

**City of Columbus, Department of Public Utilities
Kristen Atha, Director
S.B. 118 Opponent Written Testimony
Senate Local Government Committee
June 24, 2025**

Chairwoman O'Brien, Vice Chair Gavarone, Ranking Member Smith, and Members of the Committee, thank you for the opportunity to present written testimony on behalf of the City of Columbus, Department of Public Utilities (newly renamed Columbus Water & Power). My name is Kristen Atha and I serve as the Director of Columbus Water & Power. We provide essential services to Ohioans and strive to offer world-class customer service and fair billing practices for our 280,000 water and sewer accounts. Columbus Water & Power opposes Senate Bill 118, which, if enacted, would have a negative impact on our ability to distribute safe, quality drinking water and sanitary service to over 1.4 million residents in Columbus and 26 suburban communities.

Columbus Water & Power is a municipal utility that does not operate for a profit. Each day, we treat an average of 180M gallons of wastewater and supply an average of 149M gallons of clean, safe drinking water. Columbus Water & Power's mission is to enhance the quality of life, now and into the future, for people living, working and raising families in central Ohio through economic, efficient, and environmentally responsible stewardship of superior public utilities. We rely on a Utility Advisory Board (comprised of area residents appointed to represent different resident constituencies, the business community, and city officials) that oversees the rates and major policy changes for the utility.

Columbus Water & Power opposes Senate Bill 118 because it: 1) limits the ability of municipal utilities to recover the cost of providing service to tenant consumers and negatively impacts all consumers, 2) contains internal conflicts and impossible requirements, and 3) interferes with municipal home rule authority under Ohio Constitution Article XVIII, Sections 4 and 6, which specifically authorize municipalities to own and operate utilities, and defies the Ohio Revised Code's long-standing limitations on legal use of ratepayer funds.

Columbus Water & Power uses best practices for the industry when addressing customers with overdue bills.

Columbus Water & Power communicates consistently and proactively with customers to provide them with the tools needed to timely pay their bills. Columbus Water & Power implements the following best practices for first-class customer service:

- Our 40-person customer service center answers billing questions, schedules service calls, and helps resolve issues, normally operating 55 hours per week.
- Consumers can pay their bills online, over the phone, by mail, and in person at various locations.
- We offer low income and senior discounts, payment plans, credit card payments, and water conservation and repair tips to help consumers reduce their bills.



- All customer accounts are initiated with the property owner unless a tenant billing agreement is processed.
- The only written service agreements are tenant billing agreements for when tenants want to be billed separately from the property owner. The property owner has to agree to allow the tenant to be billed. Both the property owner and tenant sign the agreement.
- When a quarterly bill is due, we send either a paper or electronic bill to the property owner, or if there is a tenant billing agreement, to the property owner *and* tenant which allows the property owner to be fully informed of the usage at the property.
- If a bill is past-due on an account with a tenant billing agreement, we continue to send the property owner a copy of all bills and delinquency notices for their property. Everything sent to a tenant is also sent to the property owner to ensure transparency.
- We initiate shut-offs timely based on minimum thresholds based on days past due (based on our quarterly billing scheduled) and a minimum outstanding balance.
- In the event that a billing dispute arises, the issue is triaged in our customer service center where account reviews are conducted. If a resolution cannot be reached, we can escalate the concerns starting with a manager review and continuing all the way through to a hearing.
- We have an administrative hearing process in Columbus City Code 1101.03(c) for customers contesting a shut-off or bill. The hearing has to be held within 10 days of the request and the consumer can provide information to advocate for a reduction in their bill. This opportunity is available for property owners, occupants, residents, and tenants of the affected property. The judgments from these administrative hearings are appealable to Common Pleas court.

Certification of a lien is a last resort after a long collection process with many notices and chances to resolve the issue. If a customer does not pay their bill, our utility takes many steps to collect the outstanding amount before certifying it to the County Auditor. First, a delinquency notice is sent to the property owner, and the tenant if a tenant billing agreement exists, explaining that their bill is past due and providing them additional time to pay. Second, if the bill remains unpaid, the water service property owner, and the tenant, if a tenant billing agreement exists, are sent a shut-off notice providing a final opportunity to pay their delinquent bill. Third, if the bill still remains unpaid, the water service for the property is shut off. Finally, if the bill is not paid even after water service is shut off, only then is the outstanding sanitary service portion of the bill sent to the County Auditor for certification. Certification places the delinquent service amount on the property's tax bill as a special assessment to be paid with other taxes and special assessments that are due and owing.

Certification by the County Auditor is an effective method to collect sanitary service delinquencies and is commonly used by municipal utilities after exhausting other methods of collection. Without the ability to send the outstanding bill to the County Auditor for certification, Columbus Water & Power's options to collect are limited. The only remaining options are to hire collection agencies or to initiate court claims. Both options are significantly less effective at collecting on past due bills and are more costly for both the utilities and the customer. Without the option to recover tenant bills from property owners, municipal utilities would be required to identify and bill individual tenants, necessitating the creation of new accounts and tracking and verification systems for each rental customer, each time the property is turned over as water and sewer

service is tied to the property. As a result, additional staff would be needed to handle the increased workload, leading to higher operational costs and potential delays in service management.

The ability to certify outstanding bills is critical to avoid unfair and unnecessary rate increases.

To provide safe, quality drinking water and sanitary service to customers, Columbus Water & Power charges customers that use drinking water and sanitary services for the services provided. The revenue from these payments allows the utility to continue to operate. When customers do not pay their bills, there is a shortfall in revenue that creates gaps in our budget. To reduce the size of these budget gaps and to be fair to all ratepayers, we take great effort to collect money due from the individual(s) who used the utility services, because if these costs cannot be recouped, they will be passed on to all rate payers—including customers that diligently and consistently pay on time—through future rate increases.

To help illustrate this issue, consider our 2025 average monthly sewer receivables. So far this year, Columbus Water & Power has expected an average of \$36.7M in monthly sewer receivables. Of those sewer receivables: 65% were recent bills that were outstanding for 0 to 30 days; 15% were older bills that had been outstanding for 31 to 60 days; 5% were bills that had been outstanding 61 to 90 days; and approximately 14% were outstanding for 91 days and older. Of the 14% of past due receivables that were 91 days and older, \$915,000 has been sent to the County Auditor for certification in 2025. Over the last 5 years, Columbus Water & Power averages \$6.59M in yearly sewer certifications.

If the Department had been unable to collect this money or had only been able to recoup a smaller amount of money via less effective collection methods, then all customers would have ultimately been harmed because of the shortfall, not just the customers with outstanding bills. For example, to recover \$6.5M in lost revenue, a sanitary service rate increase of approximately 2.5% for all ratepayers would be necessary to recoup the loss. Such rate increases would need to continue to recover recurring losses.

This bill will negatively affect customers. The landlords who employed best practice payment arrangements with their tenants will literally pay for the business decisions of other landlords. Municipal utilities will also lose the ability to provide grace to their late customers. Flexible delinquency paths and extended-service agreements will go away. Shut-offs would occur much quicker or due to much lower balances, providing less buffer for customers to catch up before losing essential services which could result in tenants vacating the property prematurely.

Senate Bill 118 would illegally interfere with municipal home rule authority and prohibitions on use of ratepayer funds.

Ohio Constitution Article XVIII, Sections 4 and 6, specifically authorize municipalities to own and operate utilities. Columbus Water & Power developed a process for handling tenant billing and billing disputes as described above. Columbus Water & Power established this process pursuant to its constitutional authority to own and operate a municipal utility. The proposed legislation unlawfully interferes with this home rule authority and would be held to be invalid.

Ohio Revised Code 729.52 and 743.05—the protective guardrails in Ohio law on how municipalities can use ratepayer funds—have remained untouched since 1969. SB 118 would disrupt that long-held protection by diverting ratepayer funds to benefit county treasurers with the proposed 10% on certification that is to be deposited in the county treasurer's delinquent tax and assessment collection fund, created under ORC 321.261. Additionally, the 10% fee is much higher than fees on other recoveries in the statute and would result in hundreds of thousands of dollars being diverted annually from our budgeted operations.

Columbus Water & Power respectfully requests that Senate Bill 118 be reconsidered.

Ohio utilities have worked to communicate with the bill's sponsors the inconsistencies and impossible requirements that must be addressed before the bill proceeds. There is a requirement in the current version of the bill that bars certified recovery from a property owner from nonpayment even if the property owner contracted for service themselves, which is inconsistent with a measure that claims to hold responsible parties accountable for unpaid balances. SB 118 also relies on a shut-off amount to limit recoverable balances but sewer services cannot be shut off.

Columbus Water & Power opposes Senate Bill 118's proposals to restrict municipal and other local governments from recovering unpaid invoices and respectfully asks that the legislation in its current form be withdrawn or set aside, to allow for additional discussion regarding the impacts of this measure.

Sincerely,



Kristen Atha