



**To: Chairman Denning
Members of the Select Senate Committee on Education**

**From: Darci Meese, Manager Legal/Government Relations
WaterOne (Water District No. 1 Johnson County)**

Date: May 19, 2017

RE: Opposition Testimony—Senate Bill 251 (Utility Fee Provision)

On behalf of WaterOne, I am submitting testimony specifically related to the proposed \$2.25 fee on water, gas, and electric utility bills to become part of the funding mechanism for education. Our opposition to the proposed utility fee is not an indication of negativity towards education. WaterOne's opposition to the proposal is based on the fact that there is no nexus between necessary household utilities and education. The proposed utility "fee" is not a fee at all but instead a tax for the purpose of raising general revenue for the State that can be diverted towards education funding.

WaterOne joins the comments of other utilities presented here today regarding the administrative difficulties the utility fee will pose for our organization. Billing administration, collections, and explaining the fee to our customers are concerns shared among all utilities. Water utilities have a unique concern, however. The State Water Plan has gone unfunded by the Legislature for years. The Governor, made water issues a priority several years ago during the Governor's Water Conference and a special Blue Ribbon Task Force was formed to figure out how to fund the Water Plan.

You are not here today to talk about water, I understand. But there is a point to be made. In the not so far away future, water resource issues will be in crisis mode as is education today. We were essentially told to fund ourselves because the legislature has more pressing issues to deal with this year. We were told a state wide "sales tax carve off" to fund the water plan was "regressive." Arguably, adding a fee to water users will only make the necessary funding of important water initiatives in the State more difficult to achieve. If the State were to come to the table with a payment to the water plan fund, there might be agreement to increase user fees—a direct nexus to the benefit of water resources. But if water utility customers see a \$2.25 charge on their bills for education, it is unlikely they will be eager to embrace additional "fees", even though those fees are directly related to enhancing water resource quantity and quality.

As such, I would respectfully request this Committee remove the utility fee provision.

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