

Chairwoman Anielski, Vice-Chairman Hambley, Ranking Member Bischoff, and members of the House State and Local Government Committee thank you for providing me with an opportunity to testify today on House Bill 121. House Bill 121 is legislation that will provide Ohio public authorities with additional flexibility and cost savings for state-funded investments in our water and wastewater infrastructure - all while protecting and even enhancing water quality, safety, and deliverability.

This is possibly one of the most straightforward bills this committee will review this General Assembly. At only 20 lines in length the bill grants permissive authority to public authorities when reviewing materials suggested for state-funded water and wastewater infrastructure projects. Further, the bill states in plain language that Ohio licensed design engineers can review and suggest any material they deem appropriate for a water or wastewater project. This change in law is necessary because at least 1/3 of Ohioans live in a public authority that has a historical preference or requirement for a particular piping material for various projects. In those areas free markets are limited and costs are higher for infrastructure projects.

That is it. That is all is being sought with this bill. Use the power of competitive markets to drive down costs for the replacement of Ohio's aging water and wastewater systems. This is an urgent need. According to the American Society of Civil Engineers, Ohio needs \$12.1 billion in investment in drinking water infrastructure and \$14.58 billion in wastewater infrastructure. To meet these dramatic needs we must use every opportunity possible to keep costs under control.

Let me take a few minutes to address concerns some parties have raised with this legislation.

In line 14 of the legislation it states that a public authority "shall consider" all piping materials the design engineer has deemed appropriate. Parties have raised questions about what "consider" means. I would respectfully suggest that for large and expensive projects like water infrastructure a public authority already has a process for reviewing and approving the project. The latest Merriam-Webster dictionary defines "consider" to mean "to think about carefully." Whatever process a public authority has in place for reviewing expensive capital projects like water infrastructure would seem to fit within this plain language as defined by Merriam-Webster. That being said, if parties have ideas for clearer language that gives public authorities similar permissive authority I am willing to consider such recommendations in order to move this important and long overdue legislation forward.

Another claim being made by parties is that other materials, plastic in particular, are not as durable as ductile iron. This false statement misses the point of the bill entirely. The bill is about granting engineers and public authorities all of the tools the free market can provide to control capital costs. A local design engineer, working with a local public authority, should be able to review all materials available for a project and determine which one best meets the needs of the project and the community. Thus, all this bill does is encourage the review of all materials available in order to enhance the practical performance and the cost-effectiveness of state-funded water and wastewater infrastructure projects.

Finally, parties have claimed that free market review of available materials will increase litigation from those who do not win a bid for a particular project. This is a red herring. While at least 1/3 of Ohioans pay extra for their water and wastewater projects because their public authority has a historical preference or requirement for a particular material, many Ohioans do not. In fact, in a recent study comparing Ohio jurisdictions, Delaware County was found to use free market principles when constructing water and wastewater projects. Doing so drove nearly \$100,000 in savings per mile of installed pipe for the County. Further, Delaware does not appear to be awash in litigation from pipe manufacturers who have cried foul. So far, the only material manufacturer that has raised the specter of litigation is the incumbent material, not manufacturers who are currently artificially locked out of the market.

Thank you for the opportunity to testify on this essential legislation. Driving efficiencies in the replacement of Ohio's water and wastewater infrastructure, and thereby getting more pipe replaced more quickly, is something that is absolutely necessary. Nearly every day there is another report from somewhere in Ohio of a water main breaking or lead leaching into our drinking water. Taking every step we can to replace these vital systems, with **any** material that is deemed appropriate by a licensed engineer, is something we should move to do quickly and comprehensively.

I'm happy to answer any question the committee may have.