



OHIO MAYORS ALLIANCE

HB 602 “The Clean Water Fair Pricing Act”

Opponent Testimony

House Finance Committee

June 26, 2018

As Mayor of Findlay and on behalf of the Ohio Mayors Alliance, I write in opposition to House Bill 602. This bill seeks to penalize Ohio’s cities by withholding critical funding based on the city’s decision to protect themselves against liability and loss of revenue it incurs when they provide water and sewer services to properties outside their municipality.

When a city uses their infrastructure to provide water and sewer services to outside territories, they take on additional costs that arise from this added use. These charges are meant to reflect the additional cost of these services on the city, including additional operation, maintenance and replacement costs. The rates are not arbitrary and are based on research and data of cost recovery for the additional expense of running the water and sewer infrastructure out to the townships. If this bill passes into law, cities would be forced to increase the cost on existing customers with the municipality.

It’s also important to note that the U.S. Supreme Court found in *Bolt v. City of Lansing* (1998) that a city may charge a valid user fee as long as the fees are proportionate to the necessary costs of providing the service and are for the purpose of regulation. H.B. 602 pays no mind to this decision and simply states that all municipalities that charge a higher water or sewer rate to outside properties are in violation, regardless of the purpose or local situation.

This bill would be detrimental to the water and sewer infrastructure of our cities, which are already underfunded in many cases. Infrastructure Report Card estimates that Ohio needs \$12.2 billion for drinking water infrastructure and \$14.58 billion for wastewater infrastructure.¹ These additional user fees allow cities to cover the cost of maintenance and ensure all of its users have safe and clean sewer and water infrastructure systems.

Based on this assessment of Ohio and its cities’ needs, the punishment for this violation would double the financial pain felt by our cities. Loss of distribution from the Local Government Fund and rendering the city ineligible for state water and sewer development assistance, would not only further hinder the city’s ability to provide quality services to its immediate and surrounding residents, but it would further cut LGF funding that continues to aggravate a city’s financial burden year after year.

¹ <https://www.infrastructurereportcard.org/state-item/ohio/>

Cities should not have to incur these additional costs when we are already struggling to make ends meet for our residents and surrounding communities. As a mayor and representative of the Ohio Mayors Alliance, I am strongly opposed to House Bill 602 and urge your further consideration of the implications of this bill and the impact it would have on increasing water and sewer rates on existing city residents.

Respectfully submitted:



Mayor Lydia Mihalik, City of Findlay
Board Member, the Ohio Mayors Alliance

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