

OPERATING RULES

of the

BOARD OF WATER COMMISSIONERS

CITY AND COUNTY OF DENVER

Denver, Colorado

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**ARTICLE X
CHARTER OF THE
CITY AND COUNTY OF DENVER**

Amended November 7, 2006

§10.1.1 Board of Water Commissioners created. There shall be and hereby is continued and created a non-political Board of Water Commissioners of five members, to have complete charge and control of a water works system and plant for supplying the City and County of Denver and its inhabitants with water for all uses and purposes.

(Charter 1960, C4.14; amended May 19, 1959)

§10.1.2 Appointments to Board. On the second Monday in July of odd-numbered years, the Mayor shall appoint one or two Commissioners, as the case may be, for terms of six years each to succeed those whose terms are expiring. The members of the Board of Water Commissioners shall each continue in office until their successors are appointed and qualified. Any vacancy on the Board shall be filled promptly by appointment by the Mayor. Each appointee shall be a citizen of the United States, a resident of the City and County of Denver, and at least 25 years of age. If a member of the Board shall cease to be a resident of Denver, the individual shall thereupon cease to be a member of the Board.

(Charter 1960, C4.15; amended May 19, 1959; Ord. No. 428-02, § 1, 6-3-02, elec. 8-13-02; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.3 Compensation and bonds. The commissioners shall each receive compensation of \$600.00 per annum. Each Commissioner shall give an oath or affirmation and give an official bond in an amount and conditioned and approved as provided by the Board by resolution. The Board may require the Treasurer of the City and County of Denver to give bond conditioned in such manner as shall be determined by the Board. The premiums on all such bonds shall be paid out of the Water Works Fund.

(Charter 1960, C4.16; amended May 19, 1959; amended November 3, 1998; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.4 Board Meetings. The Board shall hold two regular meetings each month on such days as it may by resolution determine, and special meetings at such other times as it may deem necessary. All meetings shall be open and public. If any member of the Board shall be absent for three successive regular meetings, unless excused by vote of the Board, he or she shall cease to be a member and the office shall be deemed vacant.

(Charter 1960, C4.17; amended May 19, 1959; Ord. No. 428-02, § 1, 6-3-02, elec. 8-13-02; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.5 General powers. The Board shall have and exercise all the powers of the City and County of Denver including those granted by the Constitution and by the law of the State of Colorado and by the Charter in regard to purchasing, condemning and purchasing, acquiring, constructing, leasing, extending and adding to, maintaining, conducting and operating a water works system and plant for all uses and purposes, and everything necessary, pertaining or incidental thereto, including authority to dispose of real or personal property not useful for or

required in the water works operation. The Board shall have authority to generate and dispose of electric energy for water works purposes or any other purpose of the City and County of Denver. The Board may lease water facilities or the flow of water for generation of electric energy and may sell surplus energy, provided that nothing herein shall be construed as permitting the Board to distribute electric energy to the general public. The Board shall have power in the name of the City and County of Denver to make and execute contracts, take and give instruments of conveyance, and do all other things necessary or incidental to the powers herein granted, and in so doing may make such special designation in such instruments as will indicate the capacity in which the City and County of Denver is acting when such actions are taken by or on behalf of the Board of Water Commissioners. The customary practice of dealing in the name of "City and County of Denver, acting by and through its Board of Water Commissioners" is hereby confirmed and approved. The Board shall institute and defend all litigation affecting its powers and duties, the water works system and plant, and any of the Board's property and rights. In any matter affecting the powers, duties, properties, or trusts of the Board, process shall be served on the Board. The Manager of Denver Water is hereby designated as the officer upon whom process may be served in any matter in which the Board of Water Commissioners has the sole authority for the municipal corporation.

(Charter 1960, C4.18; amended May 19, 1959; Ord. No. 428-02, § 1, 6-3-02, elec. 8-13-02)

§10.1.6 Manager and personnel. The property and personnel under control of the Board shall be referred to generally as Denver Water. The Board shall designate a Manager, who shall cause the Board's policies and orders to be executed and shall bring to the Board's attention matters appropriate for its action. The Board shall have power to employ such personnel, including legal staff, and fix the classifications thereof as it may deem necessary. All such personnel shall be hired and dismissed on the basis of merit. The Board shall define the duties of each of its employees and fix the amount of their compensation. It shall be the duty of the Board to carry out the intent and requirements of Article XX of the Constitution of the State of Colorado with respect to civil service for public utilities and works and to perform the customary functions of a civil service commission with respect to all Board employees. In performing the functions of a civil service commission, the Board or its designee shall have the power to conduct hearings, administer oaths and issue subpoenas enforceable in the County Court of the City and County of Denver. The Board may establish classifications of employment for persons outside the civil service system who serve solely at the pleasure of the Board. Such employees shall include the number of temporary employees the Board deems necessary and not more than 2% of all regular employees of the Board.

(Charter 1960, C4.19; amended May 19, 1959; amended November 3, 1998; Ord. No. 659, § 1, 8-26-02, elec. 11-5-02)

§10.1.7 Water Works Fund. There is hereby created a Water Works Fund into which shall be placed all revenues received from the operation of the Water Works system and plant together with all monies received by the Board from other sources. The Board shall maintain records in compliance with generally accepted accounting principles sufficient for reliance by the Manager of Finance in faithfully accounting for the Water Works Fund. The Board shall promptly deposit all receipts into a bank account in the name of the City and County of Denver acting by and through its Board of Water Commissioners. The Board may invest such funds until they are required for operations of the Board. Monies shall be paid out of the account only upon the

authority of the Board and evidenced as required pursuant to procedures established by the Manager of Revenue.

(Charter 1960, C4.20; amended May 19, 1959; amended August 11, 1992; Ord. No. 659, § 1, 8-26-02, elec. 11-5-02, elec. 11-7-06)

§10.1.8 City Auditor. The Auditor of the City and County of Denver shall audit or cause to be audited the accounts of the Board at least annually and make a report of his or her findings to the Council of the City and County of Denver. The Board shall make all of its accounts and records fully available to the Auditor to enable the Auditor to carry forward these duties that shall be performed without interference with the water works function. Unless excepted by the Audit Committee as provided in section 5.2.2(C), the Auditor, or some person designated by him or her, shall sign all warrants, countersign and register all bonds and written contracts (with the privilege but without the necessity for keeping copies thereof). The Auditor may authorize the affixing of his or her signature by mechanical means.

(Charter 1960, C4.21; amended May 19, 1959; Ord. No. 428-02, § 1, 6-3-02, elec. 8-13-02; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02, elec. 11-7-06)

§10.1.9 Water rates. The Board shall fix rates for which water shall be furnished for all purposes within the City and County of Denver, and rates shall be as low as good service will permit. Rates may be sufficient to pay for operation, maintenance, reserves, debt service, additions, extensions, betterments, including those reasonably required for the anticipated growth of the Denver metropolitan area, and to provide for Denver's general welfare. The rates may also be sufficient to provide for the accumulation of reserves for improvements of such magnitude that they cannot be acquired from the surplus revenues of a single year.

(Charter 1960, C4.22; amended May 19, 1959)

§10.1.10 Uniformity of rates. Except as herein otherwise specifically provided, rates charged for water furnished for use inside the city limits of the City and County of Denver shall be uniform as far as practicable and so related to the service furnished or the volume of water used as to bring about a fair and equitable distribution among all water users of the total amount to be realized from revenues derived from the sale of water used within the City and County of Denver. No special rate or discount shall be allowed to any property, entity, person or class of persons except as in this charter specifically provided.

(Charter 1960, C4.23; amended May 19, 1959)

§10.1.11 Enforcement of charges. The Board may enforce the payment of any charge by discontinuing service to the premises at which the charge arose without regard to the ownership or occupancy of such premises.

(Charter 1960, C4.24; amended May 19, 1959; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.12 City rates. Commencing January 1, 1960, the Board shall furnish water to the municipal government of the City and County of Denver at rates which shall approximately equal but not exceed the cost of the water furnished, not including items in such rate for debt service, additions, extensions or betterments. Such rate shall not be applicable to agencies or authorities sponsored by or supported by the City and County. The Board shall own, control and operate all water, water rights, structures and facilities of the City and County of Denver

pertaining to the Farmers and Gardeners Ditch and the City Ditch. The Board shall furnish water out of the City Ditch or some equivalent source for the use of Denver in City Park and Washington Park, without any charge whatsoever.

(Charter 1960, C4.25; amended May 19, 1959)

§10.1.13 Water leases. The Board shall have power to lease water and water rights for use outside the territorial limits of the City and County of Denver, but such leases shall provide for limitations of delivery of water to whatever extent may be necessary to enable the Board to provide an adequate supply of water to the people of Denver. Every such lease shall contain terms to secure payment of sufficient money to fully reimburse the people of Denver for the cost of furnishing the water together with an additional amount to be determined by the Board. Sales at amounts less than the above minimum may be made if warranted by economic conditions, but a contract providing for such lesser charge shall not extend for more than one year.

(Charter 1960, C4.26; amended May 19, 1959; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.14 Expenses. The entire cost of the operation and maintenance of the water works system and plant under the control of the Board shall be paid from monies of the Water Works Fund. The monies and other assets of the Water Works Fund shall not be used for any purpose except for the management, operation and maintenance of the water works system and plant, including additions, extensions and betterments, for recreational opportunities incidental thereto, and for the payment of interest and principal on bonds and other obligations, the proceeds of which were or shall be used for water works purposes.

(Charter 1960, C4.27; amended May 19, 1959; amended August 11, 1992; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.15 Bonded indebtedness. The Board of Water Commissioners in its sole discretion may issue revenue bonds, the proceeds of which shall be placed in the Water Works Fund and expended for water works purposes, for establishing reserves in connection with such bonds or for refunding the principal of and interest on bonds previously issued by the Board. Revenue bonds shall be payable as to interest and principal solely from the net revenues of the Board. The Board shall pledge to pay the principal and interest on such bonds from revenues of the Board, which pledge shall be irrevocable. The bonds so authorized shall be sold and issued by action of the Board and no other ratification or authorization shall be required. The Board shall have power to refund, pay or discharge the principal of any general obligation bond it issued prior to November 5, 2002, when such bond becomes payable, and may use proceeds of a new revenue bond issuance to refund, pay or discharge the general obligation bonds. Existing or future bonds issued by the Board shall continue to be excluded from the determination of any limit upon the indebtedness of the City and County of Denver.

(Charter 1960, C4.28; amended May 19, 1959; amended May 17, 1983; amended August 11, 1992; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.16 [Reserved]

Editor's note: (Ord. No. 659-02, § 1, adopted August 26, 2002, repealed § 10.1.6, which pertained to bonds of annexed areas and derived from the Charter of 1960, C4.29; amended May 19, 1959)

§10.1.17 Board organization. The Board shall adopt rules governing its organization, the calling of special meetings and the conduct of its business. A majority of the Board shall constitute a quorum and all action by the Board shall be taken by a majority of the whole Board and not otherwise.

(Charter 1960, C4.30; amended May 19, 1959)

§10.1.18 Rules and regulations. The Board may adopt rules and regulations with respect to any matter within its jurisdiction as defined by Charter. It may provide for enforcement of its rules and regulations by imposing special charges in an amount reasonably calculated to secure compliance or recompense for water loss, to achieve water conservation and to reimburse the Board for expenses arising out of violation. In addition to any other lawful remedy, enforcement procedure may include refusal to supply water to a property involved. The City and County of Denver by ordinance may supplement Board rules and regulations and provide penalties for the violation of such an ordinance in the same manner as penalties are provided for the violation of other ordinances. Rules adopted by the Board and within its authority shall supersede any conflicting ordinance provision.

(Charter 1960, C4.31; amended May 19, 1959; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.19 Publication of rules and regulations. Rules and regulations adopted by the Board shall be effective after they shall have remained posted in a conspicuous public place in the principal business office of the Board for a period of fifteen calendar days. Whenever immediate application of a rule or regulation by the Board is necessary for the preservation of the public peace, health or safety, the Board may so declare, and such rule or regulation shall thereupon become effective immediately upon being posted as provided in this section.

(Charter 1960, C4.32; amended May 19, 1959; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.20 Continuity of control of water. The Board may make provision for retaining dominion over the water supply under its control through successive uses of such water, such as reuse and exchange. Such dominion shall not be affected by treatment of wastewater produced by use of the water supply.

(Charter 1960, C4.33; amended May 19, 1959; Ord. No. 659-02, § 1, 8-26-02, elec. 11-5-02)

§10.1.21 Reserved.

Editor's note: (Ord. No. 659-02, § 1, adopted August 26, 2002, repealed § 10.1.21, which pertained to public liability and derived from the Charter of 1960, C4.34; amended May 19, 1959; and Ord. No. 428-02, adopted June 3, 2002, and approved by the electorate August 13, 2002.)

§10.1.22 Conflicting Charter provisions. The provisions of this Article X shall supersede any conflicting provision of the charter existing on May 19, 1959 when this article was adopted.

(Charter 1960, C4.35; amended May 19, 1959; Ord. No. 428-02, § 1, 6-3-02, elec. 8-13-02)

CITY AND COUNTY OF DENVER,
ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS

RULES

CHAPTER 1 - GENERAL

1.01 Authority. These Rules are adopted by the Board of Water Commissioners of the City and County of Denver under Article 10.1.18 of the Charter of the City and County of Denver. As provided in that section of the Charter, these rules shall supersede within the City and County of Denver any conflicting ordinance provision.

1.02 Effectiveness. These Rules as amended become effective on and after January 1, 2008, and supersede all former rules and regulations which are or may be in conflict with these Rules.

1.03 Amendment of Rules. These Rules may be altered, amended or added to from time to time, and such alterations, additions, or amendments shall be binding and of full force and effect as of their effective date, as defined by Article 10.1.19 of the Charter of the City and County of Denver.

1.04 Severability. If any provision of these Rules or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provision or application, and to this end, the various provisions of these Rules are declared to be severable.

1.05 Definitions. As used in these Rules, unless the context otherwise requires, the words defined in this paragraph shall have the following meanings. Definitions are provided as a matter of convenience and do not limit the authority of the Board.

a. Board. The Board of Water Commissioners as established by the Charter of the City and County of Denver.

b. Charter. The Charter of the City and County of Denver, as amended from time to time.

c. Combined Service Area (CSA). The City and County of Denver, plus the area within the outer geographical boundaries of the existing and projected service areas of all of the Distributors combined, based on the legal descriptions contained in each Distributor's contract.

d. Conduits. Those pipes 24 inches in diameter and larger used to carry potable, non-potable, or raw water in large volumes, from which the water moves between facilities or into water mains for further distribution to licensees.

e. Connector's Agreement. A special agreement between the Board and an individual customer to provide water service outside the City and County of Denver from a Denver Water facility to a licensed premises that is not within a Distributor's service area or that cannot be connected to a Distributor's water system.

- f. Consecutive System. A water system owned and operated by a Distributor that does not meet Denver Water operational and maintenance standards or a private water distribution system owned by an individual entity.
- g. Consumption Charge. A charge for water service based on the measured or estimated quantity of water delivered or taken.
- h. Days. Calendar days, unless otherwise specified.
- i. Denver Water. The terms "Denver Water Department", "Water Department", "Denver Water", and "Department" as utilized in these Rules are synonymous and refer to the property and personnel under control of the Board as defined by Article 10.1.6 of the Charter.
- j. Distributor. An entity located outside the City and County of Denver but inside the Combined Service Area, which contracts with Denver Water for delivery of potable water and does not commingle such water with potable water from any other source.
- k. Distributor Water System. All water mains, valves and other appurtenances owned by a Distributor and used to deliver potable water from Denver Water's system to licensed premises within the Distributor's service area.
- l. Engineering Standards. Standards promulgated by the Manager of Denver Water and administered by the Director of Engineering, as amended from time to time, that provide uniform requirements for the installation, operation and maintenance of water facilities and the materials and equipment used for such facilities.
- m. Inside Denver. Inside the territorial limits of the City and County of Denver.
- n. Integrated System. The Denver Water system, all Total Service Distributor Water Systems, and those Read and Bill and Master Meter Distributor Water Systems that meet all Denver Water operational and maintenance standards and are therefore treated as part of the Denver Water system for testing and reporting to the state health department under Denver Water's Public Water System Identification Number (PWSID).
- o. Licensed Premises. The area to which water service is limited under a particular license, including the contiguous land area and any improvements.
- p. Licensee. Any person, association, corporation, entity, or governmental agency having ownership or control of a licensed premises.
- q. Manager. The chief executive officer in overall control of Denver Water.
- r. Nonpotable Conduit. Large pipeline for carrying water of a quality lower than potable water.

- s. Nonpotable Water. Water such as treated domestic wastewater, groundwater, or raw water, which is suitable for various beneficial uses excluding human consumption.
- t. Outside Denver. Outside the territorial limits of the City and County of Denver.
- u. Per Tap Participation Charge. A charge that may be assessed to an applicant for a water supply license that is based on the location of the licensed premises, the size of the tap and the specific facilities required to supply the premises.
- v. Potable Water. Water that conforms to state and federal regulations applicable to drinking water.
- w. Private System. A water distribution system not owned or maintained by Denver Water or a Denver Water Distributor. The term may include systems owned by Licensees, companies, individuals, or municipal or quasi-municipal organizations.
- x. Recycled Water. Non-potable water that has been treated to a level of quality suitable for irrigation or industrial use but not for human consumption.
- y. Revocation. Termination of a water supply license for repeated or willful violations of Denver Water rules or standards at a licensed premises.
- z. Service Charge. A fixed, per account charge imposed whenever the license for the premises is active, regardless of water consumption during a billing period. The Service Charge may vary according to the size of the meter or other criteria established by Denver Water.
- aa. Service Pipe or Service Line. All pipe, fittings, and appurtenances needed to convey water from the tap on Denver Water's or a Distributor's facilities to the plumbing of a licensed premises.
- bb. Stub-In. A connection to a main intended to allow installation of a service line prior to setting a meter.
- cc. Submetering. Use of individual water meters for individual dwelling units within a multi-family residential development, which allows the property owner or manager to assess occupants of the units for water usage.
- dd. Suspension. Temporary interruption of water service to a licensed premises for nonpayment of fees or charges or for other reasons.
- ee. System Development Charge (SDC). A connection charge assessed to an applicant for a water supply license. The SDC may be used to finance system improvements and additions, including but not limited to capital improvements, conservation, and acquisition of water rights. Distributors of Denver Water may also assess a charge in addition to Denver Water's SDC.

ff. Tap. A physical device, pipe fitting or connection that connects a licensee-owned service line to a distribution main owned by Denver Water or a Distributor or to a fire service line.

gg. Unauthorized Use. Any use of water that occurs without proper measurement of the quantity of water used. This may include removing, bypassing, disabling or otherwise tampering with the meter or register, taking water from a hydrant without a valid permit, or using water outside the licensed premises or for a use not authorized by the license or permit. Failure to eliminate the unauthorized use of water before the deadline contained in a notice shall constitute an additional violation of these Rules.

hh. Water Main or Distribution Main. Pipes located within public streets or appropriate easements that distribute water directly to the service pipes serving licensed premises.

ii. Water Supply License. Formal document allowing a customer to receive service from Denver Water for a specified purpose.

jj. Water System. The plant, facilities, water rights, water works and other assets controlled by the Board pursuant to its Charter authority.

CHAPTER 2 - LICENSES AND CONDITIONS FOR WATER SERVICE

2.01 Application of this Chapter. This Chapter describes the conditions necessary to obtain permanent water service, either potable or nonpotable, to premises located within the Combined Service Area. This Chapter does not deal with water provided by Denver Water under fixed amount contracts with entities outside the Combined Service Area.

2.01.1 General Conditions.

- a. License Required. No person or entity may obtain or use water directly or indirectly from Denver Water system without a properly issued and currently valid license. A license entitles a particular premises to obtain and use water from the Denver Water system or a Distributor water system.
- b. Compliance with License Terms. Licenses are usable only in accordance with the terms of the license and grant the right to use water only on the licensed premises and only for the purposes specified in the license. No water user at any licensed premises shall supply or permit water to be used on any other premises without the permission of Denver Water. Licenses for some uses such as water fountains and irrigation will be subject to restrictions under Chapter 14 – Water Conservation – of these Rules.
- c. No Private Redistribution. Redistribution of Denver Water’s potable or non-potable water by anyone other than Denver Water is prohibited. However, this section does not prohibit arrangements for allocation, collection or reimbursement of water charges between or among occupants of a licensed premises, including submetering.
- d. No Transfer of License. Licenses attach to the licensed premises only. Licenses are not affected by changes in the ownership of the licensed premises. Licenses for water service cannot be transferred from one premises to another.
- e. No Transfer of Ownership of Water. Neither the issuance of a license nor the use of water thereunder shall constitute a relinquishment by Denver Water of title to or dominion or control of any water or water right. No act, circumstance or condition of use or service shall be deemed to constitute a conveyance or operate to create in a licensee any vested or proprietary right to water.
- f. Denver Water Authority. Notwithstanding the issuance of a license, Denver Water reserves the full power and authority to determine all matters concerning the control and use of water from the water system.
- g. Licenses Required Outside Denver. A license is required for each premises using water from the Denver Water system within the Combined Service Area, regardless of whether it receives service inside Denver or outside Denver and whether it receives potable or nonpotable water.

2.01.2 Eligibility for Service.

a. Inside Denver. All property inside the corporate boundaries of the City and County of Denver as the same may exist from time to time shall be eligible to receive water service from Denver Water upon compliance with these rules and payment of such fees and charges as may be applicable and necessary to extend Denver Water's system to the property concerned. The timing and method for extending or providing service shall be at the sole discretion of Denver Water.

b. Outside Denver. Only those properties outside of Denver located within the Combined Service Area shall be eligible for a water supply license from Denver Water. Eligibility for service in such included areas shall be conditioned upon the approval of the Distributor, compliance with the rules and procedures of the Distributor and Denver Water and payment of such fees and charges as may be assessed by the Distributor and Denver Water.

c. Water Facilities Required. Eligibility for water service does not mean that Denver Water is obligated to extend or modify its existing facilities. Any required extension, modification, replacement or relocation of Denver Water facilities shall be at the expense of the applicant for a license or the person or entity creating the need for such modifications. Denver Water will decide in its sole discretion the extent and costs of any necessary changes to the water system.

2.02 Standard Service License. Denver Water will issue standard metered service licenses for potable or nonpotable metered service. Licenses are not issued for private systems, although such systems may receive water pursuant to contract.

2.02.1 Activation. Any license for metered service must be activated within two (2) years from the date of the license. Failure to activate as required will result in cancellation of the license under Rule 2.12.1. Activated service occurs when all of the following conditions have been satisfied.

a. All charges have been paid.

b. The tap to the water main has been made and the meter pit or vault has been installed.

c. The service line has been installed from the distribution main to a point five feet past the meter pit or vault.

d. A meter has been set, and the meter and service line have been inspected and approved in accordance with Denver Water's Engineering Standards in effect at the time of inspection.

e. All necessary backflow prevention devices have been installed.

f. The first placement of concrete for the building foundation has been completed, as evidenced by documentation of an inspection of concrete pouring by the appropriate regulatory agency; however, this condition shall not apply to licenses issued only for irrigation or water fountains.

2.02.2 Water Conservation Limitation. If the license application involves a licensed premises of one acre or more; irrigation of turf; use for a decorative water feature; or the filling of a lake or pond, the applicant must also comply with the requirements of Chapter 14 of these Rules.

2.02.3 Continuous Metering Required. Once activated, the water service must be metered at all times unless the water service is physically disconnected, or the licensee has made other arrangements with Denver Water.

2.03 Fire Protection License. Denver Water may issue a license for use of water for private (licensee-owned) fire protection service only. Denver Water assumes no obligation for adequacy of private fire protection service.

2.03.1 Conditions for Issuance of Fire Protection License.

a. The applicant shall have secured a license for fire protection water service from Denver Water, the local fire department and, if applicable, the Distributor. Licenses for licensee-owned fire hydrants are issued only in extraordinary circumstances and with approval of Denver Water's Director of Engineering. Private fire sprinkler systems shall be installed at the expense of the licensee at such locations as may be designated by the licensee and approved by the appropriate Fire Department and Denver Water. An advance cash deposit may be required as a condition of maintaining such service.

b. Water taken under a fire protection license may only be used for fire suppression. Any other use of water, except routine testing, shall be deemed unauthorized use of water, which may result in suspension or revocation of the licenses for the licensed premises.

c. If the water for fire protection service is to be supplied through the same service line used to supply water for other purposes, then all water use shall be metered.

d. At the discretion of Denver Water, the licensee may be required to install on the fire service line an approved detector check valve equipped with a meter that will detect and record usage of water at flow rates lower than those used for fire protection.

2.04 Auxiliary License. Denver Water may issue a license for a back up or emergency tap to premises such as hospitals or prisons which require full time water service. Auxiliary licenses may be issued without payment of additional System Development Charges. Auxiliary taps may not be used to increase the volume of regular water service above historic levels unless authorized by Denver Water. The taps may be maintained in an operational or non-operational status, and are governed by all other Rules and Engineering Standards.

2.05 Stub-In Permit.

2.05.1 Stub-In Tap Installed Prior to Meter Setting. Denver Water may issue a stub-in permit to allow installation of a service pipe prior to setting a meter. Issuance of a permit will be contingent upon payment of all applicable fees, as defined in Rule 2.07.5. A stub-in shall include a tap, a valve at the property line and all fittings and pipe necessary to extend the service pipe to the valve from the tap on the main. Use of water from a stub-in before the meter is set is prohibited. Any use of water from a stub-in shall cause the permit to be canceled. Stub-ins shall be valid only for the time period stated on the permit and any written extensions granted by Denver Water.

2.05.2 Conversion Required. If, within the time period stated in the stub-in permit, the stub-in is not converted to a Standard Service License by payment of the SDC, participation charges and other applicable fees, then the permit shall be cancelled without refund of any fees paid. When a stub-in permit is cancelled, Denver Water may, in its discretion, disconnect the stub-in at the main.

2.05.3 Compliance with Standards. Prior to activation of a stub-in, the stub-in and all appurtenances must be brought into compliance with the then-current Operating Rules and Engineering Standards of Denver Water. If necessary, the stub-in will be excavated and modified or relocated as necessary to obtain full compliance.

2.05.4 Stub-In Bailout. Stub-ins purchased between January 1, 2004 and December 31, 2008 that have not been converted to a Standard Service License as of December 31, 2008 have until December 31, 2011 to be converted to a Standard Service License without payment of additional stub-in charges.

2.06 Requirements for Obtaining a License.

2.06.1 General Requirements.

a. Eligibility. In order to receive a license for water service, the premises must be eligible for service from Denver Water as specified in Rule 2.01.2.

b. Main Accepted. No license shall be issued or System Development Charge accepted, until the main on which the tap will be installed to serve the particular premises has been approved for use by Denver Water, and the appropriate agency has tested and approved the use of the main as evidenced by a certificate of acceptance issued by that agency. This provision does not apply if construction plans for water facilities approved by Denver Water require the installation of the tap during the main installation process.

c. Separate Licenses. Each independent structure requiring water service, whether or not under common ownership, shall be individually licensed, tapped and metered, unless Denver Water, in the exercise of its reasonable discretion, determines that other means are more suitable or the licensed premises includes an Auxiliary Dwelling Unit as defined by City and County of Denver ordinance or an equivalent zoning regulation in areas served by

Distributors. For the purpose of this Section, structures shall be considered to be independent if they do not have a common foundation, walls, and roof.

d. Single Tap for Each License. Each structure on a licensed premises should be served by a single tap, unless Denver Water in the exercise of its reasonable discretion determines that other means are more suitable.

e. Multiple Licenses for Single Premises. Denver Water may require an additional license, tap, service line and meter for the same premises for fire protection service or for separate irrigation-only service.

f. Required Information. A Water Supply License shall be issued only upon completion by the applicant or the applicant's agent of a supply license form providing the following information:

(1) Description of the licensed premises to be served under the license, by reference to a land survey, or recorded plat acceptable to Denver Water.

(2) Statement of the purpose for which the water is to be used.

(3) An acknowledgment and agreement by the licensee that use under the license must comply with all provisions of the license, applicable law and the Operating Rules and Engineering Standards of Denver Water.

(4) An agreement on the part of the applicant to pay a System Development Charge, and such other rates, tolls, fees, charges, or combinations thereof as are established pursuant to these Operating Rules.

(5) An agreement that any charge due is a charge against the premises and that water service may be discontinued whenever any charge is past due.

2.06.2 License for Service from a Distributor. Denver Water will not issue a license for water service from a Distributor Water System unless the following conditions have been satisfied:

a. The applicant is eligible for service and has a signed Denver Water Supply License from the Distributor.

b. Denver Water has been authorized, in writing, by the Distributor to make service connections to the Distributor's facilities.

c. The applicant has complied with such reasonable conditions of service, including payment of charges, as may be imposed by the Distributor.

2.06.3 Tap Allocations. Except as may otherwise be provided in a Water Service Agreement or Distributor's Contract, licenses for standard metered service will only be accepted

within the limits of any allocation of taps adopted by Denver Water. Allocated taps shall not be sold, traded or conveyed from one Distributor to another.

2.06.4 Common Service for Individual Units. An individual unit within an independent structure is not generally required to have separate water service. If an owner of an individual unit within an independent structure requests a separate water service, all costs of providing separate water service shall be borne solely by the owner.

2.06.5 Separate Service Required. If a dispute arises between owners of individual units within an independent structure, or between owners of independent structures supplied through a common service pipe, regarding compliance with the Board's rules or failure to pay charges due, Denver Water may require separate water service. If Denver Water requires separate water service in order to provide separate bills for each unit or structure, it shall notify the owners of each individual unit or independent structure by means of written or posted notice, pursuant to ordinance. Such notice shall provide that the owners must arrange for the installation of separate water service for each unit or structure within 30 days of such notice. If the owners of the individual units or structures fail to comply within the specified time, Denver Water may, in its discretion, install the separate water services and bill each owner an appropriate share of the costs of such installation. If any owner fails to pay the apportioned share of the costs of installation by the due date on the bill, Denver Water may suspend water service for nonpayment under Rule 2.10, or may assess a lien against the property pursuant to ordinance.

2.07 System Development Charge.

2.07.1 Payment of SDC Required. Effective January 1, 1973, Denver Water will not issue a standard metered service license without prior payment of an appropriate System Development Charge (SDC). Pursuant to Charter section 10.1.12, licenses issued to the municipal government of the City and County of Denver (not including agencies or authorities sponsored or supported by the City and County of Denver) do not require payment of an SDC. Licenses originally issued to the City and County of Denver may not be transferred to any other entity without payment of the appropriate SDC.

2.07.2 Assessment of SDC.

a. Potable Water. The SDC for a license for potable water will be based on one of the following methods, as determined by Denver Water:

- (1) The size of the licensed premises; unless legally subdivided, the entire premises shall be included for assessment of the SDC.
- (2) The number of residential units on the licensed premise.
- (3) The size of the tap purchased
- (4) The volume of water to be taken on an annual basis.

b. Nonpotable Water. The SDC for a license for nonpotable water will be based on one of the following methods, as determined by Denver Water:

- (1) The size of the licensed premises; unless legally subdivided, the entire premises shall be included for assessment of the SDC.
- (2) The size of the tap purchased.
- (3) The volume of water to be taken on an annual basis.

c. Irrigation Water. The SDC for any license supplying potable or nonpotable irrigation-only service, or service that is predominantly for irrigation, will be based on one of the following methods, but will not be less than the SDC for the size of the tap to be installed:

- (1) The size of the entire licensed property.
- (2) The volume of water to be taken on an annual basis.

d. Charges for Excessive Use. If the SDC is based on the annual allowable volume of water, additional charges of five times the applicable water rate will be assessed if the licensee's water use during a calendar year exceeds the volume of water on which the original SDC payment was based, or in the case of the municipal government of the City and County of Denver, the amount of water approved in the water budget for the property. The Board may make adjustments to the annual allowable volume of water for weather related reasons or as part of a drought response program under Chapter 15 of these Rules.

2.07.3 Schedules of SDCs. The Board will adopt schedules of SDCs from time to time. SDCs may be different for customers inside Denver, outside Denver and outside the Combined Service Area; for different classes of customers; and for customers who receive different types of service.

2.07.4 Changes in SDC. The Board shall provide notice of any proposed changes in SDCs at least 25 days prior to Board action. Any change in SDC will be effective no sooner than 60 days following approval by the Board.

2.07.5 Deferred SDC. If a stub-in permit is issued under Rule 2.05.1, payment of the SDC for the premises may be deferred until the stub-in is converted to a Standard Service License as required by Rule 2.05.2.

a. Permit Fees. No stub-in permit will be issued until the permittee has paid the following fees:

- (1) Incurred Costs. Fees sufficient to cover Denver Water's costs in administering the stub-in permit and installing the connection, including the cost of materials and labor for the requested stub-in. These fees are nonrefundable and

will not be applied to offset the required SDC payment if the permit is converted to a license.

(2) Disconnection Deposit. An amount sufficient to cover the cost of disconnecting the stub-in if it is not converted to a license as required by Rule 2.05.2. The deposit is not refundable, but will be applied to offset the required SDC payment if the permit is converted to a license.

b. Payments at Time of Conversion. To convert a stub-in permit to a standard service license, the permittee must pay the SDC and any applicable Participation Charges in effect at the time of the conversion.

2.07.6 SDC Credits When Water Service Modified. This section applies when redevelopment of a licensed premises requires replacement, enlargement or reconfiguration of the service connection to the premises. In general, an SDC payment will be required for any increased demand on Denver Water's supply, above historic levels, that would be caused by the redevelopment. No refund will be granted if the redevelopment lowers demand below historic levels. The use of SDC credits rather than direct payment of SDC does not alter any of the Rules and deadlines applicable to water service at the licensed premises.

a. Calculation of SDC Credit. The SDC required for the redevelopment will be the difference between the SDC applicable to the new modified service connection and the SDC that would apply to the old service connection. Denver Water will determine which of the methods for calculating SDC (lot size, number of units, tap size or volumetric charge) will be used to calculate the differential SDC. The amount of SDC credit will be determined as of the date of the first application for a new modified service connection at the licensed premises being redeveloped. Potential SDC credit may be reduced if the old service connection has been inactive for more than 5 years (see Rule 2.12.3). All SDC credits applicable to a licensed premises must be used within ten years of the date the first pre-existing tap was disconnected, or the unused SDC credit will be forfeited.

b. Eligibility for SDC Credit. To be eligible for SDC credit, the following conditions must be satisfied.

(1) The old service connection at the licensed premises must be physically disconnected from the main, or the licensee may be required to pay a refundable deposit in an amount determined by Denver Water that will be held until the tap is cut off.

(2) The SDC credit applies only when the new modified service connection is licensed to serve a premises which incorporates all or part of the original licensed premises, or is entirely contained within the original licensed premises.

(3) All outstanding water and sewer bills, fees and charges must be paid.

(4) The existing license must still be valid and must not have been cancelled for any reason under Rule 2.12, including non-use, failure to activate or failure to convert a stub-in to a tap.

c. Consolidation of SDC Credits. Whenever redevelopment involves modification of more than one service connection and construction of a new building, SDC credits may be combined and moved within the redevelopment project, except that SDC credits may only be used within an area bounded by dedicated streets or ways. SDC credits may not be transferred across an existing dedicated street or way.

2.08 Participation Charges.

2.08.1 Participation Policy. Denver Water's policy is that infrastructure needed to serve a specific area or customer should be financed by the beneficiaries, not through the rates of other customers. Therefore, applicants for a Water Supply License may, as a prerequisite to service, be required to participate in the costs of constructing certain Denver Water facilities needed to extend water service to the particular property to be served. The participation facilities may already have been constructed in order to serve the area, or new facilities may need to be constructed. In either case, Denver Water will own and operate the participation facilities as part of its water system.

a. Participation Inside Denver. Applicants for water service inside Denver may be required to participate in the cost of transmission conduits from the nearest available source, based on the applicant's maximum hour or maximum day demand as determined by Denver Water.

b. Participation Outside Denver. Applicants for water service outside Denver may be required to participate in the cost of the transmission conduits, pumping and treated water storage facilities from the nearest available source, based on the applicant's maximum hour or maximum day demand as determined by Denver Water.

2.08.2 Method for Calculation of Participation Charges. Participation charges are measured by the costs of constructing the participation facilities, but the applicant acquires no right to be served by means of specific facilities. Participation charges will be assessed at the time of application for a license, using one or a combination of the following methods.

a. Participation Contracts. When new participation facilities must be constructed in order to provide service, Denver Water shall estimate the costs of construction and enter into a participation contract under which the applicant agrees to pay the actual costs of constructing the necessary improvements in return for entitlement to a specified capacity in the water distribution system. The contract shall set forth the capacity for which the applicant is paying as well as the method of payment. Denver Water may in its discretion oversize participation facilities, for which Denver Water will pay the incremental cost of oversizing, without adjusting the participation charges required of the applicant.

b. Per Tap Participation Charges. Where participation facilities have already been constructed to serve a particular geographic area, every water supply license issued within

that area shall be assessed a per tap participation charge. Participation charges will be adjusted annually using a reasonable construction cost index.

2.08.3 Result of Failure to Pay. If an applicant for a water supply license fails to pay participation charges for facilities deemed necessary by Denver Water to provide the capacity to serve the applicant's property, Denver Water may refuse to provide any capacity to applicant until such payment and late charges are paid.

2.09 Other Fees and Charges as Conditions of Service.

2.09.1 Costs of Main Extensions. In order to facilitate the development of an integrated water system and accommodate future requirements, Denver Water may require an applicant for water service, or any person requesting modification to the water system, to install, at the applicant's expense, extensions, modifications, replacements or relocations to the distribution system that exceed the applicant's individual requirements. Modifications to the water system may include relocation or replacement of existing service lines including meter pits serving other licensed premises as required by Denver Water. If the required extension involves pipes larger than 20 inches in diameter, participation charges under Rule 2.08 may apply.

2.09.2 Cost of Service Lines. All costs required to connect the licensed premises to the Denver Water main shall be paid by the licensee. Such costs typically include, but are not limited to, labor charges, corporation stop, service insulator, curb stop, stop box, service saddle, meter pit or vault, meter setter, water meter, automatic meter reading devices, and service pipe.

2.09.3 Cost of Public Fire Hydrants. The applicant or owner of a licensed premises is responsible for all costs to install fire hydrants as required by the local fire department or fire protection district. Hydrants become a part of the distribution system to which they are connected and are owned and maintained in the same manner as other parts of the distribution system.

a. Standard Location of Public Fire Hydrants. Public fire hydrants shall be located as specified in Denver Water's Engineering Standards, unless a physical obstruction prohibits the installation or use of a fire hydrant at a standard location.

b. Relocation of Fire Hydrant. Relocation of a fire hydrant shall be approved by the relevant fire department or fire protection district. The cost of relocation is the responsibility of the party requesting the installation or whose activities necessitate the hydrant relocation.

2.10 Suspension of Service under a License.

2.10.1 Causes for Suspension of Service. Denver Water may physically suspend the supply of water including fire protection service, to a licensed premises, without any obligation to refund any payment received from the licensee, for any of the following reasons:

a. Failure to pay when due proper charges for water delivered, or failure to pay any other charges relating to the provision of water service to the licensed premises.

b. Failure to comply with any of the Operating Rules or Engineering Standards of Denver Water, including any unauthorized cross connection or failure to install or maintain a required backflow prevention device, a detector check valve and meter, or a meter on the service line.

c. Any unauthorized use of water, including use of water for purposes or on property not authorized by the license.

2.10.2 Suspension for Non-Payment.

a. Notice of Proposed Suspension. When charges remain unpaid after sufficient notice, Denver Water will provide notice of proposed suspension in writing to the licensed premises; to the person normally billed for water service at the premises; and to a third party if Denver Water has been notified of the name and address of the third party. The notice of proposed suspension shall include the following information:

(1) The effective date of the proposed suspension, which shall be no sooner than ten (10) days following the date of the notice.

(2) The amount of payment due, which must be paid prior to the effective date to avoid suspension of service.

(3) A contact phone number for questions about the proposed suspension.

(4) Notice that the owner or occupant is entitled to use the procedures contained in Chapter 16 of these Rules to dispute water charges. Current water charges (not overdue charges) must be paid in full during the hearing process.

b. Effect of Hearing and Appeal. Water service to the licensed premises will not be suspended so long as the procedures described in Chapter 16 are followed, including the requirement in Chapter 16 to keep current with all ongoing water service payments and to pay a deposit equal to the disputed amount in the event of an appeal to the Manager of Denver Water. At the conclusion of the Chapter 16 process, if the suspension is approved, water service may be discontinued, but no sooner than ten (10) days after the date of mailing of the decision that concludes the process.

c. Reinstatement of Water Service After Suspension. Water service will not be resumed after suspension unless and until the payment set forth in the Notice of Proposed Suspension has been made and all costs of suspension and reinstatement and other special charges, as determined by Denver Water, have been paid.

2.10.3 Suspension for Reasons other than Non-Payment. This section applies to suspension of water service for reasons other than non-payment, emergencies, or unauthorized use of water.

a. Notice of Proposed Suspension. Denver Water will provide notice in writing to the licensed premises, to the person normally billed for water service at the premises, and to a third party, if Denver Water has been notified of the name and address of the third party. The notice of proposed suspension shall include the following information:

(1) The effective date of the proposed suspension, which shall be no sooner than fifteen (15) days following the date of the notice.

(2) The reasons for suspension and the corrective action that must be resolved in order to avoid suspension of service.

(3) A contact phone number for questions about the proposed suspension.

(4) Notice that the owner or occupant is entitled to use the procedures contained in Chapter 16 of these Rules to avoid suspension of service.

b. Effect of Hearing and Appeal. If no request for a hearing in accordance with Chapter 16 has been received by Denver Water, then water service will be suspended on or after the date specified in the notice. If a hearing is requested in accordance with Chapter 16, water service to the licensed premises will not be suspended so long as the procedures described in Chapter 16 are followed. At the conclusion of the Chapter 16 process, if the suspension is approved, water service may be discontinued, but no sooner than ten (10) days after the date of mailing of the decision that concludes the process.

c. Reinstatement of Water Service After Suspension. Water service will not be resumed after suspension until the following conditions have been satisfied.

(1) The corrective action necessary to resolve the problem described in the Notice of Proposed Suspension has been taken, as verified by an inspection conducted by Denver Water.

(2) The service connection is in compliance with Denver Water's Engineering Standards.

d. Fees and Charges. The actual cost of suspension and reinstatement, plus any special charges for the suspension and resumption of service, to be determined by Denver Water, shall be added to the next regular billing for the premises.

2.10.4 Suspension of Service for Emergencies or Unauthorized Use. This section applies when the cause for the proposed suspension involves personal observation by Denver Water employees of unauthorized use of water, including failure to have or maintain a functioning accessible water meter in accordance with current Engineering Standards, or of an immediate threat of harm to property, or the public health, safety or welfare.

a. Notice. Denver Water will make every reasonable effort to contact the owner of the premises verbally prior to discontinuing water service. A notice of the suspension shall

be posted in a conspicuous location at the premises. As soon as possible after the suspension, Denver Water will provide notice in writing to the licensed premises, to the person normally billed for water service at the premises, and to a third party, if Denver Water has been notified of the name and address of the third party. The notice of suspension shall include the following information:

- (1) The reasons for suspension that must be resolved for water service to be resumed.
- (2) A contact phone number for questions about the suspension.
- (3) Notice that the owner or occupant is entitled to use the procedures contained in Chapter 16 of these Rules.

b. Reinstatement of Water Service After Suspension. Water service will remain suspended during the pendency of Chapter 16 procedures. Water service will be resumed if the Chapter 16 process results in a determination that reasonable grounds did not exist for the suspension of service. If the Chapter 16 process determines that the suspension was justified, the water service will not be resumed after suspension until the following conditions have been satisfied.

- (1) The corrective action described in the Notice of Suspension has been taken, as verified by an inspection conducted by Denver Water.
- (2) The service connection is in compliance with Denver Water's Engineering Standards.

c. Fees and Charges. The cost of suspension and reinstatement and special charges for the suspension and resumption of service, to be determined by Denver Water, shall be added to the next regular billing for the premises.

2.11 Revocation of Licenses. Denver Water may revoke any license at the licensed premises, without any obligation to refund any payment received from the licensee, when repeated, deliberate or willful violations of the conditions of service, including failure to have or maintain a functioning accessible water meter in accordance with current Engineering Standards, or of these Rules have occurred at the licensed premises.

2.11.1 Notice of Proposed Revocation. Prior to revoking any license, Denver Water will provide notice in writing to the licensed premise; to the person normally billed for water service at the premises; and, if the tenant occupant has notified Denver Water of the name and address of the landlord, also to the landlord. The notice of proposed revocation shall include the following information:

- a. The effective date of the proposed revocation, which shall be no sooner than thirty (30) days following the date of the notice.

- b. The reasons for revocation that must be resolved prior to the effective date in order to avoid revocation of the license.
- c. A contact phone number for questions about the proposed revocation.
- d. Notice that the owner or occupant is entitled to use the procedures contained in Chapter 16 of these Rules to avoid revocation of service.

2.11.2 Effect of Hearing and Appeal. If no request for hearing in accordance with Chapter 16 is received by Denver Water, the license will be revoked on or after the date specified in the notice. If a hearing is requested in accordance with the procedures of Chapter 16, the license will not be revoked so long as the procedures described in Chapter 16 are followed. If water service has been suspended, the service will remain suspended during the Chapter 16 proceedings. At the conclusion of the Chapter 16 process, the license may be revoked but no sooner than ten (10) days after the date of mailing of the decision that concludes the process. When a license has been revoked, the service connection may be cut off at the main.

2.11.3 New License Required. After a license has been revoked, the subject premises shall not thereafter be served with water unless and until a new license for service is issued. No such new license shall be issued until the following conditions have been satisfied:

- a. The corrective action described in the Notice of Proposed Revocation has been taken, as verified by an inspection conducted by Denver Water.
- b. The service connection is in compliance with Denver Water's Engineering Standards.
- c. The applicant has paid the cost of revocation and reinstatement, including the costs incurred by Denver Water to disconnect the service, and special charges reasonably calculated by Denver Water to be necessary to prevent the recurrence of the kind of violations which caused the revocation of the previous license.

2.12 Cancellation of Licenses for Inactivity.

2.12.1 Failure to Activate License. If a standard service license is not activated as required by Rule 2.02.1, the license will be void. At the discretion of Denver Water, the service connection may be disconnected at the main. Denver Water will refund any System Development Charge or other deposit previously paid in connection with the issuance of the license under the following conditions:

- a. The request for a refund must be received by Denver Water within five (5) years of the date of application for the license. No refunds will be made after five years from the date of application for the license.
- b. The tap must be disconnected from the main at the licensee's expense.

- c. Any costs incurred by Denver Water in cancelling the license and disconnecting the service will be deducted from the SDC or deposit to be refunded.

2.12.2 Failure to Convert Stub-in Permit. If a stub-in permit is not converted to a Standard Service License before the permit expires, no license for the premises will be issued. At the discretion of Denver Water, the stub-in may be disconnected at the main. The disconnection deposit paid for the permit under Rule 2.07.5 will be forfeited.

2.12.3 Inactive Water Service. If previously active water service for any licensed premises has been inactive for a period of five (5) consecutive years, the license for that premises will be void. For purposes of this section, inactive shall mean that for five (5) consecutive years, the meter has not measured enough consumption to change the meter reading by at least one thousand (1,000) gallons. Payment of delinquent charges, service charges or any other charges shall not change an account's status as inactive under this Rule 2.12.3. At the discretion of Denver Water, the tap and service may be disconnected at the main. After a license has been cancelled under this section, the subject premises shall not thereafter be served with water until a new license for service is issued. No such new license shall be issued until the following conditions have been satisfied.

- a. All components of the service connection must comply with Denver Water's Engineering Standards applicable at the time of the new license application, as verified by a Denver Water inspection;
- b. The water service must be physically turned on and available for use at the premises;
- c. All charges due against the property must be paid;
- d. All costs associated with the reactivation of the tap, including a turn-on charge, must be paid; and
- e. An SDC must be paid. If the water service was inactive for less than ten (10) years, then the SDC needed to reactivate service will be pro-rated. Pro-ration of SDC applies regardless of whether the original SDC for the premises was paid in cash or satisfied by means of SDC credits under Rule 2.07.5. To calculate the pro-rated SDC, the number of whole years of non-use shall be divided by ten (10), and the resulting fraction shall be multiplied by the current applicable SDC. For water service that has been inactive for ten (10) years or more, the full current SDC shall be paid. No refund of SDC is available for cancellation of a license for inactivity.

CHAPTER 3 - TEMPORARY WATER SERVICE

3.01 Temporary Use of Water. Denver Water may grant permission to use water from the Denver Water distribution system or a Distributor water system for limited periods of time, subject to the provisions of this Chapter. This Chapter does not regulate temporary supplies of fixed amounts of nonpotable water, which are governed by specific lease provisions.

3.02 Hydrant Use Permit. Denver Water may issue a permit to take water from a fire hydrant for limited periods of time for such uses as construction, dust control, cleaning or special events. Such permits are available Inside Denver and in Total Service, Total Service Improvement, and Read and Bill contract service areas. Master Meter Districts will establish their own rules, procedures and fees for special hydrant uses.

a. Permit Required. Water to be used for purposes other than extinguishing fires may be withdrawn from fire hydrants only if a permit has been issued by Denver Water and if appropriate, the Read and Bill Distributor.

b. Limits on Use. Permits may be issued for specific hydrants or specific tank vehicles and may be limited to specific uses. Meters may be required for some uses. Permits shall be valid only during the dates specified in the permit.

c. Access. Employees of Denver Water shall be permitted to examine the permit at any time a hydrant is being used.

d. Backflow Prevention. All connections to fire hydrants must have an approved back-flow prevention device as required under Chapter 11.

e. Permit Fee. Denver Water will charge a permit fee to recover the costs of meter testing, billing, collecting and monitoring a hydrant permit. The permit fee may be established for use of a specified hydrant for a limited period of time; or may be an annual charge for unlimited usage of hydrants. Charges for water used under hydrant permits shall be calculated based on actual or estimated usage. Charges for damage to hydrants may be billed to the holder of the hydrant water use permit.

f. Penalties for Violation of Permit. Any person involved in the unauthorized use of hydrant water shall pay for all water taken, together with the costs incurred by Denver Water to discover and correct the unauthorized use, and any penalty fees imposed. Such payments shall not in any way affect the right of Denver Water to pursue such other remedies as may be authorized by law or approved by Denver Water. Any person or entity involved in previous unauthorized use of hydrant water will be ineligible for new hydrant water use permits until Denver Water is fully compensated for past hydrant water use and penalties for unauthorized use have been paid. Any unauthorized use may result in suspension of all permits issued to the particular permit holder.

3.03 Construction Water Use. When a new Water Supply License is issued, Denver Water requires the licensee to pay a fee in order to use water at the licensed premises for construction purposes prior to the time a meter can be properly set.

a. Water Supply License Required. No water may be used at a premises before the service connection is made and a meter is set, unless the applicant has been issued a Water Supply License and has paid the construction water use fee. Payment of a construction water use fee allows the premises to receive unmetered water service for construction use only during the interval between installation of the tap connection and initial meter installation.

b. Limits on Use. Unmetered use of water for construction is permitted only until the water service is activated, as required in Rule 2.02.1, or the Water Supply License is cancelled under Rule 2.12, whichever occurs first. Landscape irrigation and occupancy of the premises prior to the installation of a meter are prohibited and shall constitute unauthorized use of water.

c. Backflow Prevention Required. During construction, the potable water system must be protected from backflow and potential contamination. At any premises where a permanent backflow prevention device would be required under Chapter 11 but cannot be installed immediately, a temporary backflow prevention device must be used until the permanent device is installed.

c. Construction Water Use Fee. A non-refundable construction water use fee will be charged, and will be based on the size of the service and the rate schedule applicable to the premises. The fee shall be sufficient to generate the revenues estimated to have been collected if a meter had been installed and to recover costs of administration and monitoring the use of water prior to meter installation. Payment of the fee will be recorded on the Water Supply License.

d. Penalties for Violation of Restrictions. Any person or premises involved in the unauthorized use of construction water shall pay for all water estimated to have been taken, together with the costs incurred by Denver Water to discover and correct the unauthorized use, and any penalty fees imposed. Such payments shall not in any way affect the right of Denver Water to pursue such other remedies as may be authorized by law or approved by Denver Water. Any person or entity involved in previous unauthorized use of construction water will be ineligible for new Water Supply Licenses until Denver Water is fully compensated for past construction water charges and penalties for unauthorized use have been paid. Denver Water may also require a deposit, and may pursue such legal remedies as are available pursuant to state law or municipal ordinance.

3.04 Temporary Water Use License. Denver Water may issue temporary water use licenses to use water for special purposes and for limited periods of time. Such special purposes include, but are not limited to service to temporary buildings, temporary irrigation, and special events.

a. Limits on Use. The licensee must comply with all conditions imposed by Denver Water to prevent injury or waste of water. Unless renewed, temporary water use licenses expire and the licensee shall, at its own expense, disconnect water service at the end of the period specified in the temporary license.

b. Temporary Water Use License Fee. Denver Water may charge a fee to cover the issuance and use of the temporary water use license. In addition, Denver Water may require a deposit of a sum adequate to cover payments likely to become due as a result of use of the license and the cost of disconnecting the temporary service line after the license expires. A bond satisfactory to Denver Water may be used in lieu of cash.

c. Penalties for Violation of Temporary Water Use License. Any person involved in the use of water without a license or in a manner contrary to the terms of the license shall pay for all water taken, together with the costs incurred by Denver Water to discover and correct the unauthorized use, and any penalty fees imposed. Such payments shall not in any way affect the right of Denver Water to pursue such other remedies as may be authorized by law or approved by Denver Water.

CHAPTER 4 - NONPOTABLE WATER SERVICE

4.01 Applicability. This Chapter applies to nonpotable water service supplied through a distribution system to licensed premises within the Combined Service Area. Unless otherwise provided in a water lease or supply agreement, all rules and standards pertaining to the use of potable water are applicable to non-potable water licenses and service.

4.02 Nonpotable Policy. In order to encourage the most efficient use of water, Denver Water's policy is to use nonpotable water whenever potable water is not required, such as irrigation and commercial use. Eligibility for nonpotable service will be based on the type of water use and the availability of nonpotable water. Denver Water will determine whether nonpotable water is available and may require the use of nonpotable water by either applicants for new licenses or existing potable water licensees.

4.02.1 New Licenses.

a. Nonpotable Required at Time of License. If nonpotable water service is determined to be suitable for an applicant for a new license, Denver Water may require such use.

b. Subsequent Conversion Required. If nonpotable water is required but not available at the time of application, Denver Water may issue a license for potable water service, but may require conversion to nonpotable service, when available, at the applicant's expense. Even though potable water will be provided temporarily, the nonpotable System Development Charge will be assessed at the time of application.

4.02.2 Conversion of Existing Potable License.

a. Conversion Required. If Denver Water requires an existing potable water service to convert to nonpotable water, Denver Water will pay for any necessary main extension, tap, service line and control valve. The customer shall be responsible for all other conversion costs, including costs incurred on the customer's property. No additional System Development Charge will be assessed for service to the same property in the same volume. No System Development Charge credit will be created by such transfer of service.

b. Conversion Requested. If a customer requests conversion from potable to nonpotable service, the customer shall pay all the costs required for the conversion, including additional System Development Charges if the new service increases demand over historic levels. No System Development Charge credit will be created by such transfer of service.

4.03 Requirements of Nonpotable Service.

4.03.1 Interconnections Prohibited. Interconnections between any system containing nonpotable water from Denver Water and any other water system are expressly prohibited without prior approval of Denver Water's Director of Engineering.

4.03.2 Marking of Facilities. Denver Water may require facilities used to provide nonpotable water service to bear prominent and permanent markings to warn that the contents are nonpotable.

4.03.3 Use Schedule. As a condition of using nonpotable water, Denver Water may establish timing and flow rate requirements for each nonpotable license. The Licensee is responsible to design and operate its water system to comply with such schedules.

4.04 Special Conditions for Use of Recycled Water.

4.04.1 Compliance Required. Licensees using recycled water must comply with Denver Water's Engineering Standards, Operating Rules and any applicable federal or state law, including Colorado Department of Public Health and Environment Regulations 61 and 84. Failure to comply may result in suspension of service or revocation of the license under the provisions of Chapter 2.

- a. The Licensee must identify a person responsible for ensuring compliance with all applicable laws and regulations.
- b. The Licensee shall train all maintenance personnel in the safe use of recycled water.

4.04.2 Recordkeeping. The Licensee must prepare and keep current record drawings showing all recycled water facilities and make them available to Denver Water on request. The drawings must include the location of all piping, valves, backflow prevention devices, system controllers and any other recycled water facilities. The Licensee also must maintain a record of the Licensee's current operation schedules for each system controller and place a copy of the appropriate operation schedule and area of coverage in each controller box in a waterproof container.

4.04.3 Operational Requirements. The Licensee must operate its recycled water facilities to minimize pooling, ponding and excessive runoff of recycled water. If recycled water is used for irrigation, the Licensee also must adjust and maintain all irrigation spray heads to eliminate overspray and windblown spray into other areas used by the public, including sidewalks, streets, playgrounds, drinking fountains, food preparation and picnic areas. If such conditions occur, the Licensee must take immediate steps to adjust its operations or facilities to stop the condition and prevent a recurrence, including but not limited to repairing leaking pipes, broken sprinkler heads and unreliable valves.

4.04.4 Modifications to Recycled Water Facilities. The Licensee shall obtain prior approval for proposed changes or modifications to its recycled water facilities that might impact the operation of Denver Water's recycled water system, including but not limited to increasing

recycled water impoundments. All such changes to facilities must comply with Colorado Department of Public Health and Environment Regulations 61 and 84, if applicable.

4.04.5 Signage. In areas where recycled water is being used, the Licensee shall install signs or labels in the dominant language(s) expected to be spoken in the area, indicating that recycled water is being used. The sign or labels shall read “Nonpotable Reclaimed Domestic Wastewater in Use,” “Do Not Drink – Irrigation Water” or other similar language approved by Denver Water.

a. Industrial Use. Where recycled water is used for industrial or commercial uses, signs shall be placed at sufficient locations to provide adequate notice to employees, contractors and the public that recycled water is being used. Each sign shall be at least 12 inches by 15 inches.

b. Irrigation Use. Where recycled water is used for irrigation at a park, school yard or similar area, at least one sign shall be located at each parking lot or surfaced vehicular or pedestrian entry to the area. There shall also be one sign for every 5,000 feet of perimeter of the area, and at least one sign per area. A single sign may be used to fulfill more than one of these requirements. Each sign shall be at least 12 inches by 15 inches.

c. Golf Courses. Where recycled water is used for irrigation at a golf course, one sign shall be located at the first and tenth tees, near entrances to any driving range and near any practice putting green. Each sign shall be at least 12 inches by 15 inches.

CHAPTER 5 - SERVICE OUTSIDE DENVER

5.01 Contractual Relationships. Inside Denver, Denver Water provides water supply pursuant to the Charter of the City and County of Denver. Outside Denver, Denver Water provides water supply pursuant to contract. Each contract is subject to the Charter, Denver Water's Operating Rules and Engineering Standards and amendments thereto. The Charter, Rules and Standards and any amendments are part of every contract for water supply.

5.02 Distributor Contracts (Water Service Agreements). Within the Combined Service Area, potable water supply is provided pursuant to contracts with Distributors. Under Distributor contracts executed after 1993, Denver Water agrees to furnish all potable water necessary to serve the full development of the land within the Distributor's service area. Denver Water's obligations under older Distributor contracts are governed by the specific provisions of those contracts. A Distributor contract does not give the Distributor the exclusive privilege of supplying water service to a given service area. Distributor contracts vary based on the level of service provided by Denver Water.

5.02.1 Total Service. Under Total Service contracts, Denver Water has dominion or ownership of the Water System and is responsible for its operation, maintenance and replacement. Denver Water reads each individual customer's meter and bills each individual customer at the established "Total Service" rate. In Total Service Areas, water service is provided to the customers in the same manner as that provided to customers inside Denver.

a. Total Service Improvement. A Distributor whose system does not currently meet Denver Water Engineering Standards may request to convert to Total Service status. This can be accomplished through a Total Service Improvement contract, under which Denver Water takes dominion over the Distributor's existing water system pursuant to a plan to upgrade it to Total Service standards. Denver Water will decide whether the upgrades will be constructed before or after taking dominion of the system. In either case, the costs of constructing the upgrades will be recovered by assessing a surcharge to each of the customers within the Distributor's service area.

5.02.2 Read and Bill. Under Read and Bill contracts, the Distributor owns and is responsible for construction, operation, maintenance, and replacement of its water system into which Denver Water delivers water. Denver Water reads the meter of each individual customer and bills each individual customer at the established "Read and Bill" rate.

5.02.3 Master Meter. A Master Meter Distributor owns and is responsible for construction, operation, maintenance, and replacement of its water system. Denver Water delivers water to the Distributor through one or more master meters and bills the Distributor at the established "Wholesale (Master Meter)" rate. The Distributor, not Denver Water, is responsible for reading the meters of its individual customers and for billing its individual customers according to rate schedules established by the Distributor.

a. Master Meter Maintenance. A Master Meter Distributor may elect to continue customer billing and collection functions within its service area, but contract with Denver Water to operate, maintain and replace its water system as needed. This arrangement can be accomplished through a Master Meter Maintenance Contract, under which Denver Water bills the Distributor for providing this higher level of service at the established “Master Meter Maintenance” rate.

5.03 Integrated and Consecutive Systems.

5.03.1 Water Quality Regulation. Under the Colorado Primary Drinking Water Regulations, every public drinking water system must engage individually in monitoring, reporting and certification unless it is part of an Integrated System, using a common set of standards for protecting drinking water quality. Denver Water’s goal is to treat all Distributors and their customers as part of an Integrated System installed, operated and maintained in a common manner. Denver Water’s Operating Rules and Engineering Standards establish the minimum operational requirements, but individual Distributors may adopt their own rules and regulations.

5.03.2 Integrated System. Denver Water’s Integrated System consists of the City and County of Denver, all systems under Total Service or Total Service Improvement Distributor contracts, and those systems under Read and Bill, Master Meter, or Master Meter Maintenance Distributor contracts that meet all Denver Water operational and maintenance standards. These systems are treated as part of the Denver Water system for testing and reporting under water quality regulations.

5.03.3 Consecutive Systems.

a. Distributors. Any water system operated under a Read and Bill or Master Meter Distributor contract that does not conform to integrated system requirements as defined by Denver Water shall be considered a Consecutive System. Consecutive System Distributors are a different class of customer from Integrated System Distributors, and may have different rates, cross-connection control requirements and water quality testing and reporting requirements. A Consecutive System Distributor is responsible for meeting all regulatory requirements for water quality testing and reporting under its own PWSID number.

b. Private Systems. A water system controlled by an individual entity, such as a government installation, large industrial operation, apartment complex or shopping center, is a Consecutive System. The customer is responsible for all aspects of the water distribution system and for meeting all regulatory requirements for water quality within its property.

c. Backflow Prevention Required. Any Consecutive System must be completely isolated from the Integrated System by means of adequate backflow prevention.

5.03.4 Change in Status. If an Integrated Distributor fails to maintain its water distribution system in compliance with Denver Water's Engineering Standards and Operating Rules, Denver Water may, in its discretion, designate the Distributor's water system as a Consecutive System.

a. Opportunity to Correct Deficiencies. Denver Water will provide written notice to the Distributor of deficiencies in its operation or maintenance practices that must be corrected to maintain Integrated System status. Depending on the degree of hazard to the Integrated System posed by the Distributor's water system, the Distributor will be provided from 24 hours to 30 days to isolate its distribution system or complete remedial action.

b. Corrective Action by Denver Water. If the deficiency poses an imminent threat to public health, Denver Water may take immediate corrective action. Denver Water may charge the Distributor for any expenses incurred to isolate or protect the Integrated System.

5.04 Other Water Supply Contracts.

5.04.1 Connector Agreement. A single premises outside Denver may be connected to a Denver Water-owned main. The Total Service rate applies to Connector Agreements. However, Denver Water's policy is to require premises served with potable water to be part of a Distributor's service area, and Connector Agreements will be permitted only under rare circumstances.

5.04.2 Nonpotable Water Contracts. Within the Combined Service Area, Denver Water may deliver nonpotable water to a customer for irrigation, augmentation, commercial use, or other nonpotable purposes. Denver Water will deliver such nonpotable water to the purchaser through one or more master meters or gauging devices and will bill the purchaser at the applicable nonpotable rate. Nonpotable service through licenses is governed by Chapter 4.

5.04.3 Carrier Facility Contracts. Contracts for water from carrier facilities such as ditches are administered according to specific contractual rights for each carrier facility.

5.05 Contracts for Water Supply Outside the Combined Service Area. Denver Water may enter into contracts to provide specified amounts of either potable or nonpotable water outside the Combined Service Area under fixed-amount contracts.

5.05.1 SDCs and Rates. Delivery of water on a permanent basis under fixed-amount contracts will be conditioned on payment of potable or nonpotable water SDCs applicable to customers outside the Combined Service Area. Denver Water may adopt Outside Combined Service Area rates to apply to water delivered under fixed-amount contracts.

5.05.2 Obligations under Fixed-Amount Contract. Denver Water's obligation under a fixed-amount contract is to deliver the agreed-upon amount of water, under the terms and conditions contained in the contract. If the contractor is an entity that distributes water to

customers, the contractor bears the sole responsibility for providing an adequate supply of water for its future development.

5.05.3 Limitations on Delivery. Each fixed-amount contract shall contain provisions to limit water delivery as necessary to provide an adequate supply of water to the people of Denver. The extent of such limitations is a fact to be determined by the Board in the exercise of its reasonable discretion.

CHAPTER 6 - RATES AND BILLING

6.01 Payment Responsibility. Rates and charges are assessed against the licensed premises. It is the responsibility of the licensee to keep the license in force by paying all charges against the licensed premises, even in the absence of receiving a bill.

6.01.1 Payment Required for Continued Service. Water service, including fire protection service, may be suspended, using the procedures described in Chapter 2, at any premises against which any charge becomes delinquent and remains unpaid. Charges include any rate, fee, cost, charge, surcharge or rent relating to the provision of water service to the licensed premises. For those premises against which bankruptcy or other legal actions are pending or filed, Denver Water will abide by the law and orders of the court.

6.01.2 Billing Address. A bill for water service will be sent to the licensed premises. If the licensed premises is a rental, a bill will be sent to both the licensed premises and the owner of the property. Denver Water will also send bills to an address other than the licensed premises upon request. Mailing of a bill for water service to an address other than the licensed premises shall in no way affect the power of Denver Water to enforce payment of charges by discontinuing service to the licensed premises.

6.02 Metered Service Rates.

6.02.1 Cost of Service. Denver Water sets rates for water service based on a cost of service study. All customers are grouped into various customer classes based on several factors, including.

- a. Type of premises or use, e.g., single family residential, multi-family residential, commercial, etc.
- b. Inside Denver or Outside Denver. Licensed premises outside Denver are further classified by level of service provided under the applicable Distributor Contract.
- c. Type of water provided.

6.02.2 Establishing Rates for Metered Service. Denver Water periodically establishes rate schedules, including Consumption Charges and Service Charges, for the various types of metered service. Rates are adopted at public meetings of the Board and are made available on Denver Water's web site.

6.03 Other Types of Rates.

6.03.1 Fire Protection Service. Denver Water periodically establishes a rate schedule for unmetered fire protection service. Billing charges are due and payable on a date established by Denver Water. Any fire protection service provided through a meter shall be charged according to the appropriate metered service rate schedule. If a detector check meter detects unauthorized

water use on a fire line, the licensee will be charged a service charge, the applicable consumption charge for any water consumed, as well as a charge for unauthorized use.

6.03.2 Nonmetered Service. Denver Water may establish rate schedules for nonmetered water service, such as deliveries of nonpotable raw water directly to a customer or use of nonpotable water in augmentation plans.

6.04 Billing Procedures.

6.04.1 Billing Frequency.

a. Monthly Accounts. Monthly accounts will be billed 12 times per calendar year. The due date for payments for water service billed on most monthly accounts will be at least 12 calendar days after the billing date. For City and County of Denver and Master Meter Distributor accounts, the due date will be 25 calendar days after the billing date.

b. Bimonthly Accounts. Bimonthly accounts will be billed 6 times per calendar year. The due date for payments for water service billed on a bimonthly basis will be at least 20 calendar days after the billing date.

c. Other Billing Periods. Denver Water may require or permit billing at intervals established by an agreement or as determined by the Board.

6.04.2 Group Billing. Denver Water may establish group billing for multiple, noncontiguous, separately licensed premises whose consumption is paid by a single entity. Each meter within the group will be assessed a Service Charge, and consumption for each meter will be separately calculated based on the appropriate rate schedule. A statement (in summary or detail) for all the meters within the group will be sent to one pay agent indicating the total amount due. A single due date for each bill group will be established by Denver Water and will apply to all licensed premises in the group. Any penalty, delinquency charge or suspension of service will be applied equally to all accounts within the group.

6.04.3 Interconnected System Billing. Interconnected systems consist of separately licensed premises that are interconnected behind the meters. Each meter in the interconnected system will be assessed a Service Charge, and a consumption charge for each meter will be calculated based on the appropriate rate schedule. A statement (in summary or detail) for all the meters within the system will be sent to one pay agent indicating the total amount due. The due date for each interconnected system will be established by Denver Water and will apply to all licensed premises within the system. Any penalty, delinquency charge or suspension of service will be applied equally to all interconnected meters.

6.04.4 Billing for Separately Owned Structures or Units Within a Structure. Where independent structures or separate units within a structure on a licensed premises are supplied through a common service pipe with a single meter, only one bill will be generated, even if the structures have different ownership. Denver Water will provide multiple copies of the bill, if

requested. If a charge against the premises becomes delinquent, the delinquency is attributed to all users at the licensed premises served through the common service pipe.

6.04.5 Account Adjustments. When an error has been made in an account, Denver Water may adjust the amount due or the consumption on the account.

a. Inaccurate Meter. If a meter has become inaccurate, Denver Water may charge the account for an estimated level of consumption. Denver Water will remove and test a meter at the request of the customer or if Denver Water suspects that the meter has become inaccurate. If a meter is removed and tested at the request of the customer and found to be accurate, the licensed premises shall be subject to special charges to recover Denver Water's reasonable costs in removing and testing the meter.

b. Difference between Meter and AMR Device. If a difference in readings occurs between an automatic meter reading (AMR) device installed at a premises and the register of the water meter, billing will be based on the reading from the register of the water meter. The AMR device will be repaired or replaced at Denver Water's expense and the customer's account will be adjusted to represent the consumption shown on the meter register. Denver Water will inspect an AMR device at the request of the customer or if Denver Water suspects that the device has become inaccurate or has malfunctioned. If a device is inspected at the request of the customer and found to be accurate, the licensed premises shall be subject to special charges to recover Denver Water's reasonable costs in inspecting the device. If the reading on the AMR device matches the reading on the meter register, the AMR device shall be considered accurate.

c. Adjustment for Accidental Loss of Water. An adjustment not to exceed 50 percent of the excess water estimated to have been lost may be allowed when an underground leak occurs that was not reasonably discoverable by the customer. Any adjustment will be contingent upon proof that the leak has been repaired. Adjustments under this section will be limited to no more than one per licensed premises in any five year period.

d. Time Limit for Adjustments. Any account adjustment shall be retroactive no longer than two years prior to the date any error is discovered.

6.04.6 No Authorization to Accept Payment. Denver Water employees are not authorized to accept payment for water service at the licensed premises or in any manner other than in the usual course of business.

6.05 Delinquency in Payment of Charges. The failure to pay charges for water service, including fire protection service, in a timely manner shall result in assessment of a delinquency charge and may result in suspension of water service to the premises under the procedures described in Chapter 2.

6.05.1 Timing of Delinquency. Charges for water service not paid by the due date listed on the bill shall be delinquent.

6.05.2 Delinquency Charge. All consumption charges and service charges that become delinquent during a billing period or remain delinquent from a prior billing period shall be assessed a delinquency charge on the next billing statement of the account. No delinquency charge will be assessed on any account that is paid in full within five (5) days after the scheduled due date. The amount of the delinquency charge to be assessed against delinquent consumption and service charges is determined by applicable state law.

6.05.3 Payment Plans. Denver Water may grant permission to a customer to pay unpaid water charges pursuant to a specific schedule. To keep the payment plan in effect, the customer must make the plan payments as scheduled and also pay current water charges.

- a. Plan Payments Unpaid. If a scheduled plan payment is not made, the payment plan is considered void, and the remaining balance will become due and subject to delinquency charges and suspension of service for nonpayment under Rule 2.10.

6.05.4 Suspension of Service for Delinquency. Whenever the billing statement of an account includes a delinquency charge or a past due amount, the entire amount of the bill, including delinquent charges, must be paid in full by the due date of the billing statement. If such payment is not made by the due date, a second delinquency charge shall be added to all unpaid consumption and service charges on the next billing statement, and suspension procedures under Rule 2.10 may be initiated.

6.06 Other Charges.

6.06.1 Special Service Fees. Where employees of Denver Water perform special services for or at the request of an applicant or licensee, or where special services are performed at or in connection with licensed premises to establish compliance with Denver Water Operating Rules and Engineering Standards which the licensee refuses or fails to perform, Denver Water shall be reimbursed for such work.

- a. Denver Water will bill the applicant, licensee, owner or occupant, as the case may be, for reimbursement. However, upon failure of such person to pay, the cost of the work shall be charged to the licensed premises at which such work was accomplished. The special service charge will be included in the water bill and will become subject to delinquency charges and suspension of service for nonpayment under Rule 2.10.
- b. The cost of the reimbursement shall be either in accordance with a standard schedule of special fees, or based on actual cost of the services with respect to services not included in the schedule.

6.06.2 Penalty Fees.

- a. Charges for Excessive Use. Additional charges may be assessed if the licensee's consumption in a calendar year exceeds the volume of water on which the original SDC was based or the volume of water established in a water budget as a condition of using

potable or recycled water to irrigate landscapes of more than one acre under Rule 14.02.2(c).

b. Charges for Unauthorized Use. Denver Water may assess a penalty fee for any unauthorized use of water or any diversion of utility service. The fee will be established in an amount intended to discourage future violations of the Operating Rules and may be charged directly to the licensed premises.

c. Charges for Unauthorized Operations. Denver Water may assess civil penalties, including revocation of permits, against any person who operates any valve or fire hydrant or modifies any portion of the Water System without approval from Denver Water.

d. Subject to Delinquency. Penalty fees will be included in the water bill and will become subject to delinquency charges and suspension of service for nonpayment under Rule 2.10.

6.06.3 Distributor Improvement Charge. An additional charge or credit may be added to a customer's water bill at the request of a Distributor under a Total Service, Total Service Improvement or Read and Bill Distributor Contract. Denver Water will transfer the proceeds of the Distributor Improvement Charges to the Distributor. Distributor Improvement Charges are subject to all requirements applicable to other charges imposed by Denver Water.

CHAPTER 7 - RESERVED

CHAPTER 8 - WATER MAINS

8.01 Ownership. Denver Water owns all water mains located in the City and County of Denver and owns or has dominion over all water mains located in areas served under Total Service or Total Service Improvement Distributor Contracts. The Distributor owns water mains providing service to premises located in areas served under Read and Bill, Master Meter and Master Meter Maintenance Distributor Contracts. Private systems are the responsibility of the Licensee, and may be subject to regulation by the Colorado Water Quality Control Commission.

8.02 Operation and Maintenance.

8.02.1 Mains Owned by Denver Water. Denver Water operates and maintains all mains and appurtenances it owns. Denver Water will repair any mains damaged by the acts of third parties and will charge the expense of repair to the responsible third party.

8.02.2 Mains Owned by Distributors. All mains owned by Distributors under Rule 8.01 shall be operated and maintained by the Distributors in conformity with Denver Water's Engineering Standards and these Operating Rules.

8.02.3 Unauthorized Operation. Denver Water may assess civil penalties, including removal of a contractor's bond, against any person who operates any valve or fire hydrant or modifies any portion of the Water System without approval from Denver Water.

8.02.4 Variations in Operation. Water pressure and water flow in a main may vary as part of normal operations of the Water System. Denver Water reserves the right at any time, without notice, to modify water pressure or shut off the water in a main as part of its operation, repair, replacement, modification and maintenance of the Water System. Denver Water is not responsible or liable for damage resulting from pressure changes or stoppage of the flow of water through the Water System.

8.03 Construction of Water Mains.

8.03.1 Denver Water May Require Construction. In order to provide adequate water service to property within its service area, Denver Water may in its discretion require construction of new mains or modifications to existing mains. Such required construction may include oversizing of new mains, up to 20 inches in diameter. The applicant for service or the party whose activities create the need for modifications shall pay the full costs of construction, including the costs of any oversizing. Denver Water reserves the right to design and install mains and to install connections to its conduits or mains, at its discretion and at the responsible party's cost.

- a. Enlargement of Mains. If an applicant requests new or increased service which, in the determination of Denver Water, will impose a demand in excess of the capacity of the existing main, Denver Water may require that the existing main be replaced with one of appropriate size, which may be larger than required solely for the applicant's needs.

b. Extension of Mains. No person may extend, modify, replace or relocate any main without the specific permission of Denver Water. Denver Water will establish procedures for applying for main extensions or modifications.

c. Looping and System Improvements. In order to provide adequate water supply and fire protection service, and to protect water quality and system integrity, Denver Water may require that the water system be replaced, extended or otherwise modified. Except in rare circumstances, Denver Water will require that mains be "looped", i.e., connected to more than one main owned or controlled by Denver Water or a Distributor. Denver Water in its discretion will determine the extent of looping required.

8.03.2 Main Extensions Inside Denver and Total Service and Total Service Improvement Areas.

a. Responsibility for installation. In most circumstances, the applicant will install all mains that are 20 inches in diameter and smaller, and Denver Water will design and install all mains that are larger than 20 inches in diameter. Denver Water reserves the right to install connections to its conduits or mains at its discretion. Regardless of who installs the main, the applicant shall pay all costs for designing, constructing or modifying the water main, including all appurtenances and fire hydrants.

b. Location. Unless Denver Water decides on another arrangement, mains and appurtenances must be attached to a Denver Water owned or controlled main.

c. Deposit for Denver Water Work. If Denver Water determines that it should perform all or any portion of the work, the applicant shall deposit the estimated cost of the work before design begins. The deposit will be applied against actual final cost of installation to be paid by the applicant.

d. Work Performed by Contractor. If Denver Water determines that the main extension is to be performed by a contractor, the applicant shall:

(1) Submit plans and specifications prepared by a registered professional engineer for the proposed installation, which plans and specifications must be approved in writing by Denver Water prior to award of contract and commencement of installation.

(2) Pay all costs of plan review and inspection as determined by Denver Water.

(3) Ensure the work is performed by a contractor pre-qualified and bonded to Denver Water.

- (4) Post a bond with Denver Water to cover the actions of the water main contractor and any other contractor or sub-contractor working on the project, such as sewer contractor, paving contractor or landscape contractor.

8.03.3 Main Extensions in Other Distributor Contract Areas.

- a. Ownership of Mains. In Read and Bill and Master Meter Distributor Contract areas, the Distributor will own and maintain all water mains installed in its service area that distribute water provided by Denver Water to its customers. In Master Meter Maintenance areas, the Distributor will own the mains, and Denver Water will maintain them, pursuant to the Distributor's contract.

- b. Responsibility for Installation. The Distributor or the individual applicant for service shall pay all costs for extending the water main, including plan review and inspection costs. Denver Water reserves the right in its discretion to install connections to its conduits and mains at the Distributor's cost.

- c. Approval of Main Extensions. The Distributor shall submit plans and specifications prepared by a registered professional engineer for the proposed installation, which plans and specifications must be approved in writing by Denver Water prior to award of contract and commencement of installation.

8.04 Engineering Standards. The criteria and scope of extensions or modifications shall be determined by the Director of Engineering. Specific requirements for minimum design or operating criteria, preparation of plans and specifications, and construction practices are prescribed in the Engineering Standards of Denver Water or will be determined by the Director of Engineering.

CHAPTER 9 - SERVICE CONNECTIONS

9.01 Service Connection Defined. Water is conveyed from mains owned by Denver Water or a Distributor to licensed premises by service lines and their appurtenances. The service connection comprises the Tap and the Service Line, which together move water from Denver Water's main to the plumbing within a licensed premises. Meters are installed on the service line, as described in Chapter 10.

9.01.1 Ownership. The service line and fittings through which a licensee receives water service from the facilities of the Water System, including the meter pit and the meter, shall be owned by and installed at the expense of the licensee, except as otherwise provided by these Operating Rules.

9.01.2 Dividing Point. The dividing point between Denver Water-owned mains or Distributor-owned mains and licensee-owned service lines shall be defined as the connection on the corporation stop tapped into the main or the discharge side of the valve closest to the Denver Water-owned or Distributor-owned main. At the dividing point, water irrevocably leaves the common, public system and enters privately owned facilities to serve individual premises.

9.02 Taps.

9.02.1 Authorized Persons. Notwithstanding the issuance of a license, no connection may be made to any main carrying water from the Water System except as authorized by Denver Water. Denver Water may permit a contractor or a Distributor to make taps larger than two inches, so long as Denver Water approves the plans for and conducts an inspection of such installations.

9.02.2 Procedure.

a. Service Line Required. Except as permitted under a stub-in permit issued pursuant to Rule 2.05, no Tap may be made to any main carrying water from the Water System until the service pipe with fittings, including the meter setting, has been installed.

(1) Taps 2 inches or smaller. Prior to the installation of a tap 2 inches or smaller, the service line, stop box, meter pit and all other appurtenances must be installed and ready for inspection and installation of the meter.

(2) Taps 3 inches and larger. Taps 3 inches and larger may be installed prior to the installation of service lines, but only after plans for such installations are approved by Denver Water.

b. Installation Charge. In addition to the fees applicable to licenses under Chapter 2, the applicant shall pay to Denver Water at the time of submitting an application for service, a fee to cover the cost of installing a tap, including the cost of materials and labor for the requested connection.

c. Location and Size of Tap. At the time of application, Denver Water will specify the main to be tapped and the location of the tap. The tap must be reasonably sized, in the judgment of Denver Water, based on the size of the licensed premises, the applicant's statement of projected water use, and the applicable Engineering Standards.

d. Notice for Tap Connection. Once the prerequisites in subsection (a) have been satisfied, Denver Water will install the tap on the main. The licensee or other party responsible for the installation of the service connection shall make arrangements for tapping of the main by providing notice to Denver Water not less than 3 business days before the desired date of the tap installation.

9.02.3 Abandoned, Cancelled or Unused Taps. If a license or stub-in permit is canceled pursuant to Rule 2.12, the tap must be cut off at the water main at the licensee's expense. Denver Water may require a deposit of the estimated cost to cut off a tap. All cut-offs must be inspected by Denver Water and, under special circumstances, may be cut off by Denver Water at the licensee's expense. If Denver Water cuts off the Tap, the cost of the work will be charged to the property and must be paid before any future Water Supply License will be issued.

9.03 Service Lines.

9.03.1 Definitions. Service lines include all pipe and fittings up to and including the stop and waste valve in a building with an outside meter setting, and up to and including the valve at the downstream side of the meter for an inside meter setting.

9.03.2 Location. No connection between the Water System and the water facilities of a licensee may be made except in a public street adequate to accommodate water works facilities, or in a paved easement to which Denver Water has as free a right of vehicular access as it would have in a public street. The curb stop, service box and meter pit or vault must be conveniently accessible by vehicle from the street or from a paved easement to which Denver Water has as free a right of access as it would have in a public street.

9.03.3 Installation. All service pipes, valves, and appurtenances shall be installed by the Licensee at the cost of the Licensee. The Engineering Standards shall prescribe standards relating to the number, location, size and strength of pipes and the number, location, size and type of valves, so as to enable Denver Water to control the water supply to the premises.

9.03.4 Maintenance. The maintenance and protection of privately owned piping, including service pipe and fittings, fixtures and water-using appliances, except meters, whether located in or upon public or private property, is the exclusive responsibility of the owner thereof, except as set forth in these Operating Rules.

9.03.5 No Guarantee of Pressure or Continuous Flow. Denver Water is not responsible or liable for damage from any cause whatsoever to service connections, fixtures, and water-using appliances, and no person is entitled to damages or payment of refunds by reason of temporary or permanent pressure changes or stoppage of the flow of water through the Water System. Dirt

or debris can enter water lines for any number of reasons under normal operations of the Water System, and no person is entitled to damages by reason of dirt or debris entering a licensee's service connection.

9.03.6 Protection of Water-Using Devices. The protection of water-using devices and systems which require limited or sustained water pressure or a continual water supply is the responsibility of the licensee or the owner of the device or system. The licensee or owner of any such device or system shall take suitable protective measures at the owner's expense. The licensee or owner should also protect water-using devices and systems from dirt or debris that may enter the service connection.

9.03.7 Maintaining Conformity with Standards. If at any time an existing service connection does not conform to these Rules or the Engineering Standards, the Licensee, or any party causing non-conformance with the Engineering Standards is responsible for bringing the connection into compliance.

9.04 Modification of Existing Service Connections.

9.04.1 Convenience of Denver Water. When proper management, operation or maintenance of the Water System requires, Denver Water may relocate the service pipe and fittings through which a licensee receives water service at Denver Water expense. All service pipes and fittings so relocated shall be the property of the licensee.

9.04.2 Redevelopment. In case of redevelopment or "scrape-off" of an existing licensed premise, Denver Water will require the replacement or upgrade of any existing service connection or portion thereof to meet current Engineering Standards. Existing water service must be metered at all times during redevelopment activity, or the tap must be physically disconnected at the main until a new meter can be installed. If a service line is to be abandoned, it must be cut off at the main before any demolition begins. If a service line is to be replaced in order to supply the same premises, it must be cut off at the point designated by Denver Water before or at the same time a new service line is connected.

9.04.3 Relocation or Modification of Service Lines. Construction activities by any party including Denver Water, a Distributor or the owner of the licensed premise that disturb, relocate, sever or in any other way impact a service line shall be required to repair, restore, or replace the service line from the water main to the meter yoke as required by the Engineering Standards. If the meter is relocated as a result of any construction activities, or if a non copper service line downstream of the meter pit is disturbed, relocated, severed, or otherwise modified, replacement of the entire service line, including relocation of the meter to an outside meter pit, from the main to the first copper or brass fitting inside the structure will be required. Specific requirements will be determined on a case by case basis by Denver Water or the Distributor depending on factors including but not limited to the degree of disturbance to the service line, the potential impacts on lead levels, and the potential for leakage.

All such work must be pre-approved by Denver Water or the Distributor and may require submittal of detailed construction plans for review. All work must be inspected by Denver

Water or Distributor at the cost of the party initiating the construction activity. Water service lines that have not been inspected by Denver Water or the Distributor may not be reactivated or reconnected to the water system of the Board or the Distributor.

9.04.4 Cut-Off Permits.

- a. Application. Prior to the initiation of any service line cut-off, a completed application form for a Cut-Off Permit must be submitted to, and approved by Denver Water, and all outstanding charges must be paid.
- b. Deposit. Denver Water may require a deposit to be paid prior to issuance of a Cut-Off Permit. Denver Water may retain such deposit to the extent necessary to fully compensate Denver Water for all its costs and expenses, or to rectify any failure by the licensee to properly perform the cut-off.
- c. Responsibility. No cut-offs will be performed by Denver Water, except when deemed by Denver Water to be in its best interest. If Denver Water decides to perform all or any portion of the work, the licensee shall deposit the estimated cost of the work prior to issuance of the Cut-Off Permit, and will be responsible for paying the actual costs incurred by Denver Water.
- d. Inspection. Denver Water personnel must inspect and verify any cut-off of the service pipe made by the licensee prior to any backfilling operations.

9.05 Leak Repair Service.

9.05.1 Repair Services Available. Although the licensee owns and is responsible for maintaining the service connection, Denver Water may provide limited leak repair services to licensed premises located inside Denver or in areas served under Total Service or Total Service Improvement Distributor contracts. The availability of leak repair services as a service to licensees under this Rule 9.05 shall not impose any duty upon Denver Water, and Denver Water shall not be liable for any consequence of not providing such service.

- a. Normal Wear and Aging. The repair service described in this section shall be provided only for those leaks attributed to normal wear and aging of the service pipe. Leaks caused by actions such as excavation, demolition, landscaping, or by any construction activity initiated by any third party that impacts the service line or Denver Water's operation of the licensee's facilities as required to enforce these rules, are not included in the repair service provided by Denver Water. The repair of such leaks is the sole responsibility of the licensee.
- b. Notice and Availability. Denver Water will perform the repairs described in this section only if (1) Denver Water has actual notice of the leak; and (2) Denver Water determines that sufficient manpower and equipment are available to make repairs.

c. Without Cost. The leak repair service described in this section will be performed by Denver Water without cost to the licensee.

d. Limitations. Repair services provided by Denver Water under this section shall not include any responsibility for replacement of service lines, the thawing of frozen service pipes or appurtenances, or repairs to stub-in connections.

9.05.2 Licensee Responsibility. Regardless of the repair service provided by Denver Water under this section, the licensee shall be responsible for all damage to persons or property resulting from leaks on the licensee's service line or appurtenances. All service line fixtures replaced or installed by Denver Water hereunder shall upon installation become the property and the responsibility of the owner of the premises served thereby.

9.05.3 Extent of Leak Repair Services. The leak repair service will consist of the following:

a. Curb Stop. Denver Water may repair leaks on service lines with curb stops which originate between the water main and the outlet (house) side of the curb stop. The licensee shall repair leaks on the outlet side of the curb stop, beginning at the tube nut which threads onto the curb stop on the outlet side.

b. Outdoor Meter Without Curb Stop. Denver Water may repair leaks on service lines with outdoor meters and no curb stop, which originate between the water main and the inlet side of the meter. The licensee shall repair all leaks emanating from the service line or any of its appurtenances located on the outlet side of the meter. The licensee shall maintain the meter pit.

c. Lines Without Curb Stops or Outdoor Meters. Denver Water may repair leaks on service lines without curb stops or outdoor meters, which originate between the water main and the property boundary of the licensed premises. The licensee shall repair all leaks emanating from the service line or any of its appurtenances located inside the property line of the licensed premises.

d. Private Lines. Repair of leaks on domestic service lines connected to privately owned fire protection service lines shall be performed as set forth above, except that Denver Water will also make repairs of leaks on the fire protection service line between the main and the inlet side of the property line valve on the fire protection service line. Denver Water shall not maintain or repair fire protection service lines that are not connected to domestic service lines.

9.06 Access to Property. Authorized employees of Denver Water or its contractor shall be allowed free and unimpeded access at all reasonable hours to any building or premises where water is used, for purposes of inspection, repair, meter reading, meter or AMR installation and maintenance. Where a meter or AMR device is installed inside a building or in another location where access is limited, the licensee shall provide access to the meter or AMR device upon notice to do so. All Denver Water employees shall carry an identification card signed by the

Manager and containing a picture of the employee. Unless a Denver Water employee presents such an identification card, the employee need not be admitted to the premises involved.

CHAPTER 10 - METERS AND METER PITS

10.01 Ownership. Meters read by Denver Water and the meter pits in which they are located shall be owned by and installed at the expense of the licensee, except as otherwise provided in these Operating Rules.

10.02 Specifications.

10.02.1 Meter Pits or Vaults. Meter pits are manholes or vaults intended to house meters and protect them from contact and from the elements. Meter pits must comply with specifications in the Engineering Standards, including requirements dealing with proper materials, frost and freeze protection, and the pit being set to and maintained at final grade of the ground or surrounding property.

10.02.2 Meters. A meter, as distinguished from a meter pit, is a device used to measure a licensee's water consumption. Meters must comply with specifications in the Engineering Standards.

- a. Size and Type. The Engineering Standards will establish specifications for all meters. These standards shall provide for accurate measurement of water flow, excellence of material and minimum line loss under all anticipated conditions of use for each size meter.
- b. AMR. All meters that are read by Denver Water must have an electronic digital encoder or pulsar register and an automatic meter reading device as specified by the Engineering Standards.
- c. Purchase. Meters two (2) inches and smaller shall be purchased from Denver Water. Meters larger than two inches shall be purchased from another source, provided that such a meter may not be installed unless that meter complies with requirements in the Engineering Standards and unless the meter has been tested, numbered and inspected by Denver Water.

10.02.3 Interconnection of Meters. Denver Water, in its discretion, may permit the interconnection of two or more meters to serve a single distribution system on a licensed premises if the combined capacity of the meters is at least equal to the anticipated service demand of the premises. Approval of a combination or interconnected meter installation will require review by Denver Water of the hydraulic calculations for the premises as well as detailed design of the installation. Backflow prevention must be installed after each meter. Billing for interconnected meters is governed by Rule 6.04.

10.03 Location.

10.03.1 Accessibility Required. All meters, whether located in meter pits or inside buildings, must be located so as to allow Denver Water unimpeded and non-hazardous access to

the meter at reasonable times. Meters must also be located so that the radio frequency signal from the automatic meter reading device can be obtained from a publicly-accessible street or another location conveniently accessible to Denver Water's meter-reading vehicles and equipment.

10.03.2 Meter Pit or Inside Building. The specific location of meters installed at licensee expense shall be designated by the licensee, subject to the provisions of this section.

a. Meter Pit. All meters on services activated after January 1, 2007, shall be installed outside the structure being served, unless specifically approved by Denver Water. Meters shall be installed in a frost proof meter pit or vault: (1) within the boundaries of a public street or in an easement as accessible to Denver Water as a public street would be; or (2) in front of the premises to be served, either in the right-of-way or on the property of the premises, not more than five (5) feet from the property line and adequately protected from hazards and interferences. Meters may not be installed in paved areas without prior approval by Denver Water.

b. Inside Building. With prior approval from Denver Water, a meter may be installed at an easily accessible location inside a commercial or industrial building on the premises to be served, provided that there will be no reasonable possibility for water to be taken from the service line without passing through the meter. The location of the indoor meter shall be heated to prevent freezing, shall be adjacent to a floor drain and shall not be obstructed. The meter shall be equipped with a remote type automatic meter reading device that will be mounted on the outside of the structure in accordance with the Engineering Standards.

10.03.3 Maintain Conformity. If at any time an existing meter location does not conform to the standards enumerated in this section or the Engineering Standards, the installation shall be modified at the Licensee's expense so that it does conform.

10.04 Meter Installations. Specifications for meter settings and automatic meter reading devices shall be prescribed by the Engineering Standards, including but not limited to such standards as necessary to provide for prior approval of meter settings and location of the meter or meter pit before installation.

10.05 Maintenance.

10.05.1 Meter Pit. The maintenance and protection of privately owned meter pits and appurtenances, including maintaining the meter pit at grade, is the responsibility of the licensee.

10.05.2 Maintenance of Meter.

a. Ordinary Wear and Tear. In order to provide for the accurate measurement of water, Denver Water will maintain at its cost, against ordinary wear and tear, all meters it reads for billing purposes, except meters serving Master Meter or Master Meter Maintenance Distributor contract service areas. Denver Water will repair or replace

meters in need of maintenance, testing, or replacement. Upon installation, the replacement meter and the automatic meter reading device will become the property of the licensee of the premises served thereby. The timing of meter replacement and the extent of modifications required to accommodate the installation of a new meter is at the discretion of Denver Water.

b. Damage due to Other Cause. The maintenance service described in this section shall be provided only for damage to meters or automatic meter reading devices attributed to normal wear and aging. Damage to meters or automatic meter reading devices caused by actions such as excavation, demolition, landscaping, freezing, hot water, tampering, water hammer, construction, or any cause other than ordinary wear and tear are not included in the maintenance service provided by Denver Water. When a meter has been damaged as a result of any such causes, the licensee shall bear the entire expense of removing, repairing, resetting and replacing the meter or AMR device.

10.05.3 Convenience of Denver Water. When proper management, operation or maintenance of the Water System requires, Denver Water may relocate meters and automatic meter reading devices, or modify meter settings at Denver Water expense. All meters and devices so relocated shall be the property of the licensee.

10.05.4 Licensee Responsibility. Regardless of the maintenance service provided by Denver Water under this section, the licensee shall be responsible for all damage to person or property resulting from the licensee's meter or meter pit.

CHAPTER 11 - CROSS-CONNECTIONS

11.01 Protection of Potable Water Quality. Denver Water is responsible for protecting the potable public water supply from contamination or pollution that could enter the Water System through a connection from another water system or by means of backflow from a licensee's system.

11.02 Commingling Prohibited. Except as specifically permitted by written agreement, potable water from the Water System shall not be commingled with water from any other source. Water from other sources shall be distributed only through an entirely independent system. Interconnection of another source of water with Denver Water's distribution system or a licensee's water facilities is prohibited.

11.02.1 Dual Supply Premises. Premises supplied with water from a non-Denver Water source will not be issued a potable service license unless the owner of such premises enters into an agreement, binding upon the owner and any successors, not to make or permit any cross-connection between any non-Denver Water source and the licensee's service connection and water system supplied from Denver Water's potable water distribution system.

11.02.2 Exceptions for Approved Systems. Denver Water's distribution system may be interconnected with an approved public potable water supply system under a written agreement between Denver Water and the owner of the approved system.

a. Physical Connection. The physical connection with an approved system shall be a swing connection, a removable spool, or other arrangement approved by Denver Water's Water Quality section and must conform to the Engineering Standards.

b. Approval Process. To be permitted to commingle potable water, a public potable water supply system must be investigated and approved by Denver Water's Water Quality section. Approved systems will be monitored regularly. The Water Quality section may withdraw approval to commingle for good cause.

c. Backflow Prevention Device Required. Any device connecting an approved system with Denver Water's potable system shall have a backflow prevention device installed and maintained in compliance with the Engineering Standards.

11.03 Backflow Prevention. Backflow from any connection into Denver Water's potable system or the facilities of a licensee is prohibited.

11.03.1 Backflow Prevention Devices Required. No water service connection to serve a licensee's premises will be installed or maintained by Denver Water unless the potable water supply is protected from backflow as required by the Engineering Standards. An approved backflow prevention device shall be installed on each service line within a licensee's water system, and must be tested annually and maintained on a regular basis. During construction, a temporary backflow prevention device may be required under Rule 3.03(c).

11.03.2 Enforcement.

- a. Inspection. The licensee's system will be subject to inspection by Denver Water at all reasonable times to determine whether cross-connections or other structural or sanitary hazards exist.
- b. Suspension of Service. Water service to any premise may be discontinued if a required backflow prevention device is not installed, tested and maintained, or if a backflow prevention device has been removed or bypassed. An unprotected cross-connection on a licensed premises may also result in suspension of service. Service will not be restored until such conditions or defects are corrected.
- c. Procedures for Suspension of Service. When one of the conditions described above becomes known, Denver Water will follow the procedures outlined in Rule 2.10 for suspension of water service. The absence of a proper backflow prevention device, or the existence of an unprotected cross connection, may constitute an immediate threat of harm to the public health, safety or welfare, in which case the procedures in Rule 2.10.4 for suspension of service for emergencies may apply.

CHAPTER 12 - EXISTING DENVER WATER FACILITIES

12.01 Third Party Operation of Denver Water Facilities.

12.01.1 Prior Approval Required. The Water System shall not be operated, modified, or otherwise impacted without prior approval from Denver Water. Any extension, installation, disconnection, connection, abandonment or replacement of any distribution main shall require submission of plans and approval in advance by Denver Water, and may also require Denver Water inspection.

12.01.2 Standards for Work. All work affecting the Water System shall conform to these Rules, the Engineering Standards and local plumbing and fire codes. It is the responsibility of the person performing the work to ensure that any affected valve boxes are raised to the proper elevation once the work is completed.

12.01.3 Permits. The third party performing work on Denver Water facilities shall be responsible for obtaining all permits and licenses required by the jurisdiction in which the work will be performed, and for having such permits and licenses available for inspection at the work site.

12.01.4 Penalties for Unauthorized Operation. Denver Water may assess penalty fees against and may revoke permits of any person who violates this section or operates any valve or fire hydrant without approval from Denver Water.

12.02 Relocation of Denver Water Facilities.

12.02.1 Facilities in Public Rights-of-Way. If relocation of Denver Water facilities located in public rights-of-way is required by a county, municipality or authorized street improvement district to accommodate a public transportation project of the county, municipality or district, Denver Water shall pay the costs of relocation.

- a. Exception for Later Dedication. Denver Water will not pay the costs of relocation if its facilities are located in a right-of-way or easement that predates the dedication of the property as a public right-of-way.
- b. Exception for Other Entities. Denver Water will not pay the costs of relocation of its facilities if relocation is required to accommodate projects of utilities, enterprises or other special districts, including but not limited to entities providing water, stormwater, sanitation, sewer, telecommunication or electric service. The costs to relocate Denver Water facilities for such projects shall be paid by the entity causing the relocation.
- c. Contribution from Other Sources. Denver Water's cost to relocate its facilities shall be reduced by any applicable private, State or Federal funding for the transportation project.

12.02.2 Facilities Located in Denver Water Property and Easements. The cost to relocate Denver Water facilities located within Denver Water property and easements shall be borne by the entity causing the relocation.

12.02.3 Costs of Relocation. The costs to relocate Denver Water facilities shall include costs for survey, design, inspection, materials, construction, permits and licenses, transportation and administrative overhead.

CHAPTER 13 - RESERVED

CHAPTER 14 - WATER CONSERVATION

14.01 Water Waste Prohibited. Water shall be used only for beneficial purposes and shall not be wasted.

14.01.1 Water Waste Defined. Prohibited water waste includes, but is not limited to:

- a. Applying more water than is reasonably necessary to establish and maintain a healthy landscape. Routine watering of turf shall be limited to three days per week, except for watering for up to 21 days to establish new turf from sod or seed; and except for syringing golf course greens when necessitated by weather conditions.
- b. Watering with spray irrigation between the hours of 10.00 a.m. and 6.00 p.m. during the period from May 1 to October 1, except for the following uses:
 - (1) Watering for up to 21 days to establish turf from seed or sod.
 - (2) Watering new plant material such as flowers, trees and shrubs on the day of planting.
 - (3) Watering essential to preserve turf subject to heavy public use.
 - (4) Operating an irrigation system for installation, repair or reasonable maintenance, so long as the system is attended throughout the period of operation.
- c. Watering landscaped areas during rain or high wind.
- d. Applying water intended for irrigation to an impervious surface, such as a street, parking lot, alley, sidewalk or driveway.
- e. Using water instead of a broom or mop to clean outdoor impervious surfaces such as sidewalks, driveways and patios, except when cleaning with water is necessary for public health or safety reasons or when other cleaning methods are impractical.
- f. Allowing water to pool or flow across the ground or into any drainage way, such as gutters, streets, alleys or storm drains.
- g. Failing to repair, for a period of more than ten business days after notice, leaking or damaged irrigation components, service lines or other plumbing fixtures.
- h. Washing vehicles with a hose that lacks an automatic shut-off valve.

14.01.2 “Water Use Restriction” Distinguished. These prohibitions on water waste are not related to drought response, insufficient water supply or system emergency and therefore do

not constitute water use restrictions within the meaning of Denver Water's various water supply agreements and environmental permits.

14.02 Irrigation Uses.

14.02.1 Xeriscape.

- a. Definition. Xeriscape is a set of seven horticultural principles that combine climate-compatible vegetation and other techniques to conserve irrigation water.
- b. Policy. It is Denver Water's policy to encourage Xeriscape landscapes throughout the service area. Prohibitions on the use of Xeriscape are contrary to public policy.

14.02.2 Irrigation of More Than One Acre. In order to extend the yield of Denver Water's water supply and to encourage the efficient use of water, the irrigation of landscape of more than one acre may be subject to special review.

- a. Contiguity Not Required. "Open space of more than one acre" may include contiguous parcels or, in the discretion of Denver Water, several non-contiguous parcels located in close proximity to one another.
- b. Raw Water. Denver Water may require water service from raw water sources for irrigation of open space of more than one acre if Denver Water determines, in its discretion that. (1) alternative raw water service can be made available by Denver Water; and (2) the cost of raw water service is competitive with the cost of additional potable or recycled water supply and is financially practical.
- c. Potable or Recycled Water. Irrigation of open space of more than one acre with potable or recycled water will be permitted only after plan review and upon a finding by Denver Water that the proposed landscape and irrigation design will use water efficiently in view of the intended uses of the open space. Denver Water may require the use of recycled water rather than potable water if Denver Water determines that recycled water is reasonably available.

14.02.3 Irrigation of Narrow Strips of Land. Spray irrigation of narrow strips of land almost inevitably results in water waste. Therefore, the following irrigation system and design requirements apply to irrigation of any strip of land less than 25 feet in width, including medians, parkways, traffic islands, parking lot islands and perimeters, rights-of-way along streets and other public or private areas along roadways.

- a. For strips of land less than 6 feet in width - Spray irrigation shall be prohibited. Low-flow irrigation systems are required.
- b. For strips of land between 6 feet and 15 feet in width - Only low-flow irrigation, or spray irrigation using low-angle spray nozzles designed for the specific width to be

irrigated shall be permitted. All spray heads must be pressure reducing and designed to prevent low head drainage.

c. For strips of land between 15 feet and 25 feet in width - Only gear-driven rotors with low angle nozzles may be used to irrigate turf areas. Planting beds may be irrigated with low-flow or spray irrigation. All spray heads must be pressure reducing and designed to prevent low head drainage.

14.02.4 Soil Amendment for Irrigation of Turf at Newly Licensed Premises. The setting and inspection of the meter, as required by Rule 2.02.1(d) to activate the license, at a premises where landscaping will be irrigated, is contingent upon proof of proper soil preparation before installation of plant material. Proper soil amendment is the equivalent of adding approved compost at a rate of four cubic yards per 1,000 square feet of permeable area, incorporated (roto tilled) to a depth of six inches.

14.02.5 Rain Sensors Required. A functioning rainfall sensor, with a battery backup, capable of turning off an automatic clock controlled irrigation system is required on the following irrigation systems installed after January 1, 2008. A list of approved devices is available from Denver Water.

a. Irrigation systems connected to all irrigation-only taps, including those related to single family residential licensed premises.

b. All irrigation systems connected to regular taps, except those serving single family residential licensed premises.

14.03 Industrial, Commercial and Public Use.

14.03.1 Best Management Practices. Denver Water encourages all industrial, commercial and public use licensees to implement Best Management Practices (BMPs) for efficient use of water. A list of BMPs is available from Denver Water.

14.03.2 Heating or Process Water. A water conservation device conforming to such specifications as may be required by Denver Water, shall be installed on heating, processing or other industrial or commercial uses of water whenever Denver Water determines in its discretion that recycling of the water without treatment is practical.

a. Water Conservation Device. For purposes of this section, a water conservation device is any equipment, process or procedure whereby all water used for heating or processing is either consumed in the intended use, or is recycled for the same purpose until it is unusable.

14.03.3 Cooling. All evaporative or refrigerated cooling uses and air conditioning facilities that deliver water to a drain or other discharge facility without recycling or further use, are prohibited. This includes any equipment, process or procedure which relies upon the temperature of the water supply for cooling purposes.

14.03.4 Car Washing.

- a. Fleet Vehicles. Vehicles contained in commercial operations or fleets may be washed only by means of a car wash or washing equipment certified by Denver Water.
- b. Commercial Car Washes. Commercial car washes are subject to a certification program that will require implementation of industry best management practices or achieve a 30% water savings as compared to a non-recycling car wash. Any commercial car wash that is not certified or in the process of becoming certified, shall be deemed to be in violation of this provision.

14.03.5 Commercial Power Washing. Commercial enterprises for which cleaning with water is an essential element of their business shall use only high efficiency equipment that uses 1.6 gallons per minute or less and is certified by Denver Water.

14.04 Decorative Water Features. Decorative water features or similar water operating devices using potable or recycled water shall recirculate water within the device. Each device connected to the Water System must have an approved back-flow prevention assembly as required by the Engineering Standards.

14.05 Lakes and Ponds. Potable water shall not be used to fill or maintain water levels in lakes and ponds with a surface area over one-half acre, individually or in aggregate, or with an estimated annual consumptive use of three acre-feet (one million gallons) unless.

- a. no other source of water is available, as determined by Denver Water;
- b. the Directors of Planning and Public Affairs determine that the use of water will not adversely impact the Water System; and
- c. potable water will be used only on a non-recurring temporary basis.

14.06 Emergency Water Use Restrictions. If conditions of supply or quality so limit the water supply of the water system that unrestricted water use may endanger the adequacy of that supply or quality, Denver Water may by resolution adopt emergency water use restrictions. Emergency water use restrictions shall remain in force and effect until Denver Water determines that the conditions requiring their imposition no longer exist. Denver Water may also adopt such regulations and restrictions as are reasonably calculated under all conditions to conserve and protect its supply and to insure a regular flow of water through its system. Water use restrictions that may be imposed during drought conditions are contained in Chapter 15 of these Rules.

14.07 Enforcement. The owner or occupant of the licensed premises shall be responsible for complying with Denver Water's regulations and restrictions. Those who violate these regulations or restrictions will be subject to the penalties in force at the time of the violation. Penalties may include.

a. In the event of a first violation, the owner or occupant will be advised in writing and informed that a monetary charge will be added to the water bill for subsequent violations.

b. In the event of a second violation at the same premises, the owner or occupant will be advised in writing, and a \$50 charge may be added to the water bill.

c. In the event of a third or any subsequent violation at the same premises, the owner or occupant will be advised in writing, and a \$100 charge may be added to the water bill.

d. Continuing waste of water or willful violation of Denver Water regulations or restrictions is cause for temporary suspension of the license.

14.07.1 Enforcement During Drought Conditions. During a drought response program implemented under Chapter 15 of these Rules, water waste may be deemed a drought violation and penalized as provided in that chapter.

CHAPTER 15 - DROUGHT RESPONSE

15.01 Application of this Chapter. Denver Water has adopted a Drought Response Plan that provides a framework for addressing droughts. Three levels of drought severity have been defined, based on the predicted percentage of storage in Denver Water's reservoirs at the end of the run-off season on July 1. The basic response to a Stage 1 drought is voluntary measures; to a Stage 2 drought, mandatory restrictions; and to a Stage 3 drought, prohibitions on lawn watering. To adopt a particular drought response, the Board of Water Commissioners declares a drought level and adopts an effective date for applicable restrictions. Because Stage 2 and Stage 3 drought restrictions are mandatory, they are incorporated into the Operating Rules where they become enforceable upon a drought declaration pursuant to the Denver Charter, the Denver Revised Municipal Code and provisions in Denver Water's water service agreements and water leases. This chapter contains the Operating Rules that apply during a Stage 2 or Stage 3 drought, as declared by the Board. Other aspects of drought response will be contained in other documents such as administrative and enforcement guidelines.

15.01.1 Application of Drought Response within Master Meter Districts. Water service furnished by Denver Water within master meter districts is governed by the Operating Rules, including this Chapter 15. Under master meter water service agreements, master meter districts retain the right to make and enforce their own rules that are not inconsistent with the Operating Rules, and also agree to exercise their powers to assist Denver Water in enforcing the Operating Rules.

15.02 Stage 2 Drought Responses.

15.02.1 Irrigation Watering Restrictions. All customers (owners or occupants of the licensed premises) shall conduct all watering without any water waste, as defined in Chapter 14. All customers (owners or occupants of the licensed premises) shall comply with the following watering restrictions from May 1 to October 1, unless exempted by special permission or by means of a water budget.

- a. Watering shall be limited to two days per week in accordance with the following schedule.

Single-family residential properties with odd-numbered addresses	Saturday Wednesday
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Single-family residential properties with even-numbered addresses	Sunday Thursday
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All others (multi-family, HOA's commercial, industrial, government)	Tuesday Friday
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- b. Each area of turf shall receive no more than 15 minutes of irrigation on average on the assigned watering day. All irrigation control systems must be programmed or

operated manually to limit irrigation to 15 minutes per zone on average. Any area covered by a sprinkler attached to a moveable hose (zone) shall also be limited to 15 minutes of watering on average on the assigned watering day. The Board of Water Commissioners may by formal action establish a maximum total amount of time during which irrigation at a premise of 15-minutes-per-zone on average may occur. This subsection (b) will not apply to athletic or playing fields, so long as irrigation of such fields is accomplished without waste of water.

c. Watering is prohibited between the hours of 10:00 a.m. and 6:00 p.m., except when limited watering is essential to preserve turf subject to heavy public use.

d. Watering is prohibited on Mondays, except for government-owned public parks.

e. Between October 1 and May 1, outdoor lawn watering shall be prohibited. The watering of turf areas heavily used by the community, such as athletic and playing fields, and tees and greens at golf courses, is not prohibited, but must be conducted without waste of water.

f. Permissible watering shall be conducted without any water waste, as defined in Chapter 14.

15.02.2 Exemptions from Irrigation Restrictions. Denver Water may in its discretion grant exemptions from the watering restrictions in Rule 15.02.1, as directed by the Board of Water Commissioners. The Board may approve exemptions for specific uses of irrigation. The Board may approve the use of water budgets for large volume irrigators, which will establish a maximum allowable amount of water, within which the irrigators will be permitted flexibility to choose how and which landscapes to water. In addition to the penalties described in Rule 15.02.10(c), violation of any term or condition of an exemption may result in immediate rescission of the exemption.

15.02.3 Irrigation of Trees and Shrubs. Trees and shrubs may be watered by means of a hand-held hose or low-volume non-spray irrigation on the assigned watering days in Rule 15.02.1(a). From May 1 to October 1, such non-spray irrigation may not occur between the hours of 10:00 a.m. and 6:00 p.m.

15.02.4 Irrigation of Flowers and Vegetables. Flowers, vegetables, and plantings in community gardens may be watered any day except Monday by means of a hand-held hose or low-volume non-spray irrigation. From May 1 to October 1, such non-spray irrigation may not occur between the hours of 10:00 a.m. and 6:00 p.m.

15.02.5 Irrigation System Installation, Operation and Repair. An irrigation system may be operated outside the watering schedule in Rule 15.02.1 for installation, repair or reasonable maintenance, so long as the system is attended throughout the period of operation and water waste does not occur. All irrigation control systems must be reprogrammed for operation in compliance with the schedule in Rule 15.02.1 or must be operated manually.

15.02.6 Outdoor Water Features.

- a. Fountains and Waterfalls. Customers shall be prohibited from operating any existing outdoor fountain or waterfall that sprays water into the air.
- b. Outdoor Misting Devices. Operation of outdoor misting devices shall be prohibited.

15.02.7 Washing of Vehicles.

- a. Personal Vehicles. Personal vehicles may be washed using only a bucket or a hand-held hose equipped with an automatic shutoff nozzle. From May 1 to October 1, personal vehicles may not be washed on Monday or between the hours of 10:00 a.m. and 6:00 p.m. From October 1 to May 1, personal vehicles may be washed without day-of-the-week or time-of-day restrictions.
- b. Fleet Vehicles. Vehicles contained in commercial operations or fleets may be washed no more often than once per week, unless public safety requires more frequent washing.

15.02.8 Washing of Impervious Surfaces.

- a. Power Washing by Individuals. Cleaning with water as permitted by Rule 14.01, except for immediate health or safety reasons, may occur only on the assigned watering days indicated in Rule 15.02.1(a) and not between the hours of 10:00 a.m. and 6:00 p.m.
- b. Commercial Power Washing. Commercial enterprises for whom cleaning with water is an essential element of their business are not subject to day-of-the-week or time-of-day restrictions, but shall use only high efficiency equipment certified by Denver Water and assure that water waste does not occur.

15.02.9 Food and Lodging Establishments.

- a. Restaurants. Restaurants and catering businesses shall not serve water automatically with meals, but may serve water upon the customer's request. Restaurants must comply with Denver Water's signage program.
- b. Lodging. Lodging establishments shall not change sheets more often than every four days for guests staying more than one night, except for health or safety reasons. Food service operations in lodging establishments shall not serve water automatically with meals, but may serve water upon the customer's request. Lodging establishments must comply with Denver Water's signage program.

15.02.10 Enforcement of Drought Restrictions. The customer (owner or occupant of the licensed premises) shall be responsible for complying with these drought restrictions, and also

with the terms of any exemption granted under Rule 15.02.2. Those who violate any of these Stage 2 drought restrictions will be subject to the penalties in this provision.

- a. For a first violation of any Stage 2 drought restriction, the owner or occupant will be advised in writing and informed that a monetary charge will be added to the water bill for subsequent violations.
- b. For a second violation of any Stage 2 drought restriction at the same premises, the owner or occupant will be advised in writing, and a \$250 charge may be added to the water bill.
- c. For a third violation of any Stage 2 drought restriction at the same premises, the owner or occupant will be advised in writing, and a \$500 charge may be added to the water bill.
- d. For a fourth violation of any Stage 2 drought restriction at the same premises, for violation of any term or condition of an exemption granted under 15.02.2, or for willful violation of any drought restriction, the owner or occupant will be advised in writing, and a \$1000 charge may be added to the water bill. In addition, Denver Water may install a flow restrictor on the service line that will remain in place during the irrigation season or may suspend service temporarily until the cause of the violation is corrected and all outstanding penalty and water service charges have been paid.

15.02.11 Fixed-Amount Water Contracts. In connection with a Stage 2 drought response, the Board has determined that providing an adequate supply of water for the people of Denver requires the restrictions contained in this Rule 15.02.11. Water deliveries to customers who receive raw water, nonpotable water or potable water under fixed-amount contracts will be restricted as follows:

- a. For agreements with provisions for reduction in deliveries under drought conditions, the amount delivered shall be reduced by 30%.
- b. For agreements with provisions requiring the lessee to adopt the same or similar water use restrictions as Denver Water, the lessee shall implement the water use restrictions contained in this Rule 15.02.
- c. For agreements without the provisions described in either subsection (a) or (b), the Board of Water Commissioners may adopt drought surcharges or other methods to achieve reduction in water consumption outside Denver as necessary to provide an adequate supply of water to the people of Denver.
- d. Any water delivered by Denver Water between May 1 and October 1 shall not be used for spray irrigation on Mondays or between the hours of 10:00 a.m. and 6:00 p.m.

15.03 Stage 3 Drought Responses.

15.03.1 Prohibition on Irrigation. Irrigation of landscaping shall be prohibited, except as specifically provided in this Rule or unless exempted by special permission or by means of a water budget:

- a. The watering of turf areas heavily used by the community such as athletic and playing fields is not prohibited, but shall be limited to Tuesdays and Fridays. Irrigation of such fields shall be accomplished without waste of water.
- b. Between May 1 and October 1, otherwise permissible watering is prohibited between the hours of 10:00 a.m. and 6:00 p.m.
- c. Permissible watering shall be conducted without any water waste, as defined in Rule 14.01.

15.03.2 Exemptions from Irrigation Prohibition. Denver Water may in its discretion grant exemptions from the watering prohibition in Rule 15.03.1, as directed by the Board of Water Commissioners. The Board may approve exemptions for specific uses of irrigation. The Board may approve the use of water budgets for high public use large volume irrigators, which will establish a maximum allowable amount of water, within which the irrigators will be permitted flexibility to choose how and which landscapes to water. In addition to the penalties described in Rule 15.03.10(c), violation of any term or condition of an exemption may result in immediate rescission of the exemption.

15.03.3 Irrigation of Trees and Shrubs. Existing trees and shrubs may be watered by means of a hand-held hose or low-volume non-spray irrigation no more than once a week in accordance with the following schedule. From May 1 to October 1, such irrigation may not occur between the hours of 10:00 a.m. and 6:00 p.m. No new trees or shrubs may be planted.

Single-family residential properties Saturday
with odd-numbered addresses

Single-family residential properties Sunday
with even-numbered addresses

All others (multi-family, HOA's Wednesday
commercial, industrial, government)

15.03.4 Irrigation of Flowers and Vegetables. Existing flowers, vegetables, and plantings in community gardens may be watered any day except Monday by means of a hand-held hose or low-volume non-spray irrigation. From May 1 to October 1, such irrigation may not occur between the hours of 10:00 a.m. and 6:00 p.m. No new flowers or vegetables may be planted.

15.03.5 Irrigation System Installation, Operation and Repair. An irrigation system may be operated despite the prohibition in Rule 15.03.1 for installation or repair, so long as the system is attended throughout the period of operation and water waste does not occur.

15.03.6 Outdoor Water Features.

- a. Fountains and Waterfalls. Customers shall be prohibited from operating any existing outdoor fountain or waterfall that sprays water into the air. No new outdoor fountain or waterfall may be put into operation during a Stage 3 drought response.
- b. Misting Devices. Operation of outdoor misting devices shall be prohibited.
- c. Swimming Pools. Single-family residential pools shall not be filled or refilled. Operation of other pools will be permitted.

15.03.7 Washing of Vehicles.

- a. Personal Vehicles. Washing of personal vehicles shall be prohibited except at commercial car washes certified as described in subsection (c).
- b. Fleet Vehicles. Vehicles contained in commercial operations or fleets may be washed no more often than once per month, unless public safety requires more frequent washing, and only by means of a car wash or washing equipment certified by Denver Water.
- c. Commercial Car Washes. Commercial car washes are subject to a certification program that will require a 50% water savings as compared to a non-recycling car wash. Any commercial car wash that is not certified or in the process of becoming certified, shall close down its washing operations three days each week as designated by Denver Water in order to save water.

15.03.8 Washing of Impervious Surfaces.

- a. Power Washing by Individuals. Use of water instead of a broom or mop to clean outdoor impervious surfaces such as sidewalks, driveways and patios is prohibited, except when cleaning with water is necessary for immediate public health or safety reasons.
- b. Commercial Power Washing. Commercial enterprises shall clean with water only for health or safety purposes, and shall use only high efficiency equipment certified by Denver Water and assure that water waste does not occur.
- c. Hydrant Permits. Water obtained by means of a hydrant permit shall not be used for cleaning equipment or any other use prohibited during a Stage 3 drought.

15.03.9 Food and Lodging Establishments.

- a. Restaurants. Restaurants and catering businesses shall not serve water automatically with meals, but may serve water upon the customer's request. Restaurants must comply with Denver Water's signage program.

b. Lodging. Lodging establishments shall not change sheets more often than every four days for guests staying more than one night, except for health or safety reasons. Food service operations in lodging establishments shall not serve water automatically with meals, but may serve water upon the customer's request. Lodging establishments must comply with Denver Water's signage program.

15.03.10 Enforcement. The customer (owner or occupant of the licensed premises) shall be responsible for complying with these drought restrictions, and also with the terms of any exemption granted under Rule 15.03.2. Those who violate any of these Stage 3 drought restrictions will be subject to the penalties in this provision.

a. For a first violation of any Stage 3 drought restriction, the owner or occupant will be advised in writing and informed that a monetary charge will be added to the water bill for subsequent violations.

b. For a second violation of any Stage 3 drought restriction at the same premises, the owner or occupant will be advised in writing, and a \$1000 charge may be added to the water bill.

c. For a third violation of any Stage 3 drought restriction at the same premises, for violation of any term or condition of an exemption granted under 15.03.2, or for willful violation of any drought restriction, the owner or occupant will be advised in writing, and a \$1500 charge may be added to the water bill. In addition, Denver Water may install a flow restrictor on the service line that will remain in place during the irrigation season or may suspend service temporarily until the cause of the violation is corrected and all outstanding penalty and water service charges have been paid.

15.03.11 Fixed-Amount Water Contracts. In connection with a Stage 3 drought response, the Board has determined that providing an adequate supply of water for the people of Denver requires the restrictions contained in this Rule 15.03.11. Water deliveries to customers who receive raw water, nonpotable water or potable water under fixed-amount contracts will be restricted as follows:

a. For agreements with provisions for reduction in deliveries under drought conditions, the amount delivered shall be reduced by 50%.

b. For agreements with provisions requiring the lessee to adopt the same or similar water use restrictions as Denver Water, the lessee shall implement the water use restrictions contained in this Rule 15.03.

c. For agreements without the provisions described in either subsection (a) or (b), the Board of Water Commissioners may adopt drought surcharges or other methods to achieve reduction in water consumption outside Denver as necessary to provide an adequate supply of water to the people of Denver.

d. Any water delivered by Denver Water between May 1 and October 1 shall not be used for otherwise permissible irrigation on Mondays or between the hours of 10:00 a.m. and 6:00 p.m.

15.04 Appeal Process. Any person subject to a charge for violation of a provision of this Chapter 15 may appeal the charge in writing to Denver Water. The appeal must be received by the Customer Service Office within 10 business days of the date of the violation notice.

a. Response by Customer Service. The Customer Service Office must respond to the appealing owner or occupant within 10 business days of receipt of an appeal, or the charge will be removed from the account.

b. Denial of Appeal. If Customer Service denies the appeal, the appealing owner or occupant may submit the appeal in writing to the Sales Administrator. The written appeal must be received by the Sales Administrator within 10 business days of the date of the denial by Customer Service. The decision of the Sales Administrator on the matter shall be final.

c. Payment of Charges During Appeal. The customer must pay the water bill, including the charge imposed under Rule 15.02.10 or Rule 15.03.10 by the due date of the water bill. If the customer's appeal is approved, the disputed charge will be credited on the next water bill.

15.05 Use of Water Not Controlled or Provided by Denver Water. Some customers may have available to them sources of water that are not owned, controlled or provided by Denver Water. While the use of such water in a drought is not under the direct control of Denver Water, the following rules apply to the owner or occupant of a licensed premises using non-Denver water. Failure to comply with these rules will be deemed to be a drought restriction violation under either Rule 15.02.10 or 15.03.10, depending on the severity of the drought.

a. To ensure that the water is in fact not Denver Water's, the customer shall provide certification demonstrating the source of the water and that the water is being used in compliance with any legal restrictions on the use of water from that source.

b. To avoid confusing the public, the premises where the non-Denver water is being applied shall display prominent signage indicating that the water is not being supplied by Denver Water.

c. To avoid potential contamination of Denver Water's potable water supply system, any irrigation or other system using non-Denver water shall be physically disconnected from Denver Water's potable system. In addition, the Denver Water service line providing potable water to the premises must include an approved backflow prevention device, and the customer must execute a Dual Water Supply Agreement with Denver Water.

d. To prevent the waste of water, which could increase the customer's need for Denver Water's supplies, irrigation with non-Denver water shall be prohibited during the hours from 10:00 a.m. to 6:00 p.m.

CHAPTER 16 - HEARING PROCEDURES FOR DISPUTES UNDER THE OPERATING RULES

16.01 Application of this Chapter. Except as provided in Chapters 15–Drought Response and 19–Disposition of Unclaimed Property of these Rules, the hearing and appeal procedures established by this Chapter 16 shall apply to all complaints concerning the interpretation, application or enforcement of Denver Water Operating Rules. The hearing and appeal procedures established by this Chapter 16 shall not apply to the following matters:

- a. Complaints arising out of the interpretation of the terms of Denver Water contracts, which are governed by the provisions of Chapter 20 of these Rules.
- b. Personnel matters, which shall be governed exclusively by Denver Water’s Personnel Policies.
- c. The administration of Denver Water’s Engineering Standards, including interpretation, enforcement, revision, waiver and variance, which has been delegated by the Manager to the Director of Engineering.
- d. Any claim not arising from the Operating Rules, such as tort-type claims for damages.

16.02 Informal Resolution. Complaints concerning the interpretation, application, or enforcement of the Operating Rules must be presented in writing to the Sales Administrator. Customers affected by billing problems or potential suspension of service under a license, as provided in Rule 2.10, may notify Denver Water by telephone. Upon receipt of a complaint, the Sales Administrator shall conduct a full and complete review of the allegations contained in the complaint. If the complainant requests a hearing, the Sales Administrator shall schedule and conduct a hearing within 30 days after receipt of the complaint. If the complainant wishes to send a representative to the hearing to appear on the complainant’s behalf, the complainant shall provide written authorization for such representation prior to hearing. After completing the hearing or the investigation, the Sales Administrator shall take such action as may be warranted; and shall notify the complainant of the resolution of the matter by U S. mail, within 15 days after receipt of the complaint or the conclusion of the hearing, as the case may be. If the Sales Administrator has previously participated in the matter, the Manager shall appoint another employee to resolve the dispute.

16.03 Formal Hearing. If a complainant is unsatisfied with the decision of the Sales Administrator in the informal resolution process, the complainant may seek a formal hearing before a Hearing Officer.

16.03.1 Appointment of Hearing Officer. The Manager shall designate a Hearing Officer to conduct hearings under this Chapter 16. The Hearing Officer may be an officer, agent, or employee of Denver Water, but shall not have participated in any manner in the decision or action complained of.

16.03.2 Request for Formal Hearing. A complainant must submit a request for a formal hearing in writing to the Sales Administrator within 15 days after the date of the original decision of the Sales Administrator. The Sales Administrator shall refer a request for formal hearing to a Hearing Officer appointed in accordance with this Chapter.

16.03.3 Timing of Formal Hearing. Within 30 days after receipt of the request for a formal hearing, the Hearing Officer shall conduct a hearing in accordance with this chapter, or shall schedule a hearing on a date agreeable to both parties. If the complaint involves a proposed suspension of service under Rule 2.10, Denver Water shall provide to the complainant a statement of current account on the subject premises within a reasonable period of time prior to the date set for the hearing.

16.03.4 Notice of Hearing. A complainant shall be given notice of any hearing before a Hearing Officer by U.S. mail at least seven (7) calendar days prior to the date of the hearing, unless the complainant requests or agrees to a hearing in less time. When a complainant is represented by an attorney, notice of any action, finding, determination, decision or order affecting the complainant shall also be served upon the attorney by U.S. mail.

16.04 Conduct of Hearing.

16.04.1 Attendance. The complainant shall be permitted to appear in person. The complainant and Denver Water may have authorized representatives at the hearing, who may include legal counsel. If the complainant wishes to send a representative to appear on the complainant's behalf, the complainant shall provide written authorization for such representation prior to the hearing.

16.04.2 Rights of the Parties. The complainant and Denver Water shall have the right to present evidence, testimony and argument; and the right to confront and cross-examine the other party's witnesses.

16.04.3 Evidence. The Hearing Officer may receive and consider any evidence having probative value commonly accepted by reasonable and prudent persons in the conduct of their affairs. The Hearing Officer will endeavor to consider only relevant and trustworthy evidence and will reject any evidence that the Hearing Officer determines is irrelevant or untrustworthy.

16.04.4 Burden of Proof. Denver Water shall have the burden of showing that reasonable grounds exist to support the challenged interpretation, application or enforcement of the Operating Rules. The complainant shall have the burden of showing sufficient extenuating circumstances to justify an exception to the challenged interpretation, application or enforcement.

16.04.5 Recording. The hearing shall be recorded by a court reporter. If the decision of the hearing officer becomes the subject of an appeal, a transcript of the hearing will be prepared at the expense of the party filing the appeal.

16.05 Decision of the Hearing Officer. The Hearing Officer shall determine whether reasonable grounds exist to support the challenged interpretation, application or enforcement of the Operating Rules and, if so, whether the challenged interpretation, application or enforcement should be undertaken in the particular case, with due consideration for such extenuating circumstances as may exist. The Hearing Officer's decision shall be based upon evidence presented at the hearing. The Hearing Officer shall issue written findings and an order resolving the matter and shall provide the complainant with a copy of such decision by U.S. mail within 15 days after the date of the hearing.

16.06 Jurisdiction of the Hearing Officer. The Hearing Officer, while having the right to correct errors, interpret rules and regulations, make adjustments and otherwise do equity, shall not have the authority to alter or make any finding contrary to Denver Water Operating Rules.

16.07 Appeals to the Manager. Denver Water or the complainant may appeal the Hearing Officer's decision to the Manager. The party wishing to appeal must submit a notice of appeal to the Manager within 15 days of the date of the Hearing Officer's decision.

In order for the Manager to agree to hear the appeal, the notice of appeal must demonstrate one of the following grounds:

- a. The decision of the Hearing Officer involves an erroneous interpretation of these Rules, other Denver Water policies or applicable law; or
- b. The decision of the Hearing Officer may set a precedent and involves policy considerations that may have effect beyond the case at hand.

The Manager shall have 15 days to determine whether the notice of appeal establishes the required grounds for appeal. If the Manager determines the notice of appeal does not establish any of the required grounds for appeal, the Manager shall reject the appeal and inform the parties that the decision of the Hearing Officer is the final decision of Denver Water. The Manager will notify the parties if the appeal is accepted.

16.07.1 Nonpayment Appeal. If the matter involves a proposed suspension of service for non-payment of charges due, service will not be suspended while the appeal is pending if the complainant deposits the amount of disputed charges and pays current bills. If no such deposit is made to Denver Water, service may be suspended.

16.07.2 Procedure for Appeals to the Manager. The Manager shall confine the review to the record made before the Hearing Officer, supplemented by additional statements from the complainant and Denver Water staff in support of their respective positions. A new hearing is not allowed.

16.07.3 Manager's Decision. If the Manager accepts the appeal, the Manager shall have 30 days after receipt of the record to enter an order affirming, reversing or modifying the Hearing Officer's decision and shall inform the complainant of the order by U.S. mail. The

Manager's decision exhausts the Denver Water's appeal process and constitutes the final decision of Denver Water.

16.08 Final Decision and Judicial Review. The final decision of Denver Water may be reviewed under Rule 106(a)(4) of the Colorado Rules of Civil Procedure. The District Court of the Second Judicial District of the state shall have jurisdiction to review the final decision of Denver Water under Rule 106(a)(4).

CHAPTER 17 - HEARING PROCEDURES FOR DISPUTES ARISING UNDER DENVER WATER CONTRACTS

17.01 Application of this Chapter. The hearing and appeal procedures established by this Chapter 17 shall apply to all contract claims appealed by a contractor for an administrative hearing as required by provisions contained in certain Denver Water contracts. Compliance with provisions of this Chapter 17 shall be a jurisdictional prerequisite to any action brought under the applicable contract, and failure of compliance shall bar such actions.

17.02 Appointment of Hearing Officer. The Manager may serve as the Hearing Officer and hold the administrative hearing, or in the Manager's sole discretion, the Manager may designate another person to serve as a Hearing Officer with authority to conduct the administrative hearing. The Hearing Officer may be an officer, employee or agent of Denver Water, provided that the Hearing Officer has not participated in any manner in the disputed claim being appealed.

17.03 Jurisdiction of Hearing Officer.

17.03.1 Hearing Officer to Decide. If either the contractor or Denver Water raises a question concerning whether any issue or claim raised in such administrative hearing is within the scope of the applicable contract, such question shall be decided by the Hearing Officer.

17.03.2 Scope of Relief. The Hearing Officer may resolve the contract dispute by granting any remedy or relief that the Hearing Officer deems just and equitable and within the scope of any agreement between the parties. The Hearing Officer shall not have the authority to alter or make any finding contrary to Denver Water's Operating Rules or Engineering Standards or the specific terms of the contract between the parties.

17.04 Conduct of Hearings. The Hearing Officer will preside at the hearing and maintain order and decorum. The Hearing Officer will conduct the hearing as informally as possible and in an orderly and efficient manner.

17.04.1 Notice of Hearing. The Hearing Officer will provide written notice to the contractor and Denver Water of the date, time and location of the hearing. The hearing may proceed in the absence of any party or representative who, after due notice, fails to be present or fails to obtain a postponement.

17.04.2 Attendance. Denver Water and the contractor shall have authorized representatives at the hearing, who may include legal counsel. If the contract dispute involves subcontractor claims, the contractor shall assure the presence at the hearing of authorized representatives of the appropriate subcontractor. If necessary to conduct an effective hearing, the Hearing Officer may apply to the Denver Municipal Court to issue a subpoena to compel the attendance of a witness.

17.04.3 Rights of the Parties. The contractor and Denver Water shall have the right to present evidence, testimony and argument and the right to confront and cross-examine the other party's witnesses. Witnesses will testify under oath or affirmation.

17.04.4 Exchange of Evidence. At least 15 days prior to a scheduled hearing date, the parties shall exchange and simultaneously submit to the Hearing Officer the exhibits to be offered at the hearing and lists of witnesses to be examined at the hearing. If a party intends to examine an expert witness at the hearing, a written summary of the expert's testimony or the expert's report, if one has been prepared, shall be included in the exchange and submission required by this subsection. The summary shall contain the qualifications of the expert and a complete statement describing the substance, basis and reasons for all opinions to be expressed. No other pre-hearing discovery will be allowed.

17.04.5 Evidence. The Hearing Officer will receive and consider any evidence, including testimony of witnesses and documentary evidence or other exhibits, without strict adherence to rules of evidence that govern judicial or administrative proceedings. The Hearing Officer will endeavor to consider only relevant and trustworthy evidence and will reject any evidence that the Hearing Officer determines is irrelevant or untrustworthy. The Hearing Officer shall determine the admissibility, relevance, and materiality of the evidence offered and may exclude evidence the Hearing Officer deems to be cumulative or irrelevant.

17.04.6 Objections and Motions. The Hearing Officer will rule on all objections and may guide the discussion of issues by asking questions of the parties in order to obtain expeditiously all information the Hearing Officer considers necessary. The Hearing Officer may entertain motions, including motions that dispose of all or part of a claim or that may expedite the proceedings, and may also make preliminary rulings and enter interlocutory orders.

17.04.7 Burden of Proof. The contractor shall have the burden of proof to show the correctness of the position of the contractor.

17.04.8 Recording. Hearings shall be recorded by electronic means, and transcripts of such recordings shall be made at the expense of the party requesting the transcript. The contractor may employ at its own expense a general or certified shorthand reporter.

17.04.9 Costs. Except as specifically provided in this subsection 17.04, each party shall pay its own costs.

17.05 Decision of Hearing Officer. The Hearing Officer's decision shall be based upon evidence adduced at the hearing. The decision and award of the Hearing Officer may not include interest. The Hearing Officer's final decision and award, if any, shall be provided in writing to both Denver Water and the contractor within fourteen (14) days of the completion of the hearing. In difficult or complex cases, this time reasonably may be extended by the Hearing Officer. The Hearing Officer's decision and award, if any, shall be final and binding on the parties.

17.06 Final Determination and Judicial Review. The decision of the Hearing Officer shall be considered the final order of Denver Water and may be reviewed under Rule 106(a)(4) of the Colorado Rules of Civil Procedure. The District Court of the Second Judicial District of the state shall have jurisdiction to review all questions of law and fact determined by the Hearing Officer under Rule 106(a)(4).

CHAPTER 18 - PUBLIC RECORDS

18.01 Purpose. It is the policy of Denver Water to make public records available for public inspection at reasonable times in accordance with the provisions of the Colorado Public Records Act (the Act), § 24-72-201, et seq., C.R.S. This Chapter 18 has been adopted to comply with the provision of the Act that permits public entities to adopt rules “reasonably necessary for the protection of such records and the prevention of unnecessary interference with the regular discharge of the duties” of Denver Water employees. This chapter is also intended to establish reasonable fees for providing copies of records as authorized by the Act and to recover a portion of the cost of staff time spent in responding to public records requests.

18.02 Official Custodian. The Manager of Records and Document Administration is the official custodian of all records maintained by Denver Water.

18.03 Requests. Any request for records under the Act must identify the full name, address and telephone number of the requestor, set forth the particular records desired to be inspected and indicate that the request is made under the provisions of the Act. Other than requests from the media, all requests must be submitted in writing to the Manager of Records and Document Administration and delivered in person, by U.S. Postal Service or to an e-mail address designated by Denver Water for this purpose. Denver Water will make reasonable efforts to fill such requests within three working days as required by the Act. In the event of extenuating circumstances, the request may require up to ten working days to complete as provided by the Act. The Legal Division will be notified immediately of all requests and, as needed, will review records for confidentiality issues prior to their release.

18.04 Media Requests. Public records requests by the media must be made in writing directly to the Office of Community Relations and delivered in person, by U.S. Postal Service or to an e-mail address designated by Denver Water for this purpose. The Office of Community Relations will coordinate with the official custodian and the Legal Division to respond to the request.

18.05 Inspection of Public Records. The official custodian will notify the requesting party of the date, time and location where the requested records can be inspected. The requesting party will be notified if a requested public record is not available at Denver Water. Inspection of Denver Water public records available under the Act shall be permitted during the hours from 9:00 a.m. to 4:00 p.m., Monday through Friday, except on holidays, at a time specifically set by the official custodian for each particular request for inspection.

18.06 Fees for Copies, Printouts, or Photographs of Public Records. The official custodian shall charge for any copies, printouts or photographs of public records requested. The fee for a standard page shall be no greater than the maximum amount specified in the Act. A standard page is defined as one side of a paper page, 11” x 17” or smaller, in black and white or color. The fee for public records provided in a format other than a standard page will not exceed the actual cost of providing the copy. A price list for copies will be maintained by, and upon request, will be available from the Records and Document Administration Section.

18.07 Record Generation and Research Fees. Denver Water will not charge for the first hour spent responding to a request under the Act. After the first hour, Denver Water will charge a fee of \$25.00 per hour, billed in half hour increments, for the following:

- a. The manipulation of data in order to generate a record in a form not used by Denver Water in the normal course of business.
- b. Redaction of documents to excise privileged material. Persons making a later request for the same record shall be charged the same fee.
- c. Time spent responding to a request by performing research, including but not limited to searching voluminous files for specific information.

18.08 Exemptions. No person shall be permitted to inspect or copy any records of Denver Water if, in the opinion of the official custodian, such inspection or copying would come within the prohibition of one or more exemptions contained in the Act.

CHAPTER 19 - DISPOSITION OF UNCLAIMED PROPERTY

19.01 Purpose. The purpose of this Chapter of the Operating Rules is to provide for the administration and disposition of all unclaimed property in the possession or under the control of Denver Water. CRS §38-13-101 et. seq. is inapplicable to Denver Water because a local law covering the subject of unclaimed property has been adopted. This Operating Rule, which was effective August 18, 1992, has the force and effect of an Ordinance of the City and County of Denver.

19.02 Definitions. Unless otherwise required by context or use, words and terms shall be defined as follows:

a. "Unclaimed Property" means any tangible or intangible property including any income or increment derived therefrom, less any lawful charges, that is held by or under the control of Denver Water and which has not been claimed by its owner for a period of more than five (5) years after it became payable or distributable.

b. "Owner of Unclaimed Property" means a person or entity including a corporation, partnership, association, governmental entity other than Denver Water, or a duly authorized legal representative or successor in interest of same, which is entitled to unclaimed property held by Denver Water.

c. "Director" shall mean the Director of Finance or designee.

19.03 Unclaimed Property to be Returned to Water Works Fund. After the steps provided in this Chapter have been completed, any unclaimed property shall become the sole property of Denver Water and any claim of the owner to such property shall be deemed forfeited. Such unclaimed property shall remain in the Water Works Fund if already there. If the unclaimed property involved is not in the Water Works Fund, it shall be disposed of in an appropriate manner by the Director, with all cash proceeds from the disposition being placed in the Water Works Fund.

19.04 Disposition of Unclaimed Property Having an Estimated Value Over \$50. Prior to disposition of any unclaimed property having an estimated value of \$50 or more, the Director shall send a written notice by certified mail, return receipt requested, to the last known address, if any, of any owner of the unclaimed property. The last known address of the owner shall be the last address of the owner as shown by Denver Water records. The notice shall include a description of the property, the amount or estimated value of the property, and, when available, the purpose for which the property was deposited or otherwise held. The notice shall state where the owner may make inquiry of or claim the property. The notice shall also state that if the owner fails to provide the Director with a written claim for the return of the property within 60 days of the date of the notice, the property shall become the sole property of Denver Water and any claim of the owner to such property shall be deemed forfeited.

19.05 Disposition of Unclaimed Property Having an Estimated Value Less than \$50. Prior to disposition of any unclaimed property having an estimated value of less than \$50, or having no last known address of an owner, the Director shall cause a notice to be published in a newspaper of general circulation in Denver. The notice shall include a description of the property, the name of the owner of the property, the estimated value of the property, and, when available, the purpose for which the property was disposed or otherwise held. The notice shall state where the owner may make inquiry of or claim the property. The notice shall also state that if the owner fails to provide the Director with a written claim for the return within 60 days of the date of the publication of the notice, the property shall become the sole property of Denver Water, and any claim of the owner to such property shall be deemed forfeited.

19.06 Failure to Make Claim. If the Director receives no written claim within the above 60 day claim period, the property shall become the sole property of Denver Water, and any claim of the owner to such property shall be deemed forfeited.

19.07 Procedures Governing Claims. Claims for unclaimed property shall be handled in accordance with the following procedures:

a. Investigation. If the Director receives a written claim within the 60 day claim period, the Director shall evaluate the claim and give written notice to the claimant within 90 days of receiving the claim that the claim has been accepted or denied in whole or in part. The Director may investigate the validity of the claim and may request further supporting documentation from the claimant prior to disbursing or refusing to disburse the property.

b. Conflicting Claims. In the event that there is more than one claimant for the property, the Director may, in the Director's discretion, resolve claims directly, or may resolve the claims by depositing property with the Registry of the Denver District Court in an interpleader action.

c. Result of Denial. In the event that all claims filed regarding specific items of unclaimed property are denied, the unclaimed property shall become the sole property of Denver Water and any claim of the owner to such property shall be deemed forfeited.

d. Final Decision. The decision of the Director shall be the final decision of Denver Water and any legal action filed challenging a decision of the Director shall be filed pursuant to Rule 106 of the Colorado Rules of Civil Procedure within 30 days of such decision or shall be forever barred. If any legal action is timely filed, the property shall be disbursed by the Director pursuant to the order of the Court having jurisdiction over such claim after all appeals are exhausted.

e. Procedures. The Director is authorized to establish and administer procedures for the administration and disposition of unclaimed property consistent with this rule.

19.08 Unclaimed Warrants. If a warrant is outstanding for 60 days or more, the Director shall cause a letter to be sent to the payee advising that the warrant is outstanding and should be

redeemed. If, after 60 additional days, the warrant is still outstanding and no response has been received, or if the first letter was returned as undeliverable, the warrant shall be voided and the Water Works Fund credited for that amount. Thereafter, records shall be maintained on any such warrant until it becomes unclaimed property. At this point, the procedures outlined above shall be followed and, if no claim is filed (or any claim that is filed is unsuccessful), the amount shall be credited to the Water Works Fund without reservation.