



**House Bill 163
Opponent Testimony
House Public Utilities Committee
May 29, 2019**

Good morning Mr. Chairman and Committee Members. My name is Blake Jordan and I am the Director of Public Utilities for the City of Delaware.

We serve approximately 15,000 utility customers and charge non-incorporated utility users a 50 percent surcharge for services. Our rates are reasonable, and in line with best practices.

Delaware has doubled in size in the last 25 years, and currently is nearing a population of 42,000. House Bill 163 would have a negative impact on our ability to create rate distinction between resident and non-resident users, and growth will stall.

Delaware, rather than risk the unreasonably punitive measures of House Bill 163, simply will decline non-resident tie-ins to city utilities. This would be an unfortunate outcome for the rural residents who enjoy having the choice between annexing into the City, or paying a surcharge to keep their property unincorporated while enjoying City water and sewer.

Delaware has 142 water users who have elected to remain unincorporated and pay the surcharge rate. They deserve to have choices, and not the sole option of annexation.

Delaware was recently approached by a housing community located outside of our boundaries, the OEPA had ordered the development's failing sewer treatment plant be abandoned or rehabilitated. For many reasons this community will never become annexed into Delaware, but the homeowners and City, working together, were able to agree on a plan for the City to take over their private sewer collection system. If House Bill 163 was the law, the outcome would have been very different: The City would have declined the option, for fear of litigation and loss of funding, and homeowner's only option would have been the immense financial toll of self-funding the treatment plant rehabilitation.

Lastly, Home Rule authority allows Ohio cities to establish laws in accordance with the powers of local self-government. Utility rates and surcharges are very much a part of local self-government. House Bill 163 further erodes our ability to self-manage.

The City of Delaware strongly opposes House Bill 163 because local water systems must be allowed to utilize its data and best practices to set local water rates when that municipality serves a neighboring area – without fear of undermining its financial position and home rule authority.

Thank you, Mr. Chairman for the opportunity to testify and I would be happy to try and answer any questions you or committee members may have.