

Chairman Oelslager, Vice Chair Plummer, Ranking Member Crawley and members of the House Finance Committee, thank you for providing the Northeast Ohio Regional Sewer District (NEORS) the opportunity to submit written testimony in support of HB 167, which makes an appropriation of \$465 million in FY 2021 to the Development Services Agency (DSA) to fund an emergency rental assistance program.

NEORS is a rate-payer funded political subdivision formed under O.R.C. Chapter 6119. It is responsible for wastewater treatment and stormwater management services to over one million residents in Cleveland and the surrounding 61 communities. Our facilities and responsibilities include the area's sewer interceptor network, three sewage treatment facilities, and 476 miles of the regional stormwater system.

As a clean water service provider, affordability of sewer and stormwater services is one of our top priorities. Affordability was a concern pre-pandemic that has only grown over the COVID-19 emergency. During this time, like many other utilities, we have seen an increase in delinquent payments due to significant financial hardships among our customers, which have caused them to struggle to pay their sewer and stormwater bills. This struggle is reflected in the delinquency rates of our customers. In 2020, we saw an \$11 million, or 67%, increase in our delinquencies, from the prior year. We also saw a 14% increase in the number of delinquent accounts.

NEORS has supported our customers during this difficult time with a range of actions. Prior to the pandemic, NEORS developed self-funded customer assistance programs and worked diligently to ensure eligible customers were signed up for these cost savings. As the pandemic began, we enhanced our communication with our customers about these programs to ensure they are being used to their full potential and helping those who need it most. We also partnered with CHN Housing Partners, community development corporations, and other local partners to spread the word and sign customers up. However, the District's affordability programs can only go so far, and additional financial resources are needed.

Thankfully, in October 2020, the State created the Home Relief Grant Program through DSA, which appropriated state CARES Act dollars for rental, mortgage and water and sewer assistance. This assistance, combined with local CARES Act dollars made available by the City of Cleveland and Cuyahoga County, has provided nearly 900 NEORS customers \$553,000 in bill assistance. The additional \$465 million in rental assistance being considered in HB 167 will continue those much-needed efforts to help struggling customers pay for their rent and utility bills as the need is great and continues into 2021.

During the pandemic, NEORS and the other "6119" regional districts in Ohio were not eligible to receive direct funding from the Coronavirus Relief Fund from the federal CARES Act because regional districts do not receive Local Government Fund (LGF) dollars from the State. However, like all local governments, we have experienced significant financial hardships due to the COVID-19 emergency and such funding would help us continue to provide our critical clean water services to the public.

With the passage of the American Rescue Plan Act, Ohio is expected to receive another influx of federal funding to help the state and local governments recover from the pandemic. We would

urge this chamber to consider including “6119” districts, like NEORS, that provide clean water services across Ohio as it develops its plan to distribute this funding.

Whatever a customer’s financial challenge, NEORS believes this legislation would help them remain current on their bills while reducing delinquencies to water and sewer utilities providing essential services. This benefits all our customers, not just those directly receiving the assistance. Thank you again for providing us with the opportunity to provide written testimony and we hope you see the great value of this proposal and take it under consideration as the legislative process for HB 167 continues forward.

If you have any questions, comments or concerns, please feel free to contact our Legislative Affairs Manager, Danielle Giannantonio at giannantoniod@neorsd.org or (216) 409-9715.

Sincerely,



Kyle Dreyfuss-Wells
CEO, Northeast Ohio Regional Sewer District