

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: September 14, 2011

Board Item: V-C-2

**Extension of Operating Rule 2.05.4  
Stub-in Bail Out**

Action by Consent

Action

Information

On July 13, 2011, the Board reviewed proposed changes to the Stub-in Bail Out rule. This review was conducted in response to concerns from the public about the termination of this rule scheduled for December 31, 2011.

The rule was originally approved in February, 2009 to allow builders who had paid a stub-in permit deposit to avoid loss of the deposit if the stub-in could not be converted to a full water supply license. The turmoil in the real estate market resulted in the inability to complete construction on many projects as previously scheduled. The existing rule allowed stub-ins purchased between January 1, 2004 and December 31, 2008 until December 31, 2011 to complete the activation process without forfeiting the deposit.

There are still many stub-ins that have not yet converted. The proposed rule would allow a further extension for stub-ins purchased between January 1, 2004 and December 31, 2011 until December 31, 2013 to convert without forfeiting the deposit. Stub-ins purchased after December 31, 2011 would have the normal 2 years after the purchase date to convert.

The proposed rule change has been reviewed by the Distributors Forum who was in favor of the extension and several distributors also indicated their support directly.

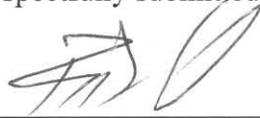
Recommendation:

It is recommended that the Board approve the proposed rule change as shown on the attachment.

**Approvals:**

Respectfully submitted,

  
Julie Anderson  
Director of Customer Relations

  
for James S. Lochhead  
CEO/Manager

  
for Patricia Wells  
General Counsel