



**Laura Lanese**  
**State Representative, District 23**  
**Sponsor Testimony for House Bill 602**  
**May 22, 2018**  
**Before the House Finance Committee**

Chairman Smith, Vice Chair Ryan, Ranking Member Cera, and members of the House Finance Committee, thank you for the opportunity to present testimony for HB 602, "The Clean Water Fair Pricing Act," legislation I am sponsoring with Rep. Duffey to address Ohioans' concerns regarding municipal water and sewer pricing.

I think we can all agree that every single Ohioan deserves access to clean and affordable water and sewer service regardless of where they live in the state. In fact, it's hard to think of anything that is more important to our residents than the access to safe and affordable water. Unfortunately, this is not the case for all Ohioans. Rather in certain pockets in the state, residents are forced to pay exorbitant water and sewer costs based solely on their zip code. And to add insult to injury these pockets occur in portions of the state where those who can least afford to pay these unconscionable rates are precisely those who are forced to pay them. And what makes this situation more troubling is that the municipalities that are charging these rates are being subsidized by all Ohio taxpayers to maintain and expand their water and sewer infrastructure. Moreover these "outside" ratepayers have no grievance policy or ability to affect their rate increases.

There are several areas across the state that are substantially impacted by these unfair water pricing practices. In the suburbs surrounding Toledo, the suburban leaders have been working with the City of Toledo for years trying to obtain affordable water for their suburban residents. One Chicago consultant working on the Toledo effort was surprised that the Toledo system wasn't like most water systems he's worked with where the administrators calculate the actual costs of collecting water, treating it and then distributing it and charge based on those actual costs. Likewise, in the townships surrounding the City of Lorain, approximately 1,000 residents in Amherst, Elyria and Sheffield townships have initiated a lawsuit after the Lorain City Council voted to raise the sewer rates of township residents by over 200%. The township residents can only wait in worry for the day when another seemingly arbitrary price increase is passed along to them.

Finally, another area affected by this pricing differential lies within my district, where thousands of residents of Prairie Township are charged 87% more than residents who live across the street. There is no nexus for this differential pricing other than the fact that the City of Columbus can get away with it. Columbus provides water and sewer service to areas much further geographically at significantly lower rates than what some Prairie Township residents are being charged. I attended a meeting with a very frustrated group of residents who told me that they ration their drinking, their gardening and their

bathing because they can't afford the water bills that are hundreds of dollars higher than their nearby friends and neighbors. One example provided by the Columbus Dispatch in 2014 compared the cost of water across three jurisdictions in the metro area. The average quarterly water and sewer bill for a Columbus resident was \$184, for a Dublin resident it was \$225, for a resident in the Mon E Bak neighborhood, where the average annual income is \$18,000 the residents were being charged the county rate of \$332, nearly double the Columbus rate. Most significantly, these users are subject to rate increases without a representative voice to protect them.

These excess water charges are also hurting economic development in the affected areas. Businesses and housing developers in my district have related to me that they cannot receive competitive rates for water and sewer service, so they forgo development or expansion opportunities. As you can imagine this is a double whammy for these communities because not only are their residents struggling to pay their water bills, but they're losing out on the economic development that is happening in the nearby suburbs.

Interestingly, Columbus is now in talks with Franklin County to split the one-million-dollar cost to study the issue of having Columbus take over the county's water and sewer customers. However, the possibility is still speculative with many issues to be worked out, such as whether the rate charged to Franklin County residents will be based on actual costs or whether they will just be lower than what they're already paying. Most importantly residents in the other pockets of the state are still left paying up to 200% more than neighboring communities for the same water.

It is clear from the time that I have been working on this issue that unless all Ohioans are paying for the actual costs of their water and sewer, the legislature must intervene to ensure affordable access to this basic human need. Thus, we ask for your support of HB 602.

Thank you for the opportunity to present sponsor testimony. Rep. Duffey and I would be happy to answer questions from the committee.