

**Metropolitan Domestic Water Improvement District  
Board of Directors Meeting**

**December 11, 2017**

**Acquisition of Property Rights through Administrative Settlement**

**Synopsis**

Staff has been working with the District's right-of-way consultant, Tierra Right of Way Services, to assist with the acquisition of waterline easements necessary for the Northwest Recharge, Recovery and Delivery System (NWRRDS) project. Where it is in the best interest of the District, the Board of Directors is requested to authorize the General Manager to acquire property rights through administrative settlement up to approval thresholds as stipulated in the District's current Procurement Policy.

**Background**

The District is in the process of acquiring waterline easements necessary for the NWRRDS project. The acquisition process includes an analysis of residential land and lot sales in the vicinity of the potential alignment, which is used to generate a nominal valuation and just compensation of the proposed easement area. In certain instances, a property owner or authorized representative rejects the District's offer and requests additional compensation based on comparable property values in the nearby vicinity or other reasonable considerations.

**Issues**

In accordance with 49 CFR §24.102, the property owner may present material which the owner believes is relevant to determining the value of the property and to suggest modification in the proposed terms and conditions of the purchase. In such cases, the purchase price for the property may exceed the amount offered if the request is deemed reasonable, prudent, and in the public interest. The negotiated additional compensation is accomplished through an administrative settlement.

Proposed administrative settlements are typically reasonable, resulting in a small increase in the acquisition cost. Additional factors for consideration include the construction schedule, and the time, expense, and uncertainty of litigation. As such administrative settlements are also prudent and in the public's best interest.

**Recommendation**

It is recommended that the Board of Directors authorize the General Manager to acquire property rights through administrative settlement if the requested modification is deemed reasonable, prudent, and in the public interest, subject to the purchasing limits established in the District's current Procurement Policy.

**Suggested Motion**

I move to authorize the General Manager to acquire property rights through administrative settlement when deemed reasonable, prudent, and in the public interest, subject to purchasing limits established in the District's current Procurement Policy.

Respectfully submitted,

Sheila M. Bowen, P.E.  
District Engineer

I concur with the above-noted recommendation.

Respectfully submitted,

Joseph Olsen, P.E.  
General Manager