

May 22, 2018

Dear Members of the House Finance Committee,

Today I am writing in support of HB 602, also known as the Clean Water Fair Treatment Act. This committee has the unique opportunity to support this legislation which affects so many Ohioans.

As we all know, clean water and proper sanitation of domestic wastewater is vital to the good health and welfare of Ohioans. Often, ratepayers living outside a municipality which provides these services are experiencing arbitrary costs and unaffordability of this basic need. The basis for the increased costs are determined entirely upon where they reside and not the actual cost of service.

Under the Clean Water Act, specifically Section 208 (the "208 Plan"), water quality management was achieved by the creation of Facility Planning Areas (FPA's). These FPA's gave cities the exclusive ability to treat wastewater in a specific demarcated area. Ratepayers in these areas do not have the ability to choose a wastewater provider. While the 208 Plan certainly assisted in achieving consistency, organization, and uniformity for wastewater treatment, it also leaves those ratepayers outside the provider's city boundaries at the mercy of the municipality for fair and equitable sewer rates. It also eliminates the ratepayer from seeking a more affordable option. Essentially, the municipality's publicly owned treatment works operates as legal monopoly. This most certainly has led to rate setting abuses and political weaponization of a sewer utility operating under the laws of Ohio with municipal corporation status.

In addition to the extraterritorial customer base, a sub-set of the same group's most vulnerable populations: poverty-stricken, disabled, and senior citizens, are hit hardest. They receive sewer bills they don't know how they will pay. Too often, unincorporated areas of Ohio being taken advantage of by municipalities regarding billing rates that bear no rational nexus to the cost of service.

Make no mistake, there have been plenty of incidences of fiscal abuse by municipal sewer utility funds. They've been used as a "slush fund", illegally comingled with other funds, borrowed to meet general fund expenditures, allocated for purposes otherwise prohibited under the law. One can only surmise that outside-city ratepayers are subsidizing these prohibited activities through higher rates.

Currently, Ohio has no laws which protect Ohioans from disputing charges that are arbitrary and confiscatory. The residents receiving water/sewer service, but living outside city boundaries, have no voice nor recourse for challenging a rate which is disproportional and discriminatory. As evidenced specifically by residents of Amherst Township, its sewer provider, the City of Lorain stated they did not need to listen to the concerns of the township ratepayers. These township residents paid a rate anywhere between 150-209% of the city rate. Additionally, the residents were charged rates double the cost on operations and maintenance. Many township residents paid over \$700 dollars more in operations costs vs. an in-city resident over a 5-year period. To date, the additional cost was never explained to township customers. The only explanation was outlined in a local news outlet and described as a scheme to increase revenues to the utility. These circumstances led township residents to seek a costly and protracted private legal remedy.

History has shown the great strides this nation faced to clean up our national waterways and bodies of water. As a nation, we confronted a great challenge through the Clean Water Act. The federal government spent millions of dollars assisting publicly owned treatment works (POTW) by constructing and improving their wastewater treatment systems. To this day, we adhere to discharge limitations and a permit plan for wastes entering our waterways. American tax dollars went toward helping cities with grants in taking on the effort. After federal grant awards went to POTW's, the States took over in assisting municipalities through

revolving loan fund programs (again using public monies). We see our tax contributions being used against unincorporated area ratepayers creating a discriminatory, unfair and inequitable ratemaking process.

This legislation in no way infringes upon the ability for a municipal corporation to exercise its power of home rule. What the legislation achieves is a sewer ratemaking process based upon a rational nexus between the actual cost of service and proportional customer billing. This is the right thing to do. Anything other than basing rates upon actual costs and a healthy reserve fund is simply a politicization of the utility.

I urge all committee members to consider this fairly written bill, to understand that a basic service required for good health should not be a cost that cripples one's budget. I ask that the committee to understand that the inability to afford these wastewater treatment services can lead to a lien on residents' homes. Finally, I ask for the committee to represent all residents of Ohio, not based upon where they live, unlike some cities taking advantage of township residents.

Most Respectfully,

Ms. Christine Camarillo

Amherst, OH

440-731-5907