter; except that no purchase may be made by the employee performing the functions of surplus sales officer. However, said purchases may only be made through the sale process involving public auction, private auction, or open market sales.

(Adopted by Ord. 82, March 9, 1983; Amended by Ord. 149, April 10, 2019)

4.190 Contracting for Public Works. The letting of all contracts for public works by the district shall be governed by the provisions of Section 20780, et seq., of the California Public Contracts Code. Notwithstanding the provisions of Section 20783, all contracts for public works in excess of thirty-five thousand dollars (\$35,000) shall be approved by the board of directors.

(Adopted by Ord. 121, April 27, 1994; Amended by Ord. 128, August 25, 1999; Amended by Ord. 134, October 10, 2007; Amended by Ord. 149, April 10, 2019)

4.200 Purchases of Supplies, Equipment, and Services – Authority. The district manager is vested with the authority for the purchases of supplies, equipment, and services, and shall have the responsibility and authority to:

- (A) Purchase or contract for supplies, equipment, and services to be performed as may be

required by any department of the district in accordance with procedures described in this chapter or by such administrative rules and regulations as the surplus sales officer may adopt pursuant thereto.

(B) Prepare and adopt administrative rules and regulations not in conflict with provisions of this chapter, for the purpose of carrying out the requirement and intent of this chapter.

(Adopted by Ord. 121, April 27, 1994; Amended by Ord. 149, April 10, 2019)

4.210 Board Approval of Purchases. In instances where the acquisition of supplies, equipment, or services other than public works contracts will result in an award of a contract or the issuance of a purchase order with a dollar value equal to or in excess of thirty-five thousand dollars (\$35,000), such award of contract or issuance of purchase order will be authorized only upon action taken by the board of directors. Such action shall be taken through the formal competitive bidding procedure similar to that utilized for public works projects as set forth in Section 20783 of the Public Works Contract Code, or, pursuant to the recommendation of the district manager when the use of the bidding procedure is not practicable due to limitations on supply, requirement to conform to necessary standardization, quality considerations, or for other waivers deemed valid by the district manager. Notwithstanding the provisions of this section, the district manager shall be authorized to award a contract or to issue a purchase order without regard to the dollar value described above in the following instances:

(A) Emergency Purchase: The immediate acquisition of supplies, equipment, or service necessary for the safe, reliable, and continued operation of the district, or for the preservation of life or property, shall be deemed to be an emergency purchase. A full report of the circumstances of emergency purchases in excess of the expenditure limits cited dollar value described above shall be filed with the district board at its next regular or special meeting.

(B) Recurring Costs: Recurring costs include conditions where reasonable advance estimates of cost are not possible, or for essential services that are recurring nature. Recurring costs include, but are not limited to, such items as sole provider utility service for water, electricity and gas, approved claims for liability under the district's insurance program, renewal premium for authorized insurance policies, all expenditures for the district's payroll and employee withholdings, and other related or unrelated matters involving unknown advance cost estimates.

(Adopted by Ord. 121, April 27, 1994; Amended by Ord. 128, August 25, 1999; Amended by Ord. 134, October 10, 2007; Amended by Ord. 149, April 10, 2019)

4.220 Exemption of Purchase from or through Other Public Agencies. Purchases of supplies,

equipment and services from any other local, state, or federal agency or through the State Department of General Services pursuant to Section 54205 of the California Government Code and Section 10298 of the Public Contract Code are exempt from the bidding requirements of this chapter; however, any such purchase greater than thirty-five thousand dollars (\$35,000) must be authorized by the district board pursuant to Section 4.210.

(Adopted by Ord. 121, April 27, 1994; Amended by Ord. 149, April 10, 2019)