



The Honorable Representative Jamie Callender
Chair, House Public Utilities Committee
77 S. High Street, 13th Floor
Columbus, OH 43215
Rep61@ohiohouse.gov

5/12/2020

Re: HB-163 Opposition

Dear Representative Callender

I am speaking on behalf of the governing body for the City of Delaware, Ohio. Currently the City of Delaware charges non-incorporated utility users a 50% surcharge for services. The City of Delaware is one of the fastest growing, medium sized, cities in the nation, doubling in population in the last 25 years, and currently nearing a population of 42,000. The main catalyst of the City's ability to expand and grow has been centered on its utility network, annexing in unincorporated area as they desire to connect to City utilities. Without the ability to create rate distinction between resident and non-resident users, City growth as a whole would seemingly stall.

In an attempt to negate possible growth hampering outcomes, a likely action would be the City's disallowance of any non-resident to tie into its 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 to pay the surcharge rate. They deserve to have both choices to choose between, and not the sole option of annexation.

Delaware was recently approached by a housing community outside of City boundaries, their sewer treatment plant was failing and they were under notice from the OEPA to abandon or rehabilitate their plant. For many reasons, this community will never become annexed into the City, and had the City been unable to charge out of City rates, it would not have stepped in to take over their private sewer collection system. Their only option would have been the immense financial toll of self-funding treatment plant rehabilitation.

Lastly, Home Rule Authority has been granted to Ohio cities, allowing them 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 is an erosion of a city's ability to self-manage, and only opens the door to future increasingly stringent regulations. Local water systems must be allowed to utilize its data, best practices, and system analysis to set local water rates when that municipality serves a neighboring area.

Respectfully,

Blake Jordan, P.E.
Director of Public Utilities
City of Delaware, Ohio