



MISSOURI HOUSE OF REPRESENTATIVES  
**WITNESS APPEARANCE FORM**

BILL NUMBER: <b>HB 3351</b>		DATE: <b>3/11/2026</b>	
COMMITTEE: <b>Utilities</b>			
<b>TESTIFYING:</b> <input type="checkbox"/> IN SUPPORT OF <input checked="" type="checkbox"/> IN OPPOSITION TO <input type="checkbox"/> FOR INFORMATIONAL PURPOSES			
<b>WITNESS NAME</b>			
<b>INDIVIDUAL:</b>			
WITNESS NAME: <b>ABIGAIL HERNDON</b>		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
ADDRESS:			
CITY:		STATE:	ZIP:
EMAIL:	ATTENDANCE: <b>Written</b>	SUBMIT DATE: <b>3/11/2026 10:14 PM</b>	

**THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.**

What protection does even provide for the public? These bills are incredibly lenient and don't have enough regulations and conditions. Nothing about the environment, waste, chemicals, noise, protect endangered species, costs, light, type of data center.



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<b>WITNESS NAME</b>			
<b>BUSINESS/ORGANIZATION:</b>			
WITNESS NAME: <b>ARNIE C. "HONEST-ABE" DIENOFF-STATE PUBLIC ADVOCAT</b>		PHONE NUMBER: <b>314-440-9000</b>	
BUSINESS/ORGANIZATION NAME: <b>STATE PUBLIC ADVOCACY</b>		TITLE: <b>STATE PUBLIC ADVOCATE</b>	
ADDRESS: <b>P.O. BOX #1535</b>			
CITY: <b>O' FALLON</b>		STATE: <b>MO</b>	ZIP: <b>63366</b>
EMAIL: <b>ArnieDienoff@Mail.Com</b>	ATTENDANCE: <b>In-Person</b>	SUBMIT DATE: <b>3/11/2026 11:56 PM</b>	

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**I am Opposed to this Bill. Allow the Circuit Court of Jefferson County to Rule on the Current Pending Civil Lawsuit before the Court involving Public Supply District #12 of Jefferson County.**



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<b>WITNESS NAME</b>		
<b>REGISTERED LOBBYIST:</b>		
WITNESS NAME: <b>FRED J DREILING</b>		PHONE NUMBER: <b>816-806-6335</b>
REPRESENTING: <b>ASSOCIATION OF WATER DISTRICTS</b>		TITLE:
ADDRESS: <b>1025 W 64TH TERR</b>		
CITY: <b>KANSAS CITY</b>		STATE: <b>MO</b>
		ZIP: <b>64113</b>
EMAIL: <b>freddreilingllc@gmail.com</b>	ATTENDANCE: <b>Written</b>	SUBMIT DATE: <b>3/10/2026 11:57 AM</b>
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**Testimony – HB 3351**

Mr. Chairman and members of the committee, for the record my name is Fred Dreiling and I am here today on behalf of the Association of Missouri Water Districts in opposition to House Bill 3351. Public water supply districts were created to provide reliable drinking water service to rural Missourians who otherwise would not have access to public water systems. These districts build and maintain infrastructure through long-term planning and financing, often supported by federal rural development loans that rely on the stability of the district's service territory and customer base in order to repay those obligations.

House Bill 3351 creates a new mechanism allowing certain "specific demand customers" to challenge a district's ability to provide service within a reasonable time frame or at a reasonable cost and ultimately detach from the district under certain circumstances. Water districts are concerned this approach could allow large users to leave systems after infrastructure investments have been planned or made to serve them, shifting those costs onto remaining rural customers and potentially creating conflicts with federal protections tied to rural water financing. For those reasons, the Association of Missouri Water Districts respectfully opposes the bill.



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<b>WITNESS NAME</b>			
<b>INDIVIDUAL:</b>			
WITNESS NAME: <b>KORTNIE HUDDLESTON</b>		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
ADDRESS:			
CITY:		STATE:	ZIP:
EMAIL:	ATTENDANCE: <b>Written</b>	SUBMIT DATE: <b>3/11/2026 10:58 PM</b>	

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This bill is a textbook example of special legislation dressed up in neutral language. While it is written to apply only to a narrow set of criteria that currently matches one county, it creates a dangerous precedent that threatens the stability of public water supply districts across Missouri.

The fundamental problem with this bill is that it undermines the territorial protection that allows small rural water districts to exist. These districts were formed to serve communities that investor-owned utilities and municipalities ignored. They took on debt, built infrastructure, and provided clean water to areas that would otherwise have none. Their ability to exist depends on the certainty that their service territory will remain intact.

This bill allows wealthy landowners to effectively purchase their way out of a public district. If a corporation can write a check to pay off a district's federal debt and then detach, what stops every profitable parcel in every district from doing the same? What happens to the remaining ratepayers when every commercial property leaves and they are left holding the bag for infrastructure debt?

The public hearing makes clear this bill is responding to one specific dispute involving James Hardy Building Products and Public Water District 12. That dispute is already in court. The judicial system exists precisely to resolve these conflicts. There is no justification for the legislature to intervene on behalf of one private company against a public entity.

The claim that no one is harmed by this detachment is not accurate. Public water districts rely on their entire service territory to spread costs and maintain financial viability. When high-value commercial properties detach, the remaining residential customers often face higher rates for the same service.

The second part of this bill requiring districts to accept any gift or donation to pay off federal debt is equally problematic. It removes local control and forces districts to accept payments that may not be in their long-term interest. The district in question had legitimate reasons for refusing the payment losing the federal protections that come with that debt. This bill would strip away that local decision making.

We should all want economic development and good paying jobs in Missouri. But we should not achieve it by weakening public districts and setting precedents that will harm rural communities for decades. The proper place to resolve this dispute is in the courts, not through special legislation that applies to one county and one set of facts.



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<b>WITNESS NAME</b>		
<b>INDIVIDUAL:</b>		
WITNESS NAME: <b>MICHAEL DREYER</b>		PHONE NUMBER:
BUSINESS/ORGANIZATION NAME:		TITLE:
ADDRESS:		
CITY:	STATE:	ZIP:
EMAIL:	ATTENDANCE: <b>Written</b>	SUBMIT DATE: <b>3/11/2026 10:56 PM</b>

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<b>WITNESS NAME</b>			
<b>INDIVIDUAL:</b>			
WITNESS NAME: <b>SARAH BERRY</b>		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
ADDRESS:			
CITY:		STATE:	ZIP:
EMAIL:	ATTENDANCE: <b>Written</b>	SUBMIT DATE: <b>3/11/2026 7:55 AM</b>	
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**HB 3351 substantially alters the governance structure of Missouri public water supply districts by:**

**Expanding the ability for territory to detach from existing districts.**

**Creating a new category of “specific demand customers” who may compel service or detachment through litigation.**

**Authorizing third-party payment of federally guaranteed district debt to facilitate detachment.**

**While framed as providing flexibility for large customers and property owners, the bill introduces structural changes that may undermine the financial stability of rural water districts and interfere with federally backed loan frameworks that support water infrastructure.**

**Structural Governance Concerns**

**1. Destabilization of Rural Water Infrastructure Financing**

**Public water supply districts frequently finance infrastructure through federal loan programs, particularly through the United States Department of Agriculture Rural Development program (7 U.S.C. §1926).**

**These federal programs rely on:  
 stable service territories  
 predictable customer bases  
 secured revenue streams.**

**HB 3351 introduces statutory mechanisms that allow significant customers to detach when the district cannot provide service within a “reasonable time frame” or “reasonable cost.”**

**These terms are not objectively defined, leaving their interpretation to litigation.**

**This creates the risk that districts could lose high-volume customers that are critical to sustaining infrastructure financing obligations.**

**2. Litigation-Based Detachment Authority**

The bill authorizes a specific demand customer to challenge a water district in court if the customer believes the district cannot meet:  
a “reasonable time frame”  
a “reasonable cost.”

If the court finds in favor of the customer, the court may either:  
compel service terms, or  
permit detachment.

This creates a private enforcement pathway allowing individual customers to trigger judicial review of district operational capacity.

Such litigation mechanisms could impose substantial legal costs on rural districts that often operate with limited administrative capacity.

### **3. Circumvention of Federal Loan Protections**

The bill further permits a specific demand customer to pay the outstanding balance of federal loans in order to enable detachment.

While the statute requires that the district apply the payment to its debt, the mechanism effectively allows a private entity to restructure a district’s financial obligations in order to exit the district’s service territory.

Federal rural water loan programs were designed to stabilize rural water infrastructure through long-term financing tied to service territories.

Allowing detachment through debt payoff mechanisms may interfere with the economic assumptions underlying those federal programs.

### **4. Undefined Scope of “Specific Demand Customer”**

HB 3351 defines a “specific demand customer” as one whose:  
“quantity and quality requirements differ from the typical customer.”

This definition is extremely broad.

Large agricultural operations, industrial users, data facilities, and other high-volume users could qualify.

Because the statute does not establish objective thresholds, eligibility for this status may be determined through litigation rather than clear statutory standards.

#### **Federal Preemption Considerations:**

Rural water districts with outstanding USDA loans may be protected by federal law governing service territory rights.

Courts have recognized federal protections for rural water systems receiving federal financing.

See:

7 U.S.C. §1926(b) – Protection of service areas of federally indebted water associations.

To the extent that HB 3351 allows detachment that conflicts with federally protected service territory rights, the statute may face federal preemption challenges.

#### **Legislative Notice:**

Members of the General Assembly are respectfully placed on notice that HB 3351 introduces statutory mechanisms that allow large or specialized customers to compel service modifications or detach from public water supply districts through litigation or by satisfying federal debt obligations.

These provisions may destabilize rural water district financing structures, increase litigation exposure

**for small districts, and potentially conflict with federal service territory protections associated with federally financed water infrastructure.**

**Careful reconsideration is warranted to ensure that the bill does not undermine the financial integrity of rural water systems or expose the state to federal preemption challenges.**



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<b>WITNESS NAME</b>			
<b>REGISTERED LOBBYIST:</b>			
WITNESS NAME: <b>TRENT WATSON</b>		PHONE NUMBER: <b>314-606-0141</b>	
REPRESENTING: <b>MISSOURI RURAL WATER ASSOCIATION</b>		TITLE:	
ADDRESS: <b>112 E. HIGH STREET</b>			
CITY: <b>JEFFERSON CITY</b>		STATE: <b>MO</b>	ZIP: <b>65101</b>
EMAIL: <b>Trent@trentwatson.com</b>	ATTENDANCE: <b>Written</b>	SUBMIT DATE: <b>3/10/2026 9:10 PM</b>	

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The Missouri Rural Water Association has the following concerns with both HB 3351 and HB 3371.

- Specific demand customers: The requirement to provide an answer to these customers within 60 days from an initial contact is unreasonable for any water system suddenly asked to provide usages above the normal expected usages of customers within their boundaries. The need to have engineering done to create a preliminary report based on a "reasonable cost and quality" could and probably would take more than 60 days.
- The bill says that specific demand customers are allowed to pay off the 1926B protection leaving the remaining customers subject to higher rates and possible lower service since the district is now subject to encroachment from any entity desiring to do so.
- The bill limits or prohibits a District from seeking additional financing for any reason till they have complied with this requirement
- This bill could lead to lawsuits "protect their rights" and determine if State law supersedes Federal law in this case.
- Reasonable time frame is defined as "shall mean a period of time that does not create an undue burden on the specific demand customer" which is a vague term and subject to interpretation.
- Reasonable cost "shall mean a cost per quantity and quality that is comparable to similar customers within the public water supply district and may include actual costs incurred by the public water supply district. " Same problems as with Reasonable time.



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