

RURAL WATER DISTRICT NO. 4
Douglas County

POLICY NO: 10

TITLE: Benefit Unit Sales/Waiting List

Rationale:

Due to many questions arising from the waiting list for benefit units, The Board of Directors clarified existing policy as follows:

Policy:

1. Trading places on the waiting list will not be allowed. The purchaser's name must be on the waiting list, and list priority will be followed.
2. Once a benefit unit is owned, it cannot be transferred to another party without a transfer of the land it is assigned to, except in unusual circumstances. This assumes that benefit unit purchases will be destined for land owned by the purchaser, and that the destination will be determined at the time of purchase.
3. No multiple sales of benefit units will be made except in the following cases: (1) Platted developments that the developer has submitted for approval as a subdivision to the Douglas County/Lawrence Municipal Planning Office. Such developers will be allowed to purchase a maximum of 5 benefit units. Application of this policy cannot conflict with the District policy on subdivision. (2) For owners of land having a 4-sided legal description (e.g., in the form of a survey prepared by a licensed surveyor), and having met all other requirements of this policy (no. 10), a purchase of up to 2 benefit units will be allowed. Consistent with Article 6, Section 2 of the by-laws, which state that "Upon the purchase of a benefit unit, the owners of land shall designate the tract of land to which the benefit unit shall be assigned," the purchaser of a benefit unit shall designate a tract of land for each benefit unit. For purposes of policy no. 10, this is interpreted as requiring each of the 2 benefit units being purchased to be assigned to a separate tract of land, with each of the 2 tracts having a separate, 4-sided legal description. Policy no. 10 does not allow for the purchase of 2 benefit units to be assigned to the same tract of land.
4. The date for application of this policy clarification is September 26, 2000.

5. Consistent with the District by-laws, a benefit unit cannot be used by anyone but the owner of record on the certificate to obtain water service. Therefore, water service will not be provided to family members or other parties by virtue of the second party gaining the permission of the owner of a benefit unit to allow an account to be established for a second party. For example, the owner of a benefit unit with an inactive account cannot allow his child to establish active water service by opening an active account in the name of the child based on the parent's ownership of a benefit unit. In other words, benefit units cannot be loaned or leased to a second party in order for that party to establish water service.
6. Similar to item (2) above, the owner of a benefit unit must transfer the benefit unit to the purchaser of the tract of land assigned to the benefit unit when that tract of land is sold. However, the benefit unit owner can, prior to the sale of land assigned to a benefit unit, assign the benefit unit to a different tract of land within the District that is owned by the benefit unit owner, with the Board of Directors' approval. By re-assigning the benefit unit to a different tract of land prior to the sale of an assigned tract of land, the benefit unit owner can avoid the transfer of the benefit unit to the purchaser of the tract of land being sold. Under no circumstances, however, can the benefit unit ever be held by the benefit unit owner for any period of time without being assigned to a tract of land in the District that is owned by the benefit unit owner.
7. In order to be placed on the waiting list, a legal description of land owned in the District or an option to buy land in the District must be presented to District staff. A legal description or an option to buy land in the District must also be presented to rotate a party to the bottom of the waiting list if such party declined an opportunity to purchase a benefit unit or units when their position on the list was reached. Also, the number of benefit units requested must be stated when a party is placed on the waiting list.
8. Emergency applications will be handled by the Board of Directors on a case-by-case basis.

Approved: September 26, 2000

Last Amended: February 10, 2004