

Mr. Chair Alex Valdez, members of the committee, thank you for the opportunity to testify to you today. My name is Carly Davis and I am a master's student in Public Health at the University of Colorado with a concentration on Environmental Public Health. I am writing you today to oppose the bill HB25-1120: Septic-System Replacement Enterprise.

I would like to bring the committee's attention to two issues I see with this bill.

1. The permit fees will not adequately fund a loan program and will impose extra costs on the owner.

This bill states it will add a \$10 to \$200 fee to every repair/replacement permit issued and use those fees to fund a loan program for lower-income individuals. According to the [2023 data](#) from the Colorado Department of Public Health & Environment (CDPHE), 5551 On-Site Wastewater Treatment System (OWTS) permits were submitted across the entire state. If everyone had to pay the highest fee of \$200, that would create a yearly sum of \$1.11 million. If you divide that by the minimum \$10k it costs an owner for a replacement/repair, roughly 111 people would be able to get a loan of only 10k. With simple math, you can see that this bill does not provide adequate funds for a successful loan program. Increasing the fee would further burden the already financially strained owner.

2. The creation of the governing enterprise is unnecessary and inefficient.

Creating an enterprise would require the governor to appoint seven members from across the state, ranging from a Public Health official to a member of the community. The enterprise members would not be given compensation and therefore will have low motivation and loyalty to the large responsibility of the OWTS program. The members will serve a 4-year term which I anticipate much overturn happening within this time frame, leading to a poorly operating enterprise. Without successful operation, loan payments will not be received by individuals in a timely manner.

While this bill has good intentions, it seems to have been rushed in its development. With further research, I believe Colorado can create a more comprehensive bill that effectively supports lower-income individuals statewide in replacing and repairing their OWTS. Thank you for reviewing my testimony and please vote in opposition to this bill. We can do better.

Sincerely,

**Carly Davis (she/they)**

Master of Public Health Student  
Environmental and Occupational Health  
Colorado School of Public Health - Anschutz Medical Campus

## **HB25-1120: Septic-System Replacement Enterprise**

Mr. Chair Alex Valdez and members of the committee, I want to thank you for giving me the opportunity to testify on the bill HB25-1120: Septic-System Replacement Enterprise. I am currently a Master of Public Health (MPH) student at the Colorado School of Public Health, concentrating in environmental and occupational health. My studies have deepened my interest and knowledge in this area and have allowed me to form valuable insights. I am writing to you today to propose two amendments to HB25-1120 Septic System Replacement Enterprise.

### **1. I propose delegating loan operations to a third-party loan service.**

The HB25-1120 Septic System Replacement Enterprise bill suggests creating a governing board to oversee the On-Site Wastewater Treatment System (OWTS) program. However, establishing a new board would be an unnecessary use of resources. Utilizing a third-party loan service would streamline administration, reduce costs, and leverage existing expertise in loan management, ensuring more efficient and effective program implementation.

### **1. I propose that funding for these loans come from two sources to ensure the program's long-term viability.**

The current funding model proposed in the HB25-1120 Septic System Replacement Enterprise bill is insufficient to meet the program's demands. The cost of On-Site Wastewater Treatment System (OWTS) repair or replacement can start at \$10,000. With the projected statewide need and the already proposed funding structure, the expense of repairing or replacing an OWTS will not be covered.

To address this, the primary funding source should be grants from community, state, and federal entities. Potential sources include the City of Denver, the U.S. Department of Treasury's Community Development Financial Institutions Fund (CDFI), state agencies, and other organizations willing to support the third-party loan service.

Additionally, A secondary funding source should include adopting the [Craft3 lending model](#) used in Oregon and Washington State. Once this program is up and running, the money used to pay off previous loans should be used to make new loans. This creates a self-sustaining funding cycle that reduces reliance on external grants over time.

The HB25-1120 Septic System Replacement Enterprise bill targets a growing issue in the state of Colorado. While this bill takes an important step in addressing a pressing issue, these amendments are necessary to ensure its success and sustainability.

Sincerely,

**Kate Wimmer (She/Her)**

Master of Public Health Student

Environmental and Occupational Health

Colorado School of Public Health - Anschutz Medical Campus

**House Energy & Environment**

**02/13/2025 01:30 PM**

**HB25-1120 Septic-System Replacement Enterprise**

**Typed Text of Testimony Submitted**

<b>Name, Position, Representing</b>	<b>Typed Text of Testimony</b>
Jeany Rush Against themselves	TO: HOUSE COMMITTEE ON ENERGY AND ENVIRONMENT RE: HB25-1120 SEPTIC SYSTEM REPLACEMENT ENTERPRISE SPONSORS: SMITH, ROBERTS 2-13-25 FROM: JEANY RUSH, COLORADO SPRINGS CONSTITUENT VOTE: NO  While we all need certain standards for proper septic systems, OWTS already has a tone of regulations, needs, and compliance to inspect/permit septics. Further, this goes into more and more government control, and more offices, or enterprises as you call them, to create more and more reasons to spend money on government jobs, and more needs to fund the over reach of this state. It creates more mandated fees, and skirts around TABOR. We already have too many fees, too much government imposing too much extra expense. Again, not that we are unsympathetic to other folks septic needs, the rest of the state does not need to pay for others' systems. There are already loans, banks, etc. out there. If the state would quit imposing so many fees, higher taxes, to fund too many government enterprises, offices, unelected workers, prices, procedures would be much easier to navigate.
Rachel Culli Amend themselves	Colorado HB 25-1120: Septic-System Replacement Enterprise  Mr. Chair Alex Valdez and members of the committee, my name is Rachel Culli and I am a Master of Public Health student concentrating in environmental and occupational health at the Colorado School of Public Health. I write today to suggest amendments to HB25-1120, as there are issues that I see with this bill.  Negative Impacts with High Permit Fees:  Additional fees of \$10-\$200 being added to issued permits would increase financial burdens on septic system owners already struggling financially. Increasing fees would not provide sufficient funding for a loan program for lower-income individuals needing to repair or replace their septic system. Since On-Site Wastewater Treatment repairs can start at \$10,000, charging the 5,551 individuals who applied for permits last year the maximum amount of \$200 would only be enough money to provide loans to 111 people.  Consider Utilizing a Third-Party Loan Service:

	<p>Another issue I see with this bill is the limited capacity of the current system for managing loans. HB25-1120 suggests creating a governing board for the On-Site Wastewater Treatment System program. The creation of a new board would lead to inefficiency and not be as cost-effective. Using a third-party loan service would create a more efficient and responsive program, and lead to quicker implementation. A governing board would lead to member overturn throughout the four-year term and slower results in terms of distributing much needed loans.</p> <p>While HB25-1120 is a good start towards tackling septic-system financing inequity, amendments to the bill are crucial to target this issue and create a successful loan program. Thank you for the opportunity to provide written testimony, as well as for your time and consideration.</p> <p>Sincerely,</p> <p>Rachel Culli Master of Public Health Student Colorado School of Public Health – Anschutz Medical Campus</p>
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