



MISSOURI HOUSE OF REPRESENTATIVES
WITNESS APPEARANCE FORM

BILL NUMBER: HB 3371		DATE: 3/11/2026	
COMMITTEE: Utilities			
TESTIFYING: <input type="checkbox"/> IN SUPPORT OF <input checked="" type="checkbox"/> IN OPPOSITION TO <input type="checkbox"/> FOR INFORMATIONAL PURPOSES			
WITNESS NAME			
INDIVIDUAL:			
WITNESS NAME: ABIGAIL HERNDON		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
ADDRESS:			
CITY:		STATE:	ZIP:
EMAIL:	ATTENDANCE: Written	SUBMIT DATE: 3/11/2026 10:14 PM	

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

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



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WITNESS NAME		
REGISTERED LOBBYIST:		
WITNESS NAME: FRED J DREILING		PHONE NUMBER: 816-806-6335
REPRESENTING: ASSOCIATION OF WATER DISTRICTS		TITLE: LOBBYIST
ADDRESS: 1025 W 64TH TERR		
CITY: KANSAS CITY		STATE: MO
		ZIP: 64113
EMAIL: freddreilingllc@gmail.com	ATTENDANCE: Written	SUBMIT DATE: 3/10/2026 12:01 PM
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Testimony – HB 3371

Mr. Chairman and members of the committee, for the record my name is Fred Dreiling and I represent the Association of Missouri Water Districts in opposition to House Bill 3371. Public water supply districts serve thousands of rural residents and small communities across Missouri. These systems depend on stable service territories in order to finance the wells, treatment facilities, and distribution lines necessary to provide safe and reliable drinking water.

House Bill 3371 establishes additional provisions allowing certain customers to detach from a public water supply district under specific circumstances. Water districts are concerned that expanding detachment opportunities could undermine the financial structure that allows rural systems to operate. When large demand users detach after infrastructure has been planned or built to serve them, the costs do not disappear — they simply shift to rural households who had no role in creating that demand. For these reasons, the Association of Missouri Water Districts respectfully asks the committee not to advance the bill.



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

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

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WITNESS NAME			
INDIVIDUAL:			
WITNESS NAME: SARAH BERRY		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
ADDRESS:			
CITY:		STATE:	ZIP:
EMAIL:	ATTENDANCE: Written	SUBMIT DATE: 3/11/2026 8:00 AM	
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HB 3371 restructures Missouri law governing public water supply districts by:

Expanding statutory detachment procedures from water districts.

Creating a new class of “specific demand customers” with the ability to compel service or detachment through litigation.

Authorizing third parties to satisfy federally backed district debt in order to facilitate detachment.

While presented as a mechanism for accommodating specialized water demand, the bill introduces significant legal uncertainty affecting rural water infrastructure financing, federal loan protections, and district governance.

Structural Legal Concerns

1. Litigation-Driven Detachment Authority

The bill authorizes a “specific demand customer” to bring legal action if the public water supply district cannot provide service within a “reasonable time frame” or at a “reasonable cost.”

These statutory terms are undefined and subjective, creating a framework in which courts may be asked to determine operational capacity, pricing structures, and infrastructure timelines for public utilities.

Public water supply districts are political subdivisions created under Chapter 247, RSMo, not private service providers. Allowing individual customers to litigate service adequacy risks shifting utility governance decisions from elected boards to judicial proceedings.

2. Undefined “Specific Demand Customer”

The bill defines a “specific demand customer” as a customer whose quantity or quality requirements differ from a typical district customer.

**No objective thresholds are provided for:
 water volume
 industrial classification**

**infrastructure demands
cost thresholds.**

This open-ended definition may allow a wide range of industrial, agricultural, or commercial entities to claim statutory rights to compel service determinations or detachment litigation.

Such ambiguity raises void-for-vagueness concerns under the Due Process Clause of the Fourteenth Amendment, particularly where statutory rights trigger litigation or regulatory obligations.

3. Interference with Federally Financed Water Infrastructure

Many Missouri public water supply districts rely on long-term financing through federal programs such as USDA Rural Development water infrastructure loans.

These programs rely on stable service territories and predictable customer bases to ensure repayment.

HB 3371 authorizes a specific demand customer to pay off federally guaranteed district debt in order to detach from the district.

While debt satisfaction may appear benign, this mechanism effectively allows private entities to restructure federally backed financing arrangements in order to withdraw from district service obligations.

Federal law protects certain rural water systems receiving federal financing from service territory encroachment.

See:

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

To the extent HB 3371 allows detachment in ways that conflict with federally protected service territory rights, the statute may face federal preemption challenges.

4. Financial Instability for Rural Water Districts

High-volume customers often represent a disproportionate share of a rural water district's revenue base.

The detachment mechanisms created by HB 3371 allow those high-volume users to exit districts if infrastructure cannot be rapidly expanded or if service costs exceed what a customer considers reasonable.

**Loss of such customers could undermine:
infrastructure financing assumptions
bond obligations
long-term capital planning.**

These risks may ultimately be borne by remaining rural residential customers.

Legislative Notice:

Members of the General Assembly are respectfully placed on notice that HB 3371 introduces statutory mechanisms allowing private customers to compel service determinations through litigation, to detach from public water supply districts, and to restructure district debt obligations in order to facilitate such detachment.

These provisions may destabilize rural water infrastructure financing, introduce significant litigation risk for public water districts, and potentially conflict with federal protections governing federally financed rural water systems.

Careful reconsideration is warranted to avoid unintended consequences for rural infrastructure systems and potential federal preemption challenges.



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

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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.