

Agenda Item: 1

Minutes

Sacramento Suburban Water District
Special Board Meeting
Tuesday, January 19, 2010

Call to Order

President Fellenz called the meeting to order at 5:36 p.m.

Roll Call

Directors Present: Ken Decio, Thomas Fellenz, Stephen Hanson and Neil Schild.

Directors Absent: Frederick Gayle.

Staff Present: General Manager Robert Roscoe, Ed Formosa, John Valdes and Dave Jones.

Public Present: William Eubanks.

Public Comment

None.

Item for Discussion and Action

1. **Resolution No. 10-01 Providing Variance from District's Surplus Property Disposal Policy and Authorizing General Manager to Donate Surplus Diesel Generators to Haitian Relief Effort**

General Manager Roscoe presented the staff report. He thanked the Board of Directors for being able to make the meeting on such short notice. Staff is asking the Board to approve a variance from the District's current policy for the disposal of surplus equipment. The District has 10 portable, trailer-mounted diesel engine generators that no longer meet air quality regulations. These generators are being replaced with 5 new engine generators. Staff initially thought that the only potential market for the used generators was Nevada and Mexico. Late last week there was an international call for aid to Haiti as a result of the large earthquake. Staff has also researched selling the used generators for scrap metal value and it appears that the cost to prepare the generators to be scraped is greater than the scrap value. As a result, staff came up with the idea to donate these used diesel generators to the Haitian relief efforts. However, it now appears that these used generators could be legally operated in several other states and there may be a larger market than first thought. But, there are most likely many other used diesel generators being surplused right now throughout California so there may be a glut of used generators on the market. By adoption of Resolution No. 10-01, staff is asking the Board to declare the 10 used diesel generators as surplus. In addition, the resolution gives the General Manager the authority to first attempt to dispose of the used generators by selling them for fair market value but if that is not possible to donate them to a non-profit agency working on the Haitian relief efforts.

Discussion ensued and included:

- What is the estimated value of the used diesel generators? AGM Formosa indicated that the larger generators could potentially sell for \$35,000 to \$40,000 each and the smaller ones for say \$25,000 to \$30,000.
- What is the timing? It was discussed that right now the Haitian citizens cannot even get proper food and water and the airport is a mess. Therefore, it may be up to 6 months or so before they would be ready to accept these used generators.
- What is the impact on the District's existing Sustainability Policy? The District is no longer allowed to operate these diesel generators that typically run only 10 to 20 hours per year. If we sell them to someone else that runs them 24/7, this creates a larger carbon footprint. However, the District is reducing its carbon footprint by disposing of these older generators and purchasing and operating new, cleaner burning natural gas and diesel generators.
- Perhaps at some time in the future the District's surplus equipment policy should be revised to give the General Manager the discretion to follow a similar procedure for other surplus equipment. The order of preference being: 1) selling the equipment; 2) donating the equipment to another governmental agency or non-profit organization; and 3) scraping or disposing of the equipment.

William Eubanks stated that the District would be extremely ill advised to donate these used engine generators except to another public agency. If we donate them to a non-profit agency working on the Haitian relief efforts we don't know for sure what they will do with them. The best alternative is to get some money for them since they were paid for by the District's ratepayers. He mentioned the state of Texas as a possible location to sell them.

Discussion ensued about several minor edits to Resolution No. 10-01 including clarifying the number of generators (10) being declared as surplus; clarifying that the District is prohibited from operating these generators after January 1, 2010; adding public agencies and government entities as possible receivers of the donated generators; adding language that the donation of any generators shall be at no significant cost to the District; and clarifying that any non-profit organizations must be working for the Haitian Relief Effort as opposed to just Haiti.

MSC (Schild/Hanson) that the Board of Directors adopt Resolution No. 10-01 as discussed and amended to include the following:

1. Ten existing portable diesel engine generators.
2. The generators may be donated to another government entity for use in the Haitian Relief Effort.

by 4/0/1 vote.

Adjournment

President Fellenz adjourned the meeting at 6:32 p.m.

Robert S. Roscoe
General Manager/Secretary