

Denver Board of Water Commissioners

Title:

Amendment to Operating Rule allowing additional time to activate Stub-ins

Meeting Date: 2/11/2009

Contract/Proposal

Action by Consent

Action

Information

The Board's Operating Rule 2.05 allows developers to purchase a "stub-in" permit and to install a "stub-in" to facilitate site construction and street paving prior to the construction of a building and installation of a water meter. The "stub-in" consists of a tap to the water main, service line from the tap to a curb stop valve located behind the curb and a small access manhole to allow the curb stop valve to be turned on when water service is required. Each "stub-in" is charged a permit fee to cover Denver Water's cost to cut it off if not converted to a standard water supply license within the required two year time frame. If converted to a standard water supply license within the two year period, the "stub-in" permit fee is applied to the System Development Charge. Conversion of a "stub-in" to a standard water supply license requires full payment of System Development Charges and normally takes place near the end of construction of the building.

The "stub-in" process is designed to encourage a timely and orderly construction sequence of the water service and to minimize the length of time an unmetered service line exists. The sizing and installation of the "stub-in" takes place early in the development process and any delay or change in the development plan often causes the "stub-in" to be covered over and lost, in the wrong location or the wrong size. This results in additional expense to developers to re-install the water service when needed or for Denver Water to attempt to find and cut off the abandoned "stub-in". The recent economic down cycle has resulted fewer buildings being constructed and an increased number of "stub-ins" not being converted into regular taps and activated for service. These "stub-ins" face the loss of the "stub-in" permit fee which currently is \$1500.

The proposed addition to the Operating Rules would create an extended opportunity for converting "stub-in" permits to standard water supply licenses. "Stub-ins" purchased between January 1, 2004 and December 1, 2008 could be converted to a standard water supply license on or before December 31, 2010 without forfeiture of the "stub-in" deposit. This proposal would primarily benefit those "stub-ins" purchased before the economic down turn was predictable and would be of less value to those "stub-ins" purchased more recently. "Stub-ins" purchased after January 1, 2009 would continue to be valid for only 2 years. The proposed rule will not reduce the risk that existing "stub-ins" will be incorrectly located or sized should development plans change. "Stub-ins" that previously expired but subsequently paid full System Development Charges and converted to a standard water supply license will not receive a refund of the "stub-in" permit fee that was forfeited.

RECOMMENDATION:

It is recommended the Board approve the amendment to Operating Rule 2.05 by adding section 2.05.4 as shown on the attached document.

Approvals:

Marie Bassett

Marie Bassett, Director Public Affairs

Patricia L. Wells

Patricia L. Wells, General Counsel

[Signature]
Manager Approval.



ALT 2 revised stub in rule.docx
Microsoft Office Word Document
17.5 KB

Documents Attached: