


Real Property Acquisition Procedures

This brochure is prepared to explain the general procedural guidelines that Dairyland Power Cooperative follows in acquiring fee title to property and/or right-of-way easements for electric utility purposes. We also want to explain your basic rights in the acquisition process. We at Dairyland, believe that we owe an obligation not only to the public we serve, but also to you the property owner. Working together in a friendly spirit and cooperative manner can result in growth and prosperity throughout our area.



A Touchstone Energy® Cooperative 

Introduction

Dairyland Power Cooperative is a generation and transmission cooperative — G&T for short. Dairyland does not deliver electricity directly to the individual user, but supplies at a wholesale cost, the total electrical requirements of our rural electric cooperative (REC) members who, in turn, deliver the energy to their consumer members.

Intent of This Pamphlet

This pamphlet is intended to give citizens information about the basic protections afforded landowners under state and federal laws regulating the acquisition of real property for public use.

Policies And Practices For Land And Right-Of-Way Acquisition Used In Construction Of Electric Transmission Lines And Other Facilities

Over the years, Dairyland Power Cooperative has formulated a number of policies and practices followed in land acquisitions and construction of its electrical facilities (generating plants, transmission lines, substations, microwave towers, switches, and repeater stations.) Dairyland conducts public informational meetings when necessary, and notifies local residents and property owners as well as governmental bodies of proposed projects through personal contact, the news media, and/or legal notices that are published in local papers prior to public meetings.

Public comments (gathered at public meetings or by personal contact) are considered before decisions are made on final transmission line corridors or location of facility sites. In some instances, multiple and alternative transmission routes, corridors and sites are proposed and discussed.

Data relating to land use and topography is accumulated and used to determine the optimum route or site that will accomplish the project with the least



impact upon the land and to the public. Another concern is delivery of the most cost effective source of power at the required location to assure that the needs of the public are met, not only today, but for years to come.

Dairyland's Real Estate and Right-of-Way Representatives provide information to the property owners and/or their representative regarding specifically proposed projects and will provide answers to questions or concerns the property owner may have regarding the project. They also collect property information that will assist with the smooth flow of the construction process and result in the least amount of damage to crops and improvements.

TRANSMISSION LINE ROUTE AND SITE SELECTION

Possible transmission line routes and substation sites are reviewed for consideration by a multi-disciplinary team at Dairyland using the best available data prior to performing field reviews. This process employs the use of existing maps, surveys, aerial photos, publicly-available field condition data, and property owner information. In many instances, Dairyland will use right-of-way that is currently occupied by an existing local electric service line or combine Dairyland facilities with or replace existing transmission lines. In these instances, transmission lines are designed so the local electric line can be transferred to the new transmission line poles. Dairyland's routing and siting staff strives to keep the length of the line as short as possible and yet limit environmental and public impacts. The staff also tries to anticipate and minimize any potential damage to cropland and the environment. Consideration must be given for access to the electrical facility for maintenance and operation once built. This makes routing a line or selecting a facility site along a road desirable. Additional advantages to routing lines along a roadway are reduced construction, long-term maintenance and right-of-way tree clearing costs.



NOTICE TO PROPERTY OWNERS OF INTENT TO ACQUIRE

As soon as possible, Dairyland will notify property owners and others of our interest in acquiring the real property and/or the easement interest needed. Where new projects are proposed that are subject to the approval of Rural Utilities Service (RUS), [formerly known as Rural Electrification Administration (REA)], a notice will be published in the local newspaper of general circulation. Notice is also communicated through Dairyland's policy of requesting survey access in the very early or preliminary stages of the project.

For projects located in the State of Iowa, the Iowa Code and Iowa Utilities Board (IUB) guidelines must be followed. These codes and guidelines require that an informational meeting be held prior to talking to property owners about the project followed with the franchising procedure. The Notice and Franchise Map in the above instances must be published in a local newspaper of general circulation. Similar requirements are in effect in other states based upon line capacity and generation facility regulations. In Wisconsin a "Certificate of Public Convenience and Necessity" is required for plant sitings and for new high voltage lines to be operated at 100 kV and above. Minnesota projects require Minnesota Environmental Quality Board (MEQB) involvement for plant sitings and transmission lines to be operated at 200kV and above.



ABSTRACT OF TITLE

A limited search of the public land title records of all lands involved in a project will be completed by the Right-of-Way Representative or other persons engaged by Dairyland for that purpose. A title report will then be developed to ascertain the correct legal description of the property, record owner(s), information regarding easements, liens, restrictions, encumbrances, and other conditions of record.

It is also important to obtain an accurate list of all interests of record and their respective mailing addresses in order to fulfill the lawful notice requirements.



SURVEY

PRIOR TO SURVEY

A Right-of-Way Representative will visit or otherwise contact each property owner, their representative, and/or tenant to provide details of the proposed project. The Right-of-Way Representative will specifically describe the reason that Dairyland needs to build a transmission line or other facilities that will affect the property. Property owners will be asked permission for Dairyland's survey crews (land, soil and archaeological) to enter the property and do the work necessary to fulfill the various survey requirements. Surveys are accomplished by our employees, consultants and/or agencies. In any case, Dairyland retains the direct responsibility to protect the condition of the property owner's property.

LINE SURVEY

The survey crew first completes a preliminary survey. This survey is so named because it establishes the centerline of the proposed transmission line. A major objective is to establish a preliminary route free of immovable physical objects with a minimum number of angles. The proposed centerline may be preliminarily staked. Once the centerline has been established, additional details such as elevation data, features and improvements will be surveyed and referenced to the centerline alignment. These additional details become line design and structure siting considerations.

SURVEY STAKING

After line design and engineering is completed, the line is structure staked. This means that the survey crew identifies the position of each structure or pole on the ground and places a surveyor's stake or "Structure Stake" to mark the location. By doing this, the Right of-Way Representative can show the property owner exactly where the structures (poles) will be located on the property.



DETERMINATION OF COMPENSATION AND/OR APPRAISAL

Each property to be purchased or from which easement rights are to be acquired will be viewed by Dairyland's representative(s) to determine the amount believed to be just compensation for the property or property right. A valuation will be prepared prior to commencement of negotiation to establish an amount believed to be just compensation for the real property and/or land rights to be acquired, based on all available data gathered by Dairyland's representative(s).

An appraisal will be completed by Dairyland's representative(s) in the event that a complicated appraisal problem exists or that there is a statutory requirement in the local jurisdiction. If a detailed appraisal is needed, it will reflect state and federal appraisal standards.

Property owners and/or their representative will be contacted by Dairyland's representative(s) and given the opportunity to accompany the appraiser during the inspection of the property. Further, Dairyland will make an offer to the property owner to acquire the property and/or land rights for the full amount believed to be just compensation. The amount of the offer will not be less than the approved valuation appraisal of the property and/or the land rights required.

A qualified review appraiser will examine all appraisals.

DOCUMENT PREPARATION

Dairyland will prepare or cause to be prepared from the information gathered through title/abstracting, survey, and design, all of the documents required to complete each transaction. Some of the documents needed include (but are not limited to the following and can vary from state to state): Purchase Agreement or Contract, Deed, Easement, Easement Payment Agreement, Clearing Note, Certificate of Compensation.



ACQUISITION PROCESS

VOLUNTARY ACQUISITION

As a general rule, the acquisition process is outlined as follows:

- The Right-of-Way Representative will present a proposed deed, easement, or option to purchase to the property owner together with pertinent documents, maps of the line route or site, and specific maps showing the property owner's parcel and an offer of compensation for the easement or purchase. The property owner must be allowed a reasonable time in which to consider the offer and present material that the property owner believes is relevant to determining the value of the property and to suggest modifications in the proposed terms and conditions of the agreement(s). Dairyland will consider information presented by the property owner, and if warranted, or if a significant delay has occurred since the time of the valuation or appraisal, the valuation will be updated or a new appraisal obtained. Just compensation will be adjusted accordingly in the offer to purchase presented to the property owner.
- Dairyland will pay all reasonable costs and expenses incidental to transfer of title directly to the property owner when possible. In all other cases, the property owner will be reimbursed for other expenses necessarily incurred for the transfer or as provided by law. The appropriate documents are recorded when the acquisition process is completed or as the individual state law dictates. In Wisconsin two additional steps are required (see Wisconsin only).
- A Certificate of Compensation is executed and recorded with the Register of Deeds identifying all interests of record, stating the total compensation paid and reciting the recording data of the instrument of conveyance. (Wisconsin only.)
- A Notice of Right to Appeal is mailed (certified) to all parties having an interest of record with a recorded copy of the Certificate of Compensation attached. This provides all parties having an interest of record with notice that they have six (6) months to appeal the amount of compensation that they were paid by Dairyland for the rights granted. (Wisconsin only.)

- In Iowa, all parties having an interest of record will be supplied with the necessary documents that will enable them to cancel or void the easement within seven (7) business days, as required under Iowa Code (Notice of Cancellation).

ACQUISITION BY EMINENT DOMAIN (CONDEMNATION)

Condemnation proceedings will only be instituted by Dairyland when reasonable efforts to negotiate a reasonable agreement have failed.

AGENCY AND GOVERNMENTAL PERMITS

Dairyland will submit an application necessary for all federal, state and local permits required for transmission line construction activities. Generally, utility projects require permits for road, stream, river, wetland, storm water, railroad and public land crossings.



THE CONSTRUCTION PROCESS

Once the easement or land rights have been acquired and immediately prior to construction, Dairyland's Right-of-Way Representative, as a general rule, will contact the property owner and discuss the construction schedule.

During construction, the following may be required:

- Temporary removal or relocation of certain fences
- Installation of temporary (or permanent at land owner request) gates and construction matting
- Early harvest of crops where possible
- Removal or relocation of equipment and livestock within the right-of-way.

When construction begins, you may witness movement of heavy vehicles, clearing of trees and other vegetation, and in the case of a transmission line, the delivery of poles and other materials, framing and setting of poles, and stringing of conductor wire.

RESTORATION AND CLEAN UP

The Right-of-Way Representative will contact each property owner and/or tenant upon completion of construction and ask to be accompanied on an inspection tour along the line route. The purpose of this visit is to inspect the right-of-way work area either with or without the property owner present to determine its condition. If damage is evident, it will be accurately measured and described. In some instances, the surface damage will also be recorded by photographs if restoration is delayed for some reason or another. Actual damage caused to crops, fences, and other improvements as a direct result of construction will be considered in calculating the amount of compensation. Accidental damage caused by unforeseen circumstances will be investigated by the Right-of-Way Representative as well.

The Right-of-Way Representative's field data will be prepared into an itemized damage claim form and presented to the owner for consideration. A check for payment of damage will be issued. A statement of release will be requested from the property owner and/or tenant when no damage resulted from construction. In Iowa, the property owner is, by law, provided with a five (5) year period in which to recover land damages, regardless of prior settlement or release.

In some instances Dairyland may engage an outside contractor to restore damaged property to as near as possible its predisturbed condition.

THE DAIRYLAND TEAM

Dairyland Power Cooperative has a highly skilled and professional team of employees acting throughout our projects - System Planners, Surveyors, Engineers, Environmentalists, Staff Attorney, Right-of-Way Representatives, Administrative Staff, Construction Crew, and others.

Dairyland's Right-of-Way Representative is the property owner's project liaison person. Dairyland's representative will work closely with the property owner(s), various agencies, and other utilities to coordinate all of the work and maintain a working link between all parties. Dairyland's Right-of-Way Representative will, whenever possible, visit every property

owner and/or tenant and inform them of Dairyland's proposed construction schedules and/or any changes that occur throughout the project. Dairyland will make every possible effort not to unduly interfere with the property owner's or tenant's use of the land.

The Right-of-Way Representative is qualified to answer, or will obtain answers to, questions and concerns the property owner may have regarding the project. Every aspect of the project will be discussed with the property owner. Your representative will present illustrations, maps, and/or photos for your information.

The representative is also fully authorized to act on behalf of Dairyland.

Dairyland's Right-of-Way Representative may be contacted by writing to:

DAIRYLAND POWER COOPERATIVE
REAL ESTATE & RIGHT-OF-WAY DEPARTMENT
P.O. BOX 817, 3200 EAST AVENUE SOUTH
LA CROSSE, WI 54602-0817

Or by calling: (608) 788-4000 and asking for the Real Estate Department

PROPERTY OWNER APPRAISAL GUIDELINES

The purpose of this guideline is to provide you with Dairyland Power Cooperative's interpretation of the appraisal requirements when you obtain an appraisal of your property by an appraiser of your choice. In certain instances, Dairyland will pay the reasonable costs of an appraisal performed for a property owner (Wis. Stat. 32.06). Dairyland desires that appraisals prepared for owners be given maximum consideration and, therefore, offers the following suggestions:

- Qualified appraiser is construed to be one who has special qualifications to appraise your particular type of property; preferably one who is state licensed and is a member of an appraisal organization which requires testing by written exams; who devotes a significant amount of his or her time to the real estate appraisal profession and who will readily

provide a list of clients for whom he or she has worked. It will be in your best interest to insure that the appraiser you select is familiar with the statutory rules governing the determination of just compensation and is capable of interpreting project plats, plans, and specifications. The State of Wisconsin has a voluntary licensing program for appraisal professionals administered by the Department of Regulation and Licensing to ensure compliance with appraisal standards, methods and ethics. The State of Iowa and the State of Minnesota mandate that appraisers be licensed within those jurisdictions.

- Reasonable Cost for the preparation of an appraisal should be a consideration when choosing an appraiser. Property owners should be aware that the selection of an appraiser and the fee for the work is a matter of choice between the property owner and the appraiser. The responsibility for paying the appraiser rests with the property owner even though Dairyland may be required to reimburse the reasonable costs of an appraisal. We suggest that the cost should be reasonably comparable to fees charged for similar work by similarly qualified appraisers. You should consider such things as the time required, the complexity of the assignment, expenses incurred, and the overall qualifications of the appraiser as indicated by his or her education, experience, ability, and integrity.
- Full Narrative Appraisal means a detailed and comprehensive description of the process an appraiser uses to reach an opinion of the fair market value of property. The following general standards will be used by Dairyland in considering the merits of the appraisal you provide:

OUTLINE OF APPRAISAL REQUIREMENTS

- Identification of property legal description and/or street address, or other identifying information which will properly identify or locate the property.
- Definitions of fair market value.
- Statement of highest and best use. Support for and reasoning behind conclusion of highest and best use if different from existing use.

- Description of property both before and after acquisition. Include description of size, age, condition, and utility of all improvements.
 - Location and environment.
 - Land type, size, approximate dimensions, soils, zoning, and usage.
 - Special features that serve to detract or enhance.
 - Description of acquisition. Outline and explain reasoning for any damages or benefits to remainder.
- Market Approach
Complete description of comparable sales used. In general, this description should be similar to the description of the subject property listed above. In addition, the following terms are considered essential:
 - Date of sale.
 - Sales price and how price was verified.
 - Names of grantor and grantee.
 - Recording data.
 - Date of inspection by appraiser.
 - Explanation and reasoning for adjustments used.
 - Reasons for not using this approach, if it is excluded.
- Income Approach (If Appropriate)
 - Actual income and support of economic rent by comparable rental data.
 - Explanation of vacancy factor and expense items.
 - Explanation of capitalization rate and technique.
- Cost Approach (If Appropriate)
 - Complete market approach to support land value.
 - Estimates of reproduction or replacement cost of each improvement, together with the source of these costs.
 - Explanation of depreciation for each improvement.

- Correlation and conclusion. (If more than one approach has been used.)
- Other descriptive material such as photos, maps, charts, plans, etc., which would help to explain and document the appraiser’s reasoning and conclusion.
- A certification, dated and signed by the appraiser is required. A certification similar to the following is suggested:

I certify, that to the best of my knowledge, the statements made in this report are true, and I have not knowingly withheld any significant information; that I have personally inspected subject property; that I have no interest, present or contemplated, in subject property or the participants in the impending transaction; that neither the employment nor compensation to make said appraisal is contingent upon my value estimate; and that all contingent and limiting conditions are stated herein; and the fee charged is consistent with my usual charge for appraisal services.

Estimated Market Value, as Defined, of Subject
Property as of _____, 20____.
\$ _____

- The contents of a “full narrative appraisal” report will obviously depend on the complexity of the problem. The important thing is that the appraiser should provide adequate support for his or her conclusions.

GLOSSARY OF TERMS:

ABSTRACT OF TITLE:

A summary of the successive conveyances and other facts on which a person’s title to a piece of land rests. (Words and phrases used synonymous with Abstract of Title: Abstracting, Title Search, Title Report, Owner of Record, and other interests of record.)

ACCESS:

The way or means to approach, to enter, and to leave a privately owned tract of land from a public way without trespassing on other privately owned property.

ACCESS RIGHTS:

The right of ingress to and egress from a property that abuts upon a street or highway. Access is a private right as distinguishable from rights of the public.

APPRAISAL:

A written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.

CENTERLINE:

The path followed by and identified by surveyors; the longitudinal center of a right-of-way project.

DANGER TREES:

Trees that are located outside and/or within the right-of-way limit, that if in falling, could strike the line or otherwise cause power outages.

OR

Trees that have a height greater than their horizontal distance to the line and/or its appurtenances.

EASEMENT:

A nonpossessing interest held by one person (or entity) in land of another person (or entity) whereby the first person is accorded partial use of such land (or entity) for a specific purpose. An easement restricts but does not abridge the rights of the fee owner to the use and enjoyment of his land. (See Right-of-Way)

EGRESS:

The right to leave a tract of land. Often used interchangeably with “access”.

EMINENT DOMAIN:

The right or power of public and semipublic agencies to take private property for public purposes without the owner's consent on payment of just compensation.

ENVIRONMENT:

The social, physical, and economic characteristics of the area surrounding a property which have an effect on its value.

ESTIMATE:

An opinion developed from analysis of adequate data by one qualified to develop such an opinion, hence the opinion of an informed person; preliminary opinion, for example, the approximate cost of doing certain work.

FRANCHISING:

The procedure by which the State of Iowa grants permission and authority to construct transmission lines.

INGRESS:

Access to enter a tract of land, used with egress, to go in and out.

JUST COMPENSATION:

Payment of fair market value for the property or property right acquired.

KILOVOLT (kV):

One kilovolt is equal to 1,000 volts.

MARKET VALUE (also referred to as FAIR MARKET VALUE):

The most probable price in cash, terms equivalent to cash, or in other precisely relative terms, for which the appraised property will sell in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

RIGHT-OF-WAY:

(1) The right to pass across the lands of another (2) Land, property, or interest therein acquired, usually in a strip.

VOLT

A unit of electric force.

LIVING WITH ELECTRIC POWER LINES AND SAFETY PRECAUTIONS TO REMEMBER:

- Never climb transmission line towers or poles.
- Never touch a broken or downed line. If you discover one, stay clear and call the local power company.
- Consider any overhead line dangerous. Keep objects at least 25 feet away from power line.
- Stay away from transmission line towers and trees and all tall objects during storms. They are dangerous because lightning tends to strike the highest point in an area and travels through it to reach the ground.
- Never fly kites or model airplanes near power lines.
- Call your utility if a kite or model airplane becomes entangled in a power line. Do not pull the string or climb a tower or pole to get it down.
- Never locate a building, haystack, or other flammable material under a power line.
- Report any potential power line hazard to your local electric utility.
- When handling lightweight irrigation pipe, take care! It is an excellent conductor and can cause a fatal accident if it comes in contact with an overhead line.



- When moving or operating grain augers or other farm equipment with extensions near a power line, be particularly careful.
- When hunting, take care as power lines cross many remote areas. Look for them before aiming or firing a gun. Shooting insulators or conductors can drop a wire or cause a flash-over (an electrical discharge or arc through the air). Both are hazardous!



The Dairyland Power Cooperative System Map

WISCONSIN

- 1 Barron - Barron
- 2 Bayfield - Iron River
- 3 Chippewa Valley - Cornell
- 4 Clark - Greenwood
- 5 Dunn - Menomonie
- 6 Eau Claire - Fall Creek
- 7 Jackson - Black River Falls
- 8 Jump River - Ladysmith
- 9 Oakdale - Oakdale
- 10 Pierce-Pepin - Ellsworth
- 11 Polk-Burnett - Centuria
- 12 Price - Phillips
- 13 Richland - Richland Center
- 14 Riverland Energy - Arcadia
- 15 St. Croix - Baldwin
- 16 Scenic Rivers - Lancaster
- 17 Taylor - Medford
- 18 Vernon - Westby

IOWA

- 19 Allamakee-Clayton - Postville
- 20 MiEnergy - Cresco
- 21 Heartland - Thompson & St. Ansgar

MINNESOTA

- 22 Freeborn-Mower - Albert Lea
- 23 People's - Rochester
- 24 MiEnergy - Rushford

ILLINOIS

- 25 Jo-Carroll - Elizabeth

DAIRYLAND FACILITIES

- Indicates Facility Location
- Headquarters/La Crosse, Wis.
- Alma Generating Site/Alma, Wis.
- Flambeau Hydro Station/Ladysmith, Wis.
- Genoa Generating Station/Genoa, Wis.
- Elk Mound Generating Station/Elk Mound, Wis.
- Seven Mile Creek Landfill Station/Eau Claire, Wis.

MUNICIPAL CUSTOMERS

- a. Arcadia Electric Utility, Arcadia, Wis.
- b. Argyle Municipal, Argyle, Wis.
- c. Cashton Municipal Light & Water Utility, Cashton, Wis.
- d. Cumberland Municipal Utility, Cumberland, Wis.
- e. Elroy Electric Utility, Elroy, Wis.
- f. Fennimore Municipal Utilities, Fennimore, Wis.
- g. Forest City Light & Power, Forest City, Iowa
- h. La Farge Municipal Utilities, La Farge, Wis.
- i. Lake Mills Municipal Utilities, Lake Mills, Iowa
- j. Lanesboro Public Utilities, Lanesboro, Minn.
- k. McGregor Municipal Utilities, McGregor, Iowa
- l. Merrillan Electrical Light & Water Dept., Merrillan, Wis.
- m. New Lisbon Municipal Light & Water Dept. New Lisbon, Wis.
- n. Osage Municipal Utilities, Osage, Iowa
- o. City St. Charles, Minn.
- p. Strawberry Point Utilities, Strawberry Point, Iowa
- q. Viola Municipal Electric Utility, Viola, Wis.

