

**City of Canton, Public Water System
Tyler Converse, Superintendent
Sub H.B. 93 Opponent Written Testimony
Ohio Senate, Local Government Committee
November 19, 2024**

Chairwoman O'Brien, Vice Chair Gavarone, Ranking Member DeMora, and Members of the Committee, thank you for the opportunity to present opponent testimony on behalf of the Canton Water Department. My name is Tyler Converse and I serve as President of the Ohio Association of Drinking Water Agencies, Director of the Ohio Section of the American Water Works Association, and as Superintendent of the City of Canton Water Department. Today, I come to you primarily on behalf of the Canton Water Department. The City of Canton opposes Substitute House Bill 93, which if enacted, will significantly and unnecessarily restrict municipalities in recovering delinquent utility bills. It would also unnecessarily burden the utility review boards and potentially the already overburdened court system. Any loss of operational revenue and increase in operational costs, would by necessity, be paid for by all customers in the public water system.

This is not a new topic as I testified against a similar bill a decade ago. Let's be clear, this is not about landlords pushing the responsibility of paying delinquent utility bills onto tenants. It's about landlords pushing their responsibility as property owners onto the public water systems, by restricting the use property liens. That financial responsibility would then necessarily be passed on to the paying customers in our service area.

Ohio's public water system leaders, many of which I know personally, are some of the finest civil servants I've ever met. They are educated, experienced, dedicated, and unselfish professionals who make every effort to provide Ohioans with an abundant supply of clean, safe drinking water at an affordable price. I'd match Ohio's water professionals with any state in the country.

Water systems work closely with all of our customers, whether they be commercial, residential or industrial to make sure all are billed fairly and equitably. This includes landlords, property managers, and real estate investment firms. Like these groups, Ohio's public water systems rely on timely payments to fund the operation, maintenance, debt obligations, and capital reinvestment of our facilities. To that end we have modernized our bill paying options to include many convenient methods, such as auto pay, check by phone, online payments, credit card payments, mobile app payments, etc. This is to ensure customers have easy solutions to pay on time. We provide late-payment notices by mail, email, text, phone, and doorhangers. We have in-place high-consumption notification, generous high-bill forgiveness plans, duplicate billing for landlords and tenants, extended payment plans, and review boards to resolve billing disputes. Ohio's public water systems don't need broad sweeping legislation to correct for small pockets of problems that exist here and there which can be resolved by existing rules and regulations. We already have these tools in place and they work well.

Liens for delinquent utility bills are one of many tools used by Ohio's PWS's to collect unpaid water rents. Others include notifications, prompt water shutoff, and collection services. None are perfect and all have their pros and cons. The practice of liens is never taken lightly or used indiscriminately. They are only used as a last resort, when other forms of notification and collections fail. Using liens in this manner is a long-recognized and long-legally authorized practice in Ohio and across the United States.

I listened to the proponent testimony in the House and recently here in the Senate. I wish to offer clear rebuttal on a number of points that were brought up to this body by proponents of this bill, so that this committee in particular can be fully informed.

Statement: The PWS's could conduct business like for-profit utilities and only require the tenants to be responsible, not the property owners.

Rebuttal: Perhaps, but we would have to completely change our long-established and successful public-utility model. This would shift the burden and therefore the cost from the landlords to all of the PWS's customer base, and impact millions of Ohioans. This would increase the size of government at the expense of the rate payers. Also, keep in mind electric utilities have the ability to add riders to their billing charges to cover costs.

Statement: Owners of non-occupied properties that did not sign the Service Agreement are not legally bound to be responsible for utility payments on bills generated at that property.

Rebuttal: This is not true. For example, Greater Cincinnati Water Works, Akron's Public Water System, and Cleveland's Public Water System all have a long-standing practice of ultimately holding the property owner responsible through local rules and regulations.

Statement: Public Water Systems do not support landlords in their efforts to avoid costly, delinquent utility bills.

Rebuttal: This is simply not true. Public water systems support all customers and want everyone to be able to pay their bills on time. We make it a point to assist in any way that we can.

Statement: PWS's don't turn off rental properties at the owner's request.

Rebuttal: This is not true. If a tenant has gone through the normal billing and notification process and is still delinquent, we will absolutely turn-off the water for non-payment. Note too, that most utilities have various assistance programs that can be used by the tenants to assist in paying the debts before liens are necessary.

Statement: PWS's should send a duplicate copy of the monthly bill to the landlord and the tenant.

Rebuttal: Agreed. This is easy to do and doesn't require onerous, costly legislation. In fact, this is standard practice for many utilities in Ohio.

Statement: There is no incentive for a renter to pay their water bills.

Rebuttal: Not true. Renters will be shut off, charged late fees, and re-connection fees. An unpaid water bill is no different than any other debt and can be subject to collections which would negatively impact tenants credit rating.

Statement: PWS's have no remediation or dispute process.

Rebuttal: This is absolutely not true. All established water systems, many of which have been in existence well over 100 years, have utility review boards and dispute processes already in place to handle these situations. In addition, the court of common pleas can intervene to resolve any unresolved disputes as needed.

Unintended consequences of passage of HB 93:

- 1 Water Systems are going to require renters to pay a security deposit before water service is permitted. This will add an additional burden to renters who typically already have to pay the first and last month's rent in advance, as well as a security deposit.
- 2 Water Systems are going to force owners to sign service agreements in systems that currently do not have this in place and deny service to owners who do not agree to the terms.
- 3 The *rebuttal presumption* included in the bill's language will force utilities to increase the termination amount, which will be detrimental to landlords.
- 4 The cost of renters who skip-out on delinquent bills will be passed on to all of the water systems' customers, including residential, commercial, and industrial accounts. The rest of the customers will become responsible to cover the losses for the landlords' benefit.
- 5 Water systems will be needlessly burdened by the arbitrary time limits set in the bill for complaint responses. This will increase demands for staffing time and result in higher utility rates.
- 6 The already overburdened court system will be further and unnecessarily burdened by the ability of complainants to, by law, readily bypass the utility and take their complaints to the courts.

In conclusion, Ohio's public water systems are essential to the health and well-being of the millions of Ohioans and the communities in which we live, work, and play. Keep in mind that Ohio's public water systems are also economic drivers and our low rates are attractive to businesses willing to relocate to the Buckeye state. It is also a fact that for every \$1M Ohio's PWS invest in capital projects each year, 15 jobs are created!

Over the past two decades, Ohio's public water systems have made a concerted effort to include the full cost of doing business in their water rates. This includes reinvestment in our aging and failing infrastructure, obtaining and retaining top water professionals, and complying with ever more stringent and onerous laws, rules, and regulations such as the lead and copper rule and PFAS mitigation. As a result, water rates have outpaced inflation and caused the general public and voters to take notice. Knowing that all of the costs of funding a public water system falls squarely on the rate

paying public, it has been essential that these systems run in an efficient and effective manner, very much like any business. Substitute HB 93 is simply another costly burden that would shift the responsibility of recovering costs from delinquent tenants of for-profit real estate firms, to the state's rate paying public. This would be of benefit to the few but the detriment of millions of Ohioans.

Sub. H.B. 93 encourages unnecessary government red-tape and waste thereby increasing the size and role of government. This is wholly contrary to the philosophy of Governor DeWine and the current state leadership's effort to increase efficiency and eliminate governmental waste and bureaucracy. We respectfully request that this committee does not advance Sub. H.B. 93, for the good of all Ohioans. I know we would be willing to work with the proponents of this legislation to perhaps bring some reforms to the water utility structure without completely dismantling longstanding practices and creating harmful unintended consequences.