

House Transportation, Housing & Local Government

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HB25-1211 Tap Fees Imposed by Special Districts

Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
Joan Poston Against themselves	Good afternoon members of the committee, I come here as a native Colorado with concerns about this bill and its intent. I believe this bill will remove local control from water district and place a one size fits all solution to a problem that doesn't exist. This bill was not citizen generated and is developer friendly. This bill over reaches and will lead to litigation. Please vote no on this unnecessary and developer friendly Bill.
David Schneider Against Round Mountain Water and Sanitation District	I have reviewed the redlines of this proposed bill and have the following comments/thoughts: 1. In my opinion, what we need to keep in the forefront of all discussions on this bill is the discriminatory intent of targeting special districts while exempting county, city, and other municipality owned water and wastewater systems from having to comply with these new regulations. What is the reasoning behind this? If this is such a significant problem throughout the state, why not have all water and wastewater systems comply? Why are special districts being unjustly singled out? 2. On line 11, the proposed verbiage "raised from the imposition of tap fees" needs to be struck. This is an opinion statement. It would be much the same as a customer telling a developer that the developer's fees to construct a customer's house is a forced "imposition". 3. I believe the existing verbiage of CRS 32-1-1006 (g) is sufficient to direct water and wastewater special districts in the setting of tap fees. 4. Concerning the Proposed addition of (9) (a) stating that the district has a duty to provide water/wastewater services if it has the capacity to do so, existing statutes give discretionary leeway to special districts as CRS 32-1-1006 II (b) I states: "if the board finds it infeasible, impracticable, or undesirable for the good of the entire district to extend water or sewer lines and facilities to any part of such district, the board may designate by resolution such area not to be served with water or sanitation service, but such area designated not to be served shall be at least ten acres in extent." 5. I am confused as to why there is such a large amount of verbiage on line 15 that mentions something about "out of district contracts" and the definition of "capacity". All this verbiage needs to be struck from the bill as it has no relevance to the setting of tap fees. As one who is looking in from the outside on this issue, it seems that this bill is a result of a dispute between a single special district and a single developer/customer, and items have been put into this bill specifically related to this dispute that have no relevance to the rest of the water and sanitation systems within the state of Colorado. A single personal grievance is a very bad reason to

	<p>create regulations that affect everyone statewide. CRS 32-1-1006 II already defines the limitations of a special district’s ability to compel out of district property owners to connect to their systems.</p> <p>6. Concerning 9 (b) I, this paragraph is poorly written and largely nonsensical. On line 5 it states that the amount of the tap fee be reasonably related to ALL costs incurred by the District in “funding” (what does that mean?) and providing water and/or sanitation service. The words “funding and” should be struck as the financial component of operations is part and parcel of providing water and sewer services and falls under ALL costs incurred. The word All is an absolute statement that provides no exceptions. However, the bill then attempts to define a few applicable costs that could be considered when setting tap fees. But, because of the word ALL resides in the first statement of this paragraph, this part of the paragraph needs to read: “Which MUST include but not be limited to ALL costs relating to treatment facility and infrastructure operations and upgrades, acquisition of additional personnel, expansion of treatment capacity, and acquisition and development of water rights.” Again, since the word ALL resides in the first statement of this paragraph, you cannot have any exemptions to the costs incurred to provide water and sanitations services. The last line of that paragraph needs to be struck.</p> <p>7. Concerning 9 (b) (II), this portion of the bill desires to set some parameters to achieve a proportionally reduced tap fee. While this may seem like a great idea on paper, (especially to developers), the practical outcome of a water and wastewater provider being forced to provide a specific tap fee for each individual tap purchase request would create legal mayhem as one developer/customer will cry foul because their tap fee is higher than what another developer/customer was charged and the matter would then end in costly litigation, making all parties loose in the process. There was wisdom in the original language of CRS 32-1-1006 (g) stating “To fix” tap fees. This means that when all assessments and considerations are completed, the price of a tap fees are set and applicable to all who request connection to a water and wastewater system. The tap fees may increase or decrease over time, but the cost of the tap connections remain constant to all applicants. There should be no “special dispensation” tap fee structures (aka “good old boy” deals). The attempt to provide this will result in constant legal litigation.</p> <p>8. In conclusion, this bill is likely a result of a developer or developers having a hissy fit when having to pay for tap fees. They get their validation (and revenue) when structures are being built and sold and they see the connection to basic infrastructure (water, sanitation, electricity, etc) as an annoying necessary evil when in reality the provision of such services create the essential foundation needed for any housing/ building development to become a reality. In my 13 years in this industry, I have yet to see a contractor or developer who believes that tap fees are not overpriced. They refuse to see the essential value of the product and only see it as an “imposition” that reduces bottom-line revenue.</p>
<p>Jared Petsche Against</p>	<p>Good afternoon Chair and Members of the Committee,</p>

<p>Northwest Colorado Council of Governments</p>	<p>Thank you for the opportunity to testify today. My name is Jared Petsche, and I am here on behalf of the Northwest Colorado Council of Governments, Water Quality and Quantity Committee—commonly known as QQ. QQ is made up of municipalities, counties, 16 water and sanitation districts in the headwater's region of the Colorado, Gunnison, and Yampa watersheds. QQ is the only group of local governments in the state dedicated to water quality and quantity protection of Colorado's headwaters.</p> <p>We understand and value the objectives of HB25-1211, and QQ appreciates the intent behind the bill to make tap fees more equitable. However, as it stands, we must oppose the bill due to specific concerns. QQ is opposing because it introduces vague and impractical requirements for how tap fees are calculated, creating significant challenges for water districts, especially smaller rural ones and resort communities. The bill proposes basing fees on speculative metrics like square footage or assumed water usage, which are difficult to predict and may unfairly penalize providers when property usage changes. QQ supports seeking amendments and further working with the bill sponsors to make the bill more practical and equitable.</p> <p>We appreciate Representative Stewart's willingness to engage in dialogue on these issues through Colorado Water Congress. We understand there is a strike below that should address our concerns.</p> <p>At QQ, we prioritize protecting and improving water quality and quantity and we are committed to balancing these values with pragmatic solutions. We look forward to continuing this important conversation.</p> <p>Thank you again for hearing our testimony and for the opportunity to collaborate on finding the best path forward for HB25-1211. I would be happy to answer any questions the committee may have.</p>
<p>Philip Hardinger Against themselves</p>	<p>Please do not make a power grab for the Colorado Water.</p> <p>This will interfere with the business of water preparation and distribution which is done well by the Colorado Water Boards.</p> <p>This will be inflationary to the consumer causing a rise in cost.</p> <p>The Colorado Water Boards are serving the consumers very well with cost savings.</p>