


Effective Date: 06/11/2024	Version: 1 Supersedes:	Related Documents:
 <h1 style="text-align: center;">DEPARTMENT POLICY</h1>		
Approved by: Commission	Regulation: RCW 54.16.020, RCW 35.94, RCW 39.33, RCW 54.16	
Policy Owner: Lands Services	Policy Category: Land Management	

EA-LCLS-POL-001-LANDS SERVICES REAL PROPERTY AND PROPERTY RIGHTS MANAGEMENT POLICY

1. Scope

This policy applies to all officers, employees, and contractors of Grant PUD engaged in the acquisition, management and surplus of land and land rights as needed to support Grant PUD's mission to safely, efficiently, and reliably deliver electric power and fiber optic broadband services.


2. Policy Statement

Grant PUD is committed to the efficient management of its land resources consistent with the needs of the District. Land acquisitions and land surplus actions shall support the strategic objectives of the District and be pursued in the best interests of our customers.

The procedural actions that carry out this policy can be found in the Land Services Real Property and Property Rights Management Procedure (citation #TBD).

3. Definitions


- a. Appraisal – A professional opinion or estimate of the value of a property.
- b. Blowout – The maximum distance conductors are anticipated to blow outwardly from their support structures. This distance, plus reasonable design allowance when projected toward the ground below defines the total width of an easement for transmission lines. Blowout is not a consideration for most distribution lines.
- c. Compensable Damages – Those damages for which compensation must be paid under the laws regulating condemnation actions.
- d. Easement – An irrevocable right, privilege, or interest that one party has in another party's real property for a specified purpose.
- e. Eminent Domain – The right or power of public agencies to take private property for public purposes without the owners' consent upon payment of just compensation. Grant PUD is vested with the authority to exercise this power pursuant to RCW 54.16.020.
- f. Fair Market Value – The value at which property would sell on the open market, assuming both the buyer and seller are reasonably knowledgeable about the property, are behaving in their own best interests, are free of undue pressure, and are given a reasonable time to complete the transaction.
- g. Fee Simple – The highest and most complete form of ownership, which is of potentially infinite duration.

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- h. Franchise – An agreement between Grant PUD and a franchisor (typically a public road administration agency) to locate certain electric utilities within the easement or right-of-way operated by said road administration agency.
- i. Just Compensation – The minimum payment required by law for the partial taking of property (land or rights) under eminent domain.
- j. Overhang – The perpendicular projection of transmission or distribution line cross arms to the ground below.
- k. Possession and Use Agreement – A negotiated and recorded instrument in which Grant PUD and a property owner agree that, upon payment of a specific value to the property owner, the District is entitled to immediate (or dated) possession and use of a property and that the final settlement will be determined later.
- l. Primary Distribution and Telecommunication Lines – Those permanent power distribution and telecommunication facilities that are constructed, owned, and operated by Grant PUD to provide power to customers. Primary lines are those that serve as backbone facilities from which secondary distribution and telecommunication lines may project from.
- m. Qualified Appraiser – For the purposes of this policy, Qualified Appraiser refers to a real estate appraiser that is licensed by the State of Washington who is charged with estimating the value of property (or property rights) and adheres to the requirements of the Uniform Standards of Professional Appraisal Practices (USPAP). The USPAP utilizes a standard of highest and best use of the area to be appraised, which considers the legal, financial, and physically possible use that, at the time of appraisal, is most likely to produce the greatest net return to the land and/or buildings over a given period.

4. Policies


1. **Transmission, Primary Distribution, and Primary Telecommunication Line Rights-of-Way/Easements:** Grant PUD shall prioritize locating its transmission lines, primary distribution, and primary telecommunication, within an easement on private property. To the greatest extent practical, these easements should be situated parallel and adjacent to existing public road corridors. Alternatively, and as deemed necessary through project design, Grant PUD will locate transmission, primary distribution, and primary telecommunication lines “cross-country” within an easement across private property. Under limited circumstances, Grant PUD may seek to establish or maintain these lines within a public road franchise.
 - a. Transmission line easements shall contain sufficient area to cover the over-hang and blowout.
 - b. Primary distribution and telecommunication easements shall contain sufficient area for overhang, but blowout is not a factor with these lines and shall not require to be included in the easement area.

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- c. Acquisition of easements shall be secured by just compensation using sound principles of right-of-way appraisal and negotiation. Compensation for easements shall reflect a percentage of the appraised fair market value of the land as determined in Section 7 below.
 - i. Property owners with proposed easements located parallel and adjacent to existing road rights-of-way shall be compensated with a payment of 25% of the appraised fair market value for this partial taking of private property. In no instance shall the compensation amount for an easement running parallel and adjacent to the road be less than \$750.00.
 - ii. Property owners with proposed 'cross-country' easements shall be compensated with a payment of 40% of the appraised fair market value for this partial taking of private property. In no instance shall the compensation amount for an easement running cross-country be less than \$750.00.
 - iii. Where guy anchors are required, Grant PUD shall offer to compensate owners \$300.00 per guy anchor for the additional take of private property resulting from the anchors.
- d. Cases of Special Consideration and Costs of Cure: In certain circumstances, Grant PUD may elect to compensate property owners by paying 100% of the appraised fair market value for the taking of private property. This scenario applies to instances where the easement significantly impacts or damages private property. This evaluation will require a before and after appraisal approach to determine compensable damages to the remaining property. These special cases will be considered on a case-by-case basis and require the review and approval by Grant PUD's General Manager/CEO within the delegated authority limitations as set by the Grant PUD Commission.
- e. Administrative Settlement: Grant PUD may elect to compensate property owners for easements at a rate that exceeds the appraised fair market value. In these rare cases, factors, such as the cost of finding or building an alternative route or avoiding condemnation, will guide the district's actions to offer an administrative settlement. Use of the administrative settlement will not constitute a modification to the appraised fair market value. All administrative settlements shall be reviewed for legal sufficiency by the Chief Legal Officer and further reviewed and approved by the General Manager/CEO.
- f. Possession and Use Agreement: When Grant PUD is negotiating with a private property owner for a transmission line easement, the two parties may come to an impasse regarding easement value. In these instances where value of the easement to be paid to the property owner is the sole reason for lack of mutual agreement, Grant PUD may seek a possession and use agreement with the private property owner and agree to allow the process of condemnation through the appropriate court determine the final value.

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- i. When a private property owner executes a possession and use agreement, Grant PUD will make payment of its full offer value of the easement without unreasonable delay.
 - ii. Upon execution of a possession and use agreement and as soon as payment has been posted by District, Grant PUD may possess and use the easement area consistent within the stated purpose of the easement to allow the project to proceed through construction and operation.
 - iii. Unless a negotiated settlement can be mutually achieved, Grant PUD will pursue the final acquisition of the transmission line easement through eminent domain.
 - g. Eminent Domain/Condemnation: The Grant PUD Commission may elect to exercise its rights of eminent domain to acquire transmission, primary distribution, and primary telecommunication line easements as authorized by the applicable sections of RCW Title 8 and RCW Title 54.
 - h. Once executed, all easements shall be recorded with the appropriate county recording office within 30 days of execution if real estate excise tax applies.
- 2. Secondary Distribution and Telecommunication:** Grant PUD shall prioritize locating its secondary distribution and telecommunication lines within existing federal, state, or local road franchise areas.
- a. Compensation shall not be provided for easements to locate secondary distribution and telecommunication lines, nor their appurtenant structures and components.
- 3. Customer Service Easements:** Applicants for electrical service shall provide, without cost to Grant PUD, all right-of-way and other easements required for the installation, operation, and maintenance of the requested electrical and/or telecommunication facilities. The easement(s) for service shall also include all required access to the property for the purposes of maintaining continuity of services.
- a. Grant PUD Service Connection Agreements do not serve as required executed easements for extensions of service.
- 4. Real Property Acquisition:** Grant PUD may need to acquire real property in support of its mission. Real property acquisition shall be secured in fee-simple. The acquisition of real property shall be guided by specific project needs, availability of existing surplus lands (or a lack thereof), and the appropriate stewardship of customer resources.
- a. The Grant PUD Commission shall be informed on all real property acquisitions as early as is practical or prudent. The timing of this engagement may differ from project to project, but in all cases shall occur prior to the presentation of any purchase and sale agreement to the engaged property owner.


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- b. All eligible discussions about the acquisition of real property shall be conducted in an executive session.
- c. Grant PUD shall establish value of the real property pursuant to the requirements of Section 7 below to ensure the District is acquiring property at an appropriate and fair market value.
- d. Grant PUD shall negotiate with property owners to secure real property at the fair market value rate or as close thereto as possible.
- e. The Lands and Permitting Supervisor shall be the responsible party for all negotiations with the engaged landowner.
- f. Eminent Domain/Condemnation may be exercised for certain real property acquisitions (substations for example) as supported by applicable statute.
- g. The Grant PUD Commission shall approve all fee-simple land acquisitions.

5. Real Property Rent/Lease: Grant PUD may determine that additional facilities are required on a temporary basis to meet the needs of the District and that the rental or lease of a property is appropriate. Additionally, Grant PUD may possess lands or facilities that may be identified as surplus and may choose to lease those lands to a tenant or group of tenants when such a lease is in the best interest of the District and its customers.

- a. As the lessor, Grant PUD will require an appraisal of any lands or facilities intended to be leased to establish the initial rental rate.
- b. As the lessee, Grant PUD will ensure that the financial terms of the rental or lease agreement reflect the appropriate rental market rate.
- c. Grant PUD may need to temporarily secure real property in the vicinity of project areas for staging and laydown purposes. The District will negotiate to use these areas with property owners and make monthly lease payments in the amount of up to 1% of the appraised value to the owner for the use of the property. A License Agreement should be used in these cases. Any payment in excess of 1% requires approval by the General Manager/CEO.
- d. Contracts for lease of real property exceeding \$5,000.00 per year shall be reported to the Commission as soon as practical following execution (reference Resolution 8608).

6. Disposition of Real Property and Property Rights: In the event a real property or property right is deemed surplus by the Grant PUD Commission, Grant PUD may elect to dispose of said real property or property right consistent with the applicable statutory obligations of the State of Washington.

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- a. Surplus actions shall be consistent with the requirements of applicable statute include, but not limited to, RCWs 35.94, 39.33 and 54.16.
- b. In the instance when real property is being considered for surplus action, Grant PUD shall determine the value of the real property subject to surplus pursuant to Section 7 below.
- c. Property rights (easements or rights-of-way) may also be relinquished if Grant PUD determines that a right of way or easement no longer serves the needs of the District. Any relinquishment of property rights shall be at the sole discretion of Grant PUD and may or may not require compensation depending on how the initial property right was acquired.
- d. Any surplus actions within the Priest Rapids Project Boundary shall comply with Article 420 of the FERC License and the Procedures and Standards Manual for Shoreline Management.

7. Determination of Value for Real Property and Property Rights: The determination of the value of real property is necessary to protect Grant PUD’s interests and to ensure equitable returns on district investments. Grant PUD will employ the services of a qualified appraiser to perform all appraisals for the purpose of establishing fair market value.

- a. Selection of the qualified appraiser shall be at the discretion of the Lands and Permitting Supervisor or the License Compliance and Lands Services Manager.
- b. Appraisers hired to prepare property or property right appraisals shall be licensed to perform such work in the State of Washington.
- c. All appraisals shall conform to the requirements of the USPAP.
- d. For project planning purposes, Lands Services staff may be utilized to develop a likely range of values for any acquisition or surplus action, but this range of values shall not be a substitute for a formal appraisal, if necessary.

8. Risk Owners: Chief Operations Officer, Senior Manager of Environmental Affairs

9. Review/Revision History

Date	Description
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