

**SILVER LAKE WATER AND SEWER DISTRICT
SNOHOMISH COUNTY, WASHINGTON
RESOLUTION NO. 720**

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE SILVER LAKE WATER AND SEWER DISTRICT, SNOHOMISH COUNTY, WASHINGTON, ESTABLISHING GENERAL FIXED ASSET, CONSUMABLE SMALL TOOLS AND MINOR EQUIPMENT, TECHNOLOGY PRODUCTS, PROPERTY DISPOSAL POLICIES, AND REPEALING RESOLUTION NO. 661.

WHEREAS, the Silver Lake Water and Sewer District invests in general fixed assets, consumable small tools and minor equipment, inventories of materials and parts and technology products; and

WHEREAS, the Silver Lake Water and Sewer District annually reviews its financial operations and policies; and

WHEREAS, the Board of Commissioners adopted Resolution No. 661 on December 9, 2010 that established Fixed Asset, Consumable Small Tools and Minor Equipment, and Technology Product Policies; and

WHEREAS, Generally Accepted Accounting Principles (GAAP) allows for the change of a schedule of useful life during an asset's life; and

WHEREAS, Governmental Accounting Standards Board (GASB) issued Statement No. 34 regarding the valuation of General Fixed Assets, which resulted in public agencies reviewing the asset valuation and useful life of general fixed assets; and

WHEREAS, peer Washington Cities and Public Utility Districts have generally adopted a valuation threshold level for General Fixed Assets to be greater than \$5,000.00 with a useful life of three or more years; and

WHEREAS, the Silver Lake Water and Sewer District wants to ensure asset and property control is balanced against the cost of labor and expenditure of other District resources associated with inventory and property tracking; and

WHEREAS, RCW 57.08.015 sets forth the process and conditions for the sale of unnecessary property with a value of more than \$2,500.00; and

WHEREAS, RCW 57.08.016 sets forth the process and conditions for the sale of unnecessary real property with a value of more than \$5,000.00; and

WHEREAS, the Silver Lake Water and Sewer District wants to establish policies on the District's surplus real and personal property and its sale or disposal.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Silver Lake Water and Sewer District, Snohomish County, Washington as follows:

1. FINDINGS:

The Commissioners adopt as findings the preceding recitals to this Resolution.

2. GENERAL FIXED ASSETS:

General Fixed Assets are tangible, non-consumable items including, but not limited to: land, buildings, machinery, equipment, titled motor vehicles, titled trailers, and certain planning documents owned by the District. The value of the fixed asset includes the purchase price plus sales tax, as well as costs to acquire shipping and handling, installation, design, permitting, and other equipment or accessories needed for the asset to serve its intended function. Improvements to an existing asset that extend the life of the asset are capitalized and depreciated over the remaining useful life of the related asset. The General Fixed Asset types, their valuation thresholds and capitalization thresholds, are provided as follows:

- a.) Buildings, equipment, machinery, water and sewer mains, pipes, pumping equipment and lift stations with a purchase cost of greater than \$5,000.00 shall be a General Fixed Asset and capitalized over their respective useful life.
- b.) The costs of preparation, processing and adoption of Water and Sewer Comprehensive Plans and other planning documents, that exceed \$5,000.00, shall be a General Fixed Asset and capitalized over their respective useful life.
- c.) The original purchase or design costs of a software program, with a purchase price of greater than \$5,000.00, shall be a General Fixed Asset and capitalized over their respective useful life. The General Manager may determine on a case by case basis, the General Fixed Asset status and capitalization threshold of any re-write, code improvement, or upgrade of an existing software program with a purchase price or cost greater than \$5,000.00.
- d.) All land purchased by the District shall be considered a General Fixed Asset but not capitalized over its useful life.
- e.) All Titled Motor Vehicles and Trailers purchased by the District shall be a General Fixed Asset and capitalized over their respective useful life.
- f.) Water meters and services initially purchased by the District shall be a General Fixed Asset and capitalized over their respective useful life.

3. TITLED MOTOR VEHICLES AND TRAILERS:

The General Manager or designee(s) shall identify and uniquely track all Titled Motor Vehicles and Trailers. Titled Vehicles and Major Equipment shall be uniquely numbered by the District. District ownership and “official use only” markings shall be displayed on each item. The General Manager or designee(s) shall maintain, track, and report periodically to the Board of Commissioners, future needs and replacement costs for Titled Motor Vehicles and Trailers.

4. TECHNOLOGY EQUIPMENT:

The General Manager or designee(s) shall identify, track, and maintain all technology related products of the District; such as, personal computer workstations, scanners, photo copiers, laptops, servers, and printers. Technology equipment, such as personal computer workstations, shall be considered as a unit and individual components; such as monitors, video cards, memory chips, other uniquely identifiable components, operating and office suite programs, will be considered consumed as replaced.

5. MATERIAL AND PARTS INVENTORY:

The General Manager or designee(s) shall identify and control material and parts inventory for the purposes of management control and annual valuation. The material and parts inventory shall be counted and valued annually. Material and Parts Inventory Control Procedures shall include locking material and inventory supplies from uncontrolled access by the general public, whether on District grounds, duty trucks, or inside District facilities.

6. SMALL TOOLS AND MINOR EQUIPMENT:

All small tools and minor equipment of the District shall be considered consumed when purchased. The General Manager or designee(s) shall color code or otherwise mark small tools and minor equipment when assigned to specific District work trucks or vehicles (vehicles). For the purposes of management control, the General Manager or designee(s) shall review and record each work vehicle’s assigned small tools and minor equipment semi-annually. Common area small tools and minor equipment shall also be considered consumable and are not to be formally inventoried.

7. LARGE TOOLS, MAJOR EQUIPMENT, AND ATTRACTIVE PROPERTY:

Large tools, non-titled major equipment, and attractive assets that are easily portable with a value of greater than \$1,000.00 and less than \$5,000.00 shall be clearly marked with the District’s initials. Control procedures will include locking large tools, non-titled major equipment, and attractive assets from uncontrolled access by the general public, whether on District grounds, duty trucks, or inside District facilities. Non portable attractive property, such as furniture and mounted fixtures, or other property with a value of less than \$1,000.00 shall not be tracked or marked with the District’s initials or formally inventoried.

8. DEPRECIATION OF GENERAL FIXED ASSETS:

All assets shall be depreciated using the straight line method of depreciation. The District shall use the IRS Publication 946 Table of Class Lives and Recovery Periods or as such publication is updated, modified, or amended, to determine the life of acquired assets. The estimated life of District assets at the time of acquisition is set forth below:

Computer Software	3 years
Office Equipment, Electrical	5 - 7 years
Office Furniture, Fixtures, and Equipment, Non-Electrical	10 years
Shop Tools	10 years
Telemetry/SCADA	10 years
Vehicles	10 years
Lift Station, Electrical & Mechanical	20 years
Lift Station Structures	30 years
Water Pump Equipment	40 years
Wastewater Services	50 years
Wastewater Concrete Mains	50 years
Water Hydrants	50 years
Wastewater Cast Iron, Ductile Iron, and PVC Mains	75 years
Water Services	75 years
Reservoir Structures and Improvements	75 years
Water Cast Iron, Ductile Iron, and PVC Mains	75 years

General fixed assets shall begin depreciation in the year in which they are purchased. However, if the asset is not placed into service immediately, depreciation should begin when the asset begins to lose value. These options should be applied consistently and should be reasonable in the circumstance.

Routine repair and maintenance costs will be expensed as they are incurred and will not be capitalized. Major repairs will be capitalized if they result in betterments/improvements to the District's capital assets. To the extent that a project replaces the "old" part of a capital asset, outlays will not be capitalized; and to the extent that the project is betterment/improvement, outlays will be capitalized.

9. SALE OR DISPOSAL OF DISTRICT REAL OR PERSONAL PROPERTY

The sale or disposal of any District owned real estate shall be by action or Resolution adopted by the Board of Commissioners. The action or Resolution shall be in accordance with R.C.W. 57.08.016.

The sale or disposal of any District owned buildings, titled vehicles, trailers, or personal property with a per-item value of more than \$250.00 shall be by action taken or resolution adopted by the Board of Commissioners. The action or resolution shall be in accordance with RCW 57.08.015.

The General Manager, or designee, shall have the authority to surplus for sale or disposal any District personal property with per-item value of \$250.00 or less. The General Manager, or designee, shall report to the Board the property that was approved for surplus, the reason for the surplus, the method of sale or disposal, including the value received by the District.

The General Manager, or designee, shall have the authority to discard to trash any District personal property with a per-item value of \$250.00 or less that has been broken or damaged in the course of District business operations.

The General Manager, or designee, shall have the authority to replace or exchange any District personal property through a vendor's normal warranty exchange program.

10. EFFECTIVE DATE:

The effective date of this resolution shall be January 14, 2016.

11. SEVERABILITY:

Should any part or provision of this Resolution be declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of the resolution as a whole, or any part thereof, other than the part declared to be invalid.

12. REPEALER:

Resolution No. 661 is hereby repealed.

ADOPTED by the Board of Commissioners, at a regular meeting of the Silver Lake Water and Sewer District, Snohomish County, Washington this 14th day of January, 2016.



President and Commissioner




Secretary and Commissioner



Commissioner

I CERTIFY the above to be a true and correct copy of Resolution No. 720 adopted by the Board of Commissioners of the Silver Lake Water and Sewer District, this 14th day of January, 2016, as said Resolution appears in the records of the Silver Lake Water and Sewer District.



Secretary of the Silver Lake Water and Sewer District Board of Commissioners