

**LNRA BOARD POLICY**  
**306 – DISPOSITION OF PERSONAL PROPERTY**

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**306.10 PURPOSE**

This policy establishes guidelines for the disposition of LNRA owned personal property.

**306.20 DEFINITION**

- Personal Property – Generally, all property other than real estate that is the subject of ownership. A right or interest in things personal or moveable.

**306.30 POLICY**

LNRA may lease, exchange or sell personal property owned by LNRA consistent with Chapter 49, Texas Water Code, and consistent with the LNRA enabling legislation and the Board's policies.

**306.40 GUIDELINES**

**306.401 LEASES OF PERSONAL PROPERTY**

LNRA may lease any of its personal property to any person. The lease may contain the terms and provisions that the Board determines to be advantageous to LNRA.

**306.402 EXCHANGE OF PERSONAL PROPERTY**

Any personal property valued at more than \$300 which is found by the Board to be surplus and is not needed by LNRA may be exchanged for other personal property needed by LNRA. Personal property must be exchanged for like fair-market value, which value may be determined by LNRA.

**306.403 SALE OF PERSONAL PROPERTY**

Upon discretion of the General Manager, LNRA may dispose of personal property by means of public auction, sealed bids or general sale. Sales of multiple items of personal property shall follow the following criteria:

- When the General Manager determines that there is an adequate amount of personal property on hand for disposition, there will be a general sale conducted.

- An advertisement in a local newspaper shall occur a minimum of seven (7) days prior to the sale. The advertisement shall indicate the date, time, and location of sale and may list all or part of the items to be sold.
- The sales price should be at or above the current fair market value of the items, subject to negotiations to accomplish the sale.
- All sales of multiple items will be pre-approved by the Board if the current fair market value will generally exceed \$15,000.00.
- Directors and employees of LNRA may not purchase items in a multiple item sale for the first four (4) hours of the sale. After the first four (4) hours, directors and employees are eligible to purchase any remaining items.
- Relatives of directors and employees, except for immediate family (spouse, parents, and children), of LNRA may purchase items at any time during a sale.

Sales of single items of personal property shall follow the following criteria:

- The General Manager, with input from Division Managers, will determine when there is a singular item for disposition.
- An advertisement in a local newspaper shall occur a minimum of one (1) time and shall indicate the item for sale, the price, and where it may be viewed.
- The sales price shall be at or above the current fair market value of the item subject to negotiations to accomplish the sale.
- Sales of single items will be pre-approved by the Board if the current fair market value exceeds \$15,000.00.
- Directors and employees of LNRA may not purchase single items for sale for the first five (5) days following the date the newspaper advertisement is published. After the first five (5) days, directors and employees are eligible to purchase any unsold item.
- Relatives of directors and employees, except for immediate family (spouse, parents, and children), of LNRA may purchase items at any time.

### **306.50 ALLOCATION OF FUNDS**

All funds derived from the disposition of personal property shall be directed to LNRA's Reserve Contingency Fund as deemed appropriate by the General Manager.

### **306.60 RESPONSIBILITIES**

#### **306.601 GENERAL MANAGER**

The General Manager shall be responsible for the implementation and coordination of this policy.

**Effective:** January 21, 2004