



Board of County Commissioners

Faye Griffin
District No. 1
J. Kevin McCasky
District No. 2
Kathy Hartman
District No. 3

February 2, 2009

TO: Members of the House Local Government Committee

RE: H.B. 08-1006 by Rep. Kerr

H.B. 08-1006 seeks to eliminate the potential for unfairness and inequity in the rate setting process for wastewater treatment services provided by municipalities in urban areas for customers who reside outside the municipal boundaries and comprise more than 50% of all such customers. Such a situation currently exists for citizens of Jefferson County who are provided wastewater services by Connector Districts through the Regional Wastewater Treatment Plant owned by the City of Littleton. These Jefferson County residents are being charged 20 percent more for wastewater services than the citizens within the City's boundaries. The Connector Districts and their customers have no involvement in or oversight of the governance of the Plant or the setting of rates.

As it is an environmentally sound practice to provide wastewater services through regional facilities, H.B. 08-1006 provides an objective basis for determining fair and reasonable standard for setting rates in an equitable manner while allowing sufficient revenue for the cost of the services provided.

Please support this Bill as a reasonable model for providing services in an equitable manner to every citizen.

Sincerely,

J. Kevin McCasky
Chairman

Faye Griffin

Kathy Hartman

JKM/KH/FG/lhf



Platte Canyon Water and Sanitation District ■ Southwest Metropolitan Water and Sanitation District ■ Roxborough Water and Sanitation District ■ Ken-Caryl Ranch Water and Sanitation District ■ Grant Water and Sanitation District ■ Bow Mar Water and Sanitation District ■ Columbine Water and Sanitation District ■ Meadowbrook-Fairview Metropolitan District

February 2, 2009

City Council
c/o Jim Woods, City Manager
City of Littleton
Littleton Town Hall
2255 W. Berry Avenue
Littleton, CO 80165

Re: House Bill 09-1006

Dear Council Members:

We would like to thank you for making available Utilities Manager Charlie Blosten, City Attorney Suzanne Staiert, and the Littleton financial staff to meet with representatives of the connector districts on January 29, 2009. We found the meeting to be very useful and productive, and was the first opportunity the districts have had to obtain the detailed financial information necessary to determine the separate costs of the Littleton internal sewage collection system and the treatment plant, and the associated revenues from inside and outside City customers. We also had the opportunity to discuss with Mr. Blosten and Ms. Staiert the possible amendment of the connector district contracts to require those districts to cover their proportionate share of the debt service associated with the wastewater treatment plant and establishing a rate setting process that would be followed in the future. We are providing an outline of this proposal to Mr. Blosten.

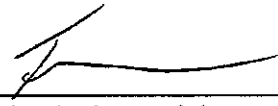
As we stated in our letter of September 23, 2008, the connector districts' efforts over the past ten months have been directed at achieving the following two primary goals:

1. To put in place an objective basis for sewer rate setting.
2. To provide the connector districts a seat at the table in the rate setting process and on major capital expenditures on treatment plant projects.

We feel that the recent meeting is a first step in moving forward in this process. Therefore, as a gesture of good faith, we have requested Representative Jim Kerr to pull HB 09-1006 from the legislative calendar to allow the connector districts and Littleton more time to work together to see if the goals can be accomplished contractually. We look forward to a continued dialog and a resolution satisfactory to all concerned.

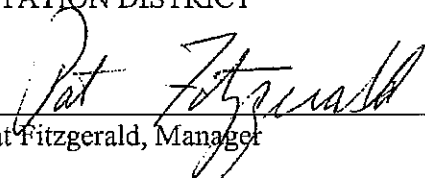
Sincerely,

KEN-CARYL RANCH WATER &
SANITATION DISTRICT

By: 

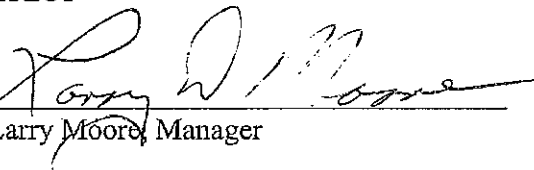
Tim Anderson, Manager

PLATTE CANYON WATER &
SANITATION DISTRICT
SOUTHWEST METRO WATER &
SANITATION DISTRICT

By: 

Pat Fitzgerald, Manager

ROXBOROUGH WATER & SANITATION
DISTRICT

By: 

Larry Moore, Manager

cc: Representative Jim Kerr
Senator Mike Kopp
Representative Joe Rice

your contributions: news

Bill takes issue with Littleton's sewer charges for non-residents

In 2008, city council imposed 20 percent increase on users outside the city limits

Submitted by Roxborough Water & Sanitation District
YourHub.com user

H.B. 09-1006 was introduced by representatives **Jim Kerr** (R-Jefferson County) and **Frank McNulty** (R-Douglas County) and Sen. **Mike Kopp** (R-Jefferson County) to eliminate the potential for unfairness and inequity in the rate setting process for wastewater treatment services provided by municipalities in urban areas to customers outside the municipal boundaries where such customers comprise more than 50 percent of all customers. Such "outside city" customers have no ability to vote for or against the elected officials charged with responsibility for rate setting, and have no recourse if the rates established are not rationally determined.

"The bill would amend current law to require that any rates, tolls, charges and fees adopted by a municipality located in an urban area and serving more than 50 percent of its users outside its borders be based upon demonstrated actual cost of service, including any debt service, system replacement or upgrade," Kerr said. "A breach of this obligation should be enforceable by court action. My constitu-

ents need fair recourse. Littleton is already obligated by the terms of their agreement with the Colorado Water Resources and Power Development Authority to establish an 'equitable rate structure,' but they are not living up to this agreement. Hopefully this bill will avoid litigation."

The legislative sponsors represent the eight special districts (connector districts) that have contracted with the City of Littleton to receive wastewater treatment service from the Regional Wastewater Treatment Plant jointly owned by the cities of Englewood and Littleton. Currently, more than 68 percent of Littleton's customers reside outside of the city and are served through the connector districts.

The connector districts and their residents have no involvement in or oversight of the governance of the plant or the setting of rates.

"Our constituents have no vote and little input," Kopp said. "It's a form of taxation without representation."

In 2008, the Littleton City Council imposed a 20 percent sewer service charge increase on outside-city users while holding inside-city sewer service charges at 2007 levels. The connector districts are disputing the appropriateness of Littleton's method of justifying this rate disparity.

Current law applicable to statutory cities and towns provides that extraterritorial sewerage system rates must be "just, reasonable, and necessary," but does not provide an objective basis for making this determination, nor a remedy for challenging unfair rates. Nor does the law apply to home-rule jurisdictions like Littleton. A survey of the laws of other states reveals that some states have used a public utilities model, subjecting providers to the jurisdiction of a public utilities commission, while others

Our constituents have no vote and little input. It's a form of taxation without representation.

Mike Kopp
State senator representing Jefferson County

require a public vote; others still require rates to be "fair, equitable and reasonable." Guidance from the Colorado Water Resources and Power Development Authority urges jurisdictions that provide wastewater utility service to set rates reflecting true "cost of service."

"It's important to me that wastewater customers are charged fair and equitable rates regardless of residency," said McNulty. "The development of regional wastewater treatment facilities is very necessary and that won't happen if jurisdictions can penalize non-residents. This new standard will enable municipalities to keep pace with the true cost of service and be in a better position to fund new improvements required by federal law."

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