



Tim Williams
Executive Director, Ohio Manufactured Homes Association
Senate Energy and Natural Resources Committee
Senate Bill 2 Interested Party Testimony
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Chairman Balderson, members of the committee, I am Tim Williams, Executive Director of the Ohio Manufactured Homes Association. Since 1947 the Ohio Manufactured Homes Association (OMHA) has represented all segments of the factory built homes industry including manufactured homes parks that provide affordable housing for 750,000 Ohioans.

I am testifying as an interested party regarding the “asset management program” and related portions of Senate Bill 2. This legislation is an attempt to make substantial changes involving the nearly 1,300 submetered and stand-alone water systems in manufactured home parks. We want to ensure water quality is protected without unnecessary regulatory mandates.

OMHA has been involved with EPA presenting our concerns. We are hopeful our reasonable concerns have been addressed in the current version of the legislation as represented to us by Ohio EPA.

I also want to acknowledge the assistance of Chairman Balderson, Senator Hite, former Senator Seitz, and Majority caucus staff for their past efforts to achieve compromise.

During last November's lame duck session (SB 333), we expressed several concerns which are referenced as a footnote at the end of my testimony today.

However, one major issue I want to address today involves Asset management "programs" vs. Asset management "plans". The words "program" and "plan" are an important distinction.

Current Ohio law requires an asset management "plan" to be created when a new system has been installed, constructed or substantially modified.

Our concern was Ohio EPA wanted to go beyond the U.S. EPA federal mandate by requiring implementation of "programs" as opposed to preparation of "plans" for existing small water systems that are and have been totally compliant. This change

from “plans” to “programs” would require significant additional resources, including the hiring of technical advisors, engineers, accountants, capital asset experts and others.

We support having asset management’s “plans” on file for existing systems as suggested by the U.S. EPA—and also outlined in Ohio EPA’s recently enacted rule OAC 3745-85-01 requiring “contingency plans” (not “programs”).

We believe the current compromise with the Ohio EPA appears not to go beyond the U.S. EPA mandate and therefore exempts existing sub-metered water systems from asset management “programs” when receiving all of their water from already regulated public water systems.

This understanding that the act of sub-metering does not constitute selling is important to OMHA’s removal of opposition to the bill.

Should SB 2 be adopted we look forward to working with EPA as rules are promulgated reflecting the intent EPA has expressed to OMHA.

NOTE: Previous testimony SB 333 November 29, 2016 (for reference purposes only)

OMHA has always been and is proactive in advocating total compliance and safeguarding our homeowners and residents water supply. In fact, OMHA's attorney assists our members as well as we provide training sessions in which EPA has participated to ensure such compliance.

For the purposes of this testimony I encourage you to look at the language involving manufactured home parks in Senate Bill 2 as a three-legged stool: financial assurance, receivership, and asset management programs.

Financial assurance: The bill before you calls for a more flexible and reasonable standard of financial assurance for new and modified systems with a 15% "escrow" set aside from the current \$50,000 maximum to \$100,000. This is reasonable.

Receivership: Senate Bill 2 removes two steps of the current receivership process that all individuals and businesses in Ohio must follow under ORC 2735. The EPA proposes to remove a compliance step and a remediation step for a non-compliant system in an attempt to pursue receivership more quickly.

Asset management programs: Current law requires an *asset management plan* to be created when a new system has been installed, constructed or substantially modified since 1999.

The Ohio EPA is now seeking an expansion of the concept of "*asset management plans*" even though by their own estimates

only 6 of the 1,300 existing water systems have failed in four years. Instead Ohio EPA now wants to require actual “*implementation of asset management programs*” for totally compliant existing small water systems which will require significant resources, including the hiring of technical advisors like engineers, accountants, etc.

It is critical to understand there is a difference between the word “*plan*” and “*program*” as used in the bill. Our member small parks have been in compliance with the current law and have been submitting “*plans*” when appropriate.

Even more revealing the U.S. EPA continually refers to asset management “*plans*”—*not “programs”* in their communications. However, Ohio EPA goes beyond the federal terminology by requiring “*implementation of “programs”*” as opposed to “*preparation of plans*” for systems where no problem exists. The word “plan” was used by a water system provider in previous testimony on SB 333 last session.