

# House Public Utilities Committee

## Testimony in Support

May 1, 2019

Good morning. Chairman Callender, Vice Chair Wilkin, and members of the committee, my name is Tom Weidman, and I am the Chairman of the Board of Trustees in Sycamore Township and also the President of the Hamilton County Township Association, representing over 300,000 township residents. I want to thank you for the opportunity to speak today in support of HB163.

Residents in Hamilton County townships have contracted with Greater Cincinnati Water Works (CWW) for their water service for over 50 years. The CWW contract with the Hamilton County Unincorporated areas was at a multiplier rate of 1.25 (25% higher than the city rate) and expired in December, 2018.

As part of the last contract 20 years ago, Hamilton County and Cincinnati leaders had the good sense to help their successors in 2018 avoid political wrangling over the rates that CWW charges their customers in our township. They signed a contract that required the city and the county to appoint a six-member task force – three from each side – to crunch numbers and arrive at a township water rate that was fair to both Cincinnati customers and their neighbors in the townships.

Unfortunately, the city's half of the Task Force walked away from the negotiating table before finishing the job of getting to a fair number – the fair water rate for our township residents.

In 2018, Cincinnati City Council voted to arbitrarily and capriciously establish a rate for the Hamilton County townships using a multiplier of 1.43 (or 43% higher than the rate the Cincinnati residents pay) while the 34 municipalities and villages in Hamilton County came to an agreement using a multiplier of 1.25 (25% higher than the city price) through the year 2047.

Cincinnati attempted to justify the rate increase as a high cost to deliver water to the townships, but reality does not support this. Water must run through Sycamore Township to get to the cities of Blue Ash and Montgomery, water must run through Springfield Township to get to the cities of Springdale and Forest Park, and water must run through Anderson Township to get to the Village of Newtown. In fact, nearly every city or village receiving water from CWW receives water that passes through a township first. Once again, the cities and villages are at a multiplier of 1.25 while the proposed multiplier for the townships is 1.43.

This arbitrary pricing led the townships to get a Temporary Restraining Order and are in the process of getting a permanent injunction against CWW and this unfair increase in water rates.

During court hearings, the CWW Director cited misleading data from Toledo that had absolutely nothing to do with the situation in Hamilton County. In fact, their very own expert contradicted them and stated that a fair price, and the average price that customers outside the city are paying throughout the Midwest, is a multiplier of 1.25.

In Hamilton County, like many other counties throughout the state, water plants were built back in the 1950's to supply significantly larger supplies of water to industry than they do today. Consequently, in Hamilton County, CWW has a significantly larger capacity than they need to supply all of their regional customers with water. In fact, CWW has a plant at the end of their line in Hamilton, Ohio (Butler County) where they literally dump tens of thousands of gallons of clean water into the river every week, because of overproduction.

I'm sure you may ask why they do that. CWW must maintain a certain flow rate through their pipes to avoid any development of bacterial growth. As the water runs from their Hamilton County plants to the outer boundaries of their service area, they must have enough water running through the mains to meet the needs of all of their customers. If the demand on the system is absent, that water must continue to flow through the system and gets dumped at the end.

The townships in Hamilton County have established a Hamilton County Township Water Task Force to study what options we might have in sourcing our water from other water suppliers both inside and outside Hamilton County.

In Hamilton County, there are approximately 301,000 residents in Cincinnati, 305,000 residents in the townships, and 215,000 in the remaining cities and villages. In a high capacity system like CWW, every rate payer is critical to the stability of the water producer. If any segment of the customer base is extracted from CWW, the system with significantly large capacity will come to its knees.

In Hamilton County, we believe that every single rate payer should be treated equally with their water rates as they are all critical to the success and long term stability of CWW. Unfortunately, without legislative intervention, the practice of pricing water to an entire region will continue to remain unfair to a subset of the customer base.

We believe something needs to be done in the Legislature to level the playing field for water rates in Ohio, and HB163 is an excellent start. It allows for parity in pricing for all of the customers, regardless of whether they are in the city or not.

We especially like the mechanism of withholding funds from the non-compliant municipal corporations including LGF, EPA, OPWC, and OWDA funds, and distributing their LGF to the communities affected by the unfair pricing practices.

I thank you for allowing me to provide testimony to you on this very important issue. We have solid support from all of the members of the Hamilton County Township Association, and I strongly urge all of you to support HB163 and help create a level playing field in water pricing for all Ohio residents.