

**RURAL WATER DISTRICT NO. 4**  
**Douglas County**

**POLICY NO: 17**

**TITLE: AUXILIARY METER LEASES**

**Rationale:**

The Board of Directors wishes to address the growing value of benefit units in the District and the resulting hardship caused by the increasing costs associated with obtaining water for farm livestock watering. Therefore, this policy was developed to offer an alternative to purchasing a benefit unit for the purpose of providing water for farm livestock.

**Policy:**

Definition: An auxiliary meter is defined as a meter that is leased to an agricultural enterprise for the sole purpose of watering farm livestock. Following are the policy provisions that guide the issuance of auxiliary meters:

1. An auxiliary meter is leased by making a lump-sum payment to the District of \$2,500. This payment is a lease fee for the privilege of using the District's existing water system to provide water for farm livestock. The payment must be received in full before the hardware is installed to provide access to the water system.
2. The auxiliary meter is not a benefit unit in the District, and as such conveys no ownership, voting rights, or other rights normally associated with being a member of the District to the lessee.
3. The lease fee covers the cost of installation of the meter, such that no fee is to be paid by the landowner or his tenant.
4. If a water line extension is necessary to serve the property, the cost of installing the new water line is to be charged to the landowner.
5. The auxiliary meter remains the property of the District. The privilege of leasing an auxiliary meter is nontransferable.
6. The landowner can ask the District to remove the auxiliary meter installation at any time. The auxiliary meter will be removed by the District upon sale or transfer of title to the land on which it is installed.
7. No refund of the \$2500 lease fee nor the monthly minimum fee will be made at the termination of the lease period (that is, following the sale or transfer of the land on which the meter is installed, or following a request by the landowner to remove the auxiliary meter).
8. Under no circumstances will the auxiliary meter be eligible to be converted into a benefit unit.

9. For accounting purposes, the monthly minimum fee and water usage will be billed under an account number assigned by staff, but assigning this account number does not signify that the lessee has acquired any ownership rights in the District.
10. Only a member of the District who owns a benefit unit is eligible to lease an auxiliary meter.
11. This policy, signed by the lessee below, will serve as the month-to-month lease agreement with the District, and can be terminated by the Board of Directors for good cause, including, but not limited to, a shortage of potable water available to the District.
12. Collection of the monthly bill will follow procedures for other delinquent water bills due to the District. The auxiliary meter can be removed by the District if the landowner or his tenant fails to pay the water bill in a timely fashion, and the time period and procedures for removing the auxiliary meter will follow those outlined in policies dealing with the failure to pay other water bills of the District.
13. If the District becomes aware that a residence or business (other than businesses permitted to be served by an auxiliary meter) is being illegally served from the auxiliary meter, the Board of Directors can require the landowner to purchase a benefit unit at the then-current price, or alternatively can terminate service and remove the auxiliary meter. The \$2500 lease fee will not be credited toward the purchase of a benefit unit, nor will it be refunded.
14. The only purpose allowed for an auxiliary meter is for farm livestock watering. All other purposes are impermissible, including, but not limited to, the following:
  - Boarding stables
  - Dog racing or training, including commercial kennels
  - Humane societies, dog-pounds, veterinary clinics
  - Residential use
  - Commercial use
  - Industrial use
  - Institutional use
  - Nurseries
  - Tree farms
  - Game preserves
  - Cleaning and sterilization in commercial dairies

The Board of Director's intent is for the permissible uses of auxiliary meters to be construed narrowly, and for the impermissible uses of auxiliary meters to be construed broadly.

15. No exceptions will be made to this policy without Board approval.

Policy effective following the August 13, 2002 Board meeting.

I agree to abide by the above provisions concerning my auxiliary meter lease.

\_\_\_\_\_ (signature)

Lessee Name: \_\_\_\_\_

RWD No. 4 \_\_\_\_\_

By: Scott D. Schultz, District Administrator

REVISED 11/12/02