

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

PRESS RELEASE

January 9, 2009

H.B. 09-1006 was introduced by Representatives Jim Kerr (R., Jefferson County) and Frank McNulty (R., Douglas County) and Senator 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% 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% of its users outside its borders be based upon a demonstrated actual cost of service, including any debt service, system replacement or upgrade,” Rep. Jim Kerr stated. “A breach of this obligation should be enforceable by court action. My constituents 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, over 68% 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. Senator Mike Kopp stressed “our constituents have no vote and little input. 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 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 Representative Frank McNulty. “The development of regional wastewater treatment facilities is very necessary and that won’t happen if jurisdictions can penalize nonresidents. 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.”

For more information contact:

Larry Moore, Roxborough Water &
Sanitation District, at 303-979-7286
Pat Fitzgerald, Southwest Metropolitan
Water and Sanitation District, at 303-979-2333

Rep. Jim Kerr at 303-866-2939
Rep. Frank McNulty at 303-866-2936
Senator Mike Kopp at 303-866-4859

###