



**Representative John M. Rogers**  
**60<sup>th</sup> House District**

**Energy and Natural Resources Committee**  
**Sponsor Testimony on HB 422**  
**December 5, 2017**

Chairman Landis, Vice-Chair Hagan, Ranking Member O'Brien, members of the House Energy and Natural Resources Committee, thank you for allowing us the opportunity to offer sponsoring testimony in support of House Bill 422.

As a former mayor here in Ohio, I am keenly aware of the challenges faced by municipalities to infrastructure issues including those involving water and wastewater treatment facilities. With water and wastewater, there is an ever-growing compliance requirement with environmental regulations, improvements to meet the increase of demand for safe potable water and clean waste water and the ever present financial considerations all of which challenge for our communities. From a personal perspective, as an industrial controls salesman I covered many of the engineering concerns and the water and waste water facilities throughout Northern Ohio. And as a Mayor, I had regulated an Aqua Ohio water treatment plant in my hometown – just a block from my first home.

My review of the numbers published by the American Society of Civil Engineers estimates that there will be at least \$12 billion needed for infrastructure projects involving water, and another \$14 billion plus necessary for wastewater systems in Ohio during the next 20 years. Those figures and that need should be of concern to all of us.

If a municipality has an interest in possibly collaborating with a regulated utility for water or wastewater services, how can we ensure that any sale results in a fair price for the taxpayer? This legislation works to clarify the answers to that question.

Since a regulated utility operates under the jurisdiction of the Public Utility Commission of Ohio (PUCO), the regulatory framework, as modified by HB 422, is well equipped to help municipalities assess the merits of enlisting a regulated public utility to acquire and operate their water and wastewater systems.

Representative Ginter refers to this as an "out of the box" approach from which municipalities have traditionally addressed their infrastructure needs. Together, we see this approach as a

means of providing heightened operational and financial expertise with access to capital resources while ensuring more stringent regulatory compliance. The long term intent is to provide a more sustainable service with reliable plant operations, while protecting our water supplies for consumers.

With similar legislation having been successfully implemented in Indiana, Pennsylvania, Illinois, Missouri, New Jersey and California, this legislation opens the door for similar opportunities here in Ohio for our own government operated plants.

Indeed, HB 422 removes a procedural roadblock currently existing in Ohio's Revised Code that restricts our regulatory framework from recognizing the fair market value for these type of plants.

We are happy to entertain any questions that the committee might have. We certainly appreciate your consideration of this legislation and respectfully ask for your support. Thank you.