



Chairman Dolan, Vice Chair Cirino, Ranking Member Skyes, and members of the Ohio Senate Finance Committee I am here today to ask for your support of an amendment that would aid water infrastructure within the city of Coshocton. The City of Coshocton is requesting ARPA funds be used to complete repayment of a water loan of \$5 million. This loan is bad debt that was pursued at the request of the State to bring a new ethanol plant to the city. When this plant went out of business, the City was left with a major loan repayment that required additional payments for 30 years. If granted, this will be a single use of funds. Once the loan is paid off, no additional funds will be required.

In 2004 the city of Coshocton announced they had entered an agreement to build an ethanol plant. Encouraged by the State of Ohio, and Governor Taft's office in 2006 Coshocton City Council voted to borrow \$7 million for water/sewer improvements to help handle ethanol waste. Unfortunately, the ethanol plant shut down in 2008 after only ten months of operation. This left the City of Coshocton shouldering the weight of the large water/sewer improvements loan and the cost of related-equipment that was left unused with no way to recuperate the loss.

The city will be responsible for paying \$359,005.34 each year until 2040. In 2015 the Ohio Water Development Authority (OWDA) took \$1,140,378 interest off the principle and changed it from a 15 year loan to a 30 year loan. There is currently \$5 million left on the loan balance. Last year the OWDA's board had initially agreed to add the interest already paid on the loan to the total of the remaining balance and waive the interest for the remainder of the loan, essentially forgiving \$2 million. The OWDA later reversed their decision, leaving the city again shouldering the debt.

As Ohio focuses on building back rural communities across the state it's important to look at simple solutions for burdens these communities are dealing with, for this reason the business community has voiced support of this amendment. The city of Coshocton took out this loan in good faith and is now saddled with repaying it instead of reinvesting the much needed funds back into the community. Thank you for your consideration. I am happy to answer any questions at this time.