

WATER AUTHORITY OF GREAT NECK NORTH
POLICY FOR THE DISPOSITION OF PROPERTY

As Revised: March 19, 2018 for Item 3.5.4.4

As Re-Adopted February 3, 2025

1. Intent.

1.1. It is the intent of this policy to comply with the requirements of the Public Authorities Accountability Act of 2005 as now provided In Article 9, Title 5-A, Disposition Of Property By Public Authorities, §§ 2895-2897, of the Public Authorities Law, to provide the guidelines for the Authority's disposition of certain property.

2. Definitions. For the purposes of this Policy, unless a different meaning is required by the context:

2.1. "AUTHORITY" shall mean the Water Authority of Great Neck North.

2.2. "BOARD" shall mean the Board of Directors of the Authority.

2.3. "COMPTROLLER" shall mean the State Comptroller.

2.4. "CONTRACTING OFFICER" shall mean the officer or employee of the Authority who shall be appointed by resolution of the Board to be responsible for the disposition of property.

2.5. "DISPOSE" or "DISPOSAL" shall mean transfer of title or any other beneficial interest in personal or real property in accordance with § 3.

2.6. "PROPERTY" shall mean:

2.6.1. Personal property in excess of \$5,000 in value;

2.6.2. Real property, regardless of value; and

2.6.3. Any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

2.7. "STATE" shall mean New York State.

3. Disposal of Authority property.

3.1. Supervision, direction, compliance, and enforcement.

3.1.1. Except as otherwise provided in this § 3, the contracting officer shall have supervision and direction over the disposition of property of the Authority.

3.1.2. Except as otherwise provided in this § 3, the contracting officer shall responsible for the Authority's compliance with, and enforcement of, this Policy

3.2. Custody and control.

3.2.1. The custody and control of the property of the Authority, pending its disposition, and the disposal of such property, shall be performed by the Authority.

3.3. Method of disposition.

3.3.1. Subject to such exceptions as may be specifically set forth in this Policy, the Authority may dispose of property for not less than the fair market value of such property by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the contracting officer deems proper.

3.3.2. The Authority may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this § 3.

3.3.3. PROVIDED, HOWEVER, that no disposition of real property, any interest in real property shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction, and, provided further, that no disposition of any other property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar property, shall be made without a similar appraisal.

3.4. Validity of deed, bill of sale, lease, or other instrument.

3.4.1. A deed, bill of sale, lease, or other instrument executed by or on behalf of the Authority, purporting to transfer title or any other interest in property of the Authority under this Policy shall be conclusive evidence of compliance with the provisions of this Policy insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to the closing.

3.5. Bids for disposal; advertising; requests for proposals; procedure; disposal by negotiation; explanatory statement.

3.5.1. All disposals or contracts for disposal of property of the Authority made or authorized by the contracting officer shall be made after publicly advertising for bids and requests for proposals when applicable, except as provided in § 3.5.3.

3.5.2. Whenever public advertising for bids is required under § 3.5.1:

3.5.2.1. The advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the property;

3.5.2.2. All bids shall be publicly disclosed at the time and place stated in the advertisement; and

3.5.2.3. The award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Authority, price and other factors considered; provided, that all bids may be rejected when it is in the public interest to do so.

3.5.3. Disposals and contracts for disposal of property may be negotiated or made by public auction without regard to § 3.5.1 and § 3.5.2, but subject to obtaining such competition as is feasible under the circumstances, if:

3.5.3.1. The personal property involved has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity, or other quality of similar effect, that would tend to increase its value, or if the personal property is to be sold in such quantity that, if it were disposed of under § 3.5.1 and § 3.5.2, would adversely affect the State or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;

3.5.3.2. The fair market value of the property does not exceed \$15,000; 2

3.5.3.3. Bid prices after advertising therefor are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;

3.5.3.4. The disposal will be to the state or any political subdivision, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation; or pursuant to an agreement with the State commissioner of general services.

3.5.3.5. The disposal is for an amount less than the estimated fair market value of the property, the terms of such disposal are obtained by public auction or negotiation, the disposal of the property is intended to further the public health, safety, or welfare or an economic development interest of the state or a political subdivision (to include but not limited to, the prevention or remediation of a substantial threat to public health or safety, the creation or retention of a substantial number of job opportunities, or the creation or retention of a substantial source of revenues, or where the Authority's enabling legislation permits), the purpose and the terms of such disposal are documented in writing and approved by resolution of the Board; or

3.5.3.6. Such action is otherwise authorized by law.

3.5.4. An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:

3.5.4.1. Any personal property which has an estimated fair market value in excess of fifteen thousand dollars;

3.5.4.2. Any real property that has an estimated fair market value in excess of \$100,000, except that any real property disposed of by lease or exchange shall only be subject to § 3.5.4.3 and § 3.5.4.4;

3.5.4.3. Any real property disposed of by lease, if the estimated annual rent over the term of the lease is in excess of \$15,000;

3.5.4.4. Any real property or real and related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.

3.5.5. Each such explanatory statement shall be transmitted to the persons entitled to receive copies of the report required under § 5 not less than 90 days in advance of such disposal, and a copy thereof shall be preserved in the files of the Authority making such disposal.

4. Negotiated sales.

4.1. Each of the following negotiated transactions for the disposal of property shall require a written explanation:

4.1.1. Personal property with an estimated fair market value more than \$15,000;

4.1.2. Real property having an estimated fair market value greater than \$100,000, except as otherwise provided below for any real property disposed of by lease or exchange;

4.1.3. Real property disposed of by lease, if the estimated annual rent over the term of the lease is in excess of \$15,000;

4.1.4. Real property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property; and 3

4.1.5. Related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.

4.2. Such written explanation shall include:

4.2.1. Description of the parties involved in the property transaction;

4.2.2. Justification for disposing of property by negotiation;

4.2.3. Identification of property, including its location;

4.2.4. Estimated fair market value of the property;

4.2.5. Proposed sale price or rent of the property;

4.2.6. Size of the property; and

4.2.7. Expected date of sale or lease of property.

4.3. No negotiated transaction for the disposal of property shall be effectuated until not less than 90 days after the Authority has submitted a written explanation of the circumstances involving the disposal of the property to the Authorities Budget Office.

5. Inventory controls.

5.1. The Authority shall:

5.1.1. Maintain adequate inventory controls and accountability systems for all property under its control; 5.1.2. Periodically inventory such property to determine which property shall be disposed of;

5.1.3. Produce a written report of such property to be disposed in accordance with § 5.

5.1.4. Transfer or dispose of such property as promptly as possible in accordance with §

3.

6. Disposal of property for less than fair market value.

6.1. No asset owned, leased or otherwise in the control of the Authority may be sold, leased, or otherwise alienated for less than its fair market value except if:

6.1.1. the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the asset will remain with the government or any other public entity;

6.1.2. the purpose of the transfer is within the purpose, mission, or governing statute of the Authority; or

6.1.3. in the event the Authority seeks to transfer an asset for less than its fair market value to other than a governmental entity, which disposal would not be consistent with the Authority's mission, purpose, or governing statutes, the Authority shall provide written notification thereof to the governor, the speaker of the assembly, and the temporary president of the senate, and such proposed transfer shall be subject to denial by the governor, the senate, or the assembly. Denial by the governor shall take the form of a signed certification by the governor. Denial by either house of the legislature shall take the form of a resolution by such house. The governor and each house of the legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the legislature receives notification of a proposed transfer during the months of July through December, the legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the governor, senate, and assembly, the Authority may effectuate such transfer. Provided, however, that with respect to a below market transfer by the Authority that is not within the purpose, mission, or governing statute of the Authority, if the governing statute provides for the approval of such transfer by the executive and legislative branches of the political subdivision in which the Authority resides, and the transfer is of property obtained by the Authority from that political subdivision, then such approval shall be sufficient to permit the transfer.

6.2. In the event a below fair market value asset transfer is proposed, the following information must be provided to the Authority board and the public:

6.2.1. a full description of the asset;

6.2.2. an appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the board;

6.2.3. a description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages, or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the asset is situated as are required by the transfer;

6.2.4. a statement of the value to be received compared to the fair market value;

6.2.5. the names of any private parties participating in the transfer, and if different than the statement required by subparagraph (iv) of this paragraph, a statement of the value to the private party; and

6.2.6. the names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.

6.3. Before approving the disposal of any property for less than fair market value, the Board shall consider the information described in § 6.2 and make a written determination that there is no

reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

7. Report of real property and of property to be disposed.

7.1. The Authority shall publish, not less frequently than annually, a report listing all real property of the Authority.

7.2. Such report shall consist of a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the Authority and the name of the purchaser for all such property sold by the Authority during such period.

7.3. The Authority shall deliver copies of such report to the Comptroller, the director of the budget, the commissioner of general services, and the legislature.

8. Annual review, filling, and posting.

8.1. This Policy shall be annually reviewed, amended if deemed appropriate, and approved by the Board.

8.2. On or before March 31 in each year, the Authority shall file with the Comptroller a copy of this Policy as most recently reviewed and approved by the Authority, including the name of the Authority's designated contracting officer.

8.3. At the time of filing this Policy with the Comptroller, the Authority shall also post this Policy on the Authority's website. This Policy shall be maintained on the website at least until the Policy for the following year is posted on the website.