

Association of Ohio Drinking Water Agencies
Tyler Converse, President
S.B. 118 Opponent Written Testimony
Ohio 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 opponent testimony on behalf of the Association of Ohio Drinking Water Agencies (AODWA). 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.

AODWA represents the interests of Ohio's drinking water agencies. Our members include the cities of Akron, Avon Lake, Canton, Cincinnati, Cleveland, Columbus, Dayton, Delaware, Fairfield, Lima, Salem, Toledo, Warren, the Del-Co Water Company, Greene County, and the Southwest Regional Water District. Together, our membership provides water service to over 5 million citizens of Ohio.

AODWA opposes Senate Bill 118, which if enacted, will significantly and unnecessarily restrict municipalities in recovering delinquent utility bills. It would also shift responsibility and costs from for-profit landlords to Ohio's utilities and therefore our customers. Finally, it will unnecessarily burden the utility review boards and the already overburdened court systems. Any loss of operational revenue and increase in operational costs, would by necessity, be paid for by all public utility customers.

The current version of the bill effectively shifts property owners' responsibility and liability onto the public utilities and therefore the ratepayers.

We understand from our conversations with legislators and proponents that there maybe a few utilities across the state that may not be acting in the best manner. Please, inform us of those specific utilities and their lack of fair practices. AODWA can do our due diligence and help them change their practices to avoid a complete upending of the public water utility system statewide. Perhaps we can come up with a system of best practices to avoid some of the practical impossibilities currently in SB 118 and create a workable system for landlords, tenants, and public utilities alike.

Water systems work closely with all our customers, whether 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 into our facilities. To that end we have modernized our bill

paying options to include many convenient payment 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.

It's also important to note that we provide late-payment notices by mail, email, text, phone, and doorhangers. We also 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.

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

Chairwoman O'Brien and Members of the Committee, we stand ready to work with the bill's proponents, the Senate sponsor – Senator Lang, and any other stakeholders. We have also been engaged with stakeholders in the House regarding companion bill House Bill 92. We believe that process should be permitted to run its course. Additionally, on June 12 AODWA, along with our sister organization AOMWA, provided a letter to both Senate and House Sponsors for SB 118 and HB 92 regarding a proposed alternative framework. This alternative framework would serve as a compromise that recognizes both the General Assembly's interest in addressing the issues involved in these proposed bills while mitigating some of the financial impacts on ratepayers and other unintended consequences. The four central ideas in this framework include (1) exempting wastewater rates and charges because wastewater utilities do not have the operational capability to terminate service as a means of enforcing collection, (2) capping landlord liability for unpaid drinking water charges for single-family rental properties, (3) requiring landlords to notify utilities when a tenant assumes responsibility for water service and requiring water agencies to notify landlords when a tenant's account has become delinquent, and (4) establishing an internal review board to evaluate disputes and complaints.

In its current form, SB 118 is internally inconsistent. For example, there are places in the bill that suggest a landlord could never be held responsible for nonpayment even if the landlord has contracted for the service. We do not believe the bill is ready to become law and all Ohioans would benefit from additional discussion. Regarding possible common ground, most (if not all) of our members already include landlords in the billing process. There may be a way to address concerns without simply giving all landlords a pass on

responsibility in all cases, such as capping landlord liability. We look forward to continuing these discussions.

Ohio's public utilities are currently under enormous financial pressure. The capital requirements necessary to replace aging and failing infrastructure runs in the billions of dollars over the next decade alone. Complying with ever more stringent and onerous laws, rules, and regulations such as the lead and copper rule and PFAS mitigation, along with inflationary pressures and higher interest rates have only made the situation worse. As a result, utility rate increases have outpaced inflation, making water affordability a very real issue for ordinary working Ohioans. Passage of SB 118 would be another costly burden to our utilities and an additional tax on the consumer.

Keep in mind that Ohio's utilities are essential to the public health, safety, and wellbeing of a community. Public utilities are drivers of economic development and create essential, living-wage jobs. Harming them in any way threatens to harm the community.

It seems that proponents want Ohio's public utilities to behave like the for-profit gas and electric companies or for-profit utilities like Aqua Ohio, which function under the Public Utilities Commission of Ohio or PUCO. However, we found an example of an energy company doing exactly what this bill would force municipal utilities to do: charge paying customers for the losses from unpaid bill balances. Water utilities are also fundamentally different from cable service. If a landlord is aware of a service line issue and fails to address it, and the line ultimately develops a significant leak or break, then SB 118 would place significant liability on the tenant. This would not be appropriate when the tenant was unaware of the issue.

The bill is 28 pages and addresses issues outside of the landlord's involvement in the process. For example, all billing complaints must be resolved in ten days. If the complaint is not resolved, then the municipality must provide an update once per week to the consumer, regardless of whether the complaint is legitimate. This obligation would create significant red tape and would increase the cost to ratepayers.

In conclusion, the proponents of this bill have been trying to pass this legislation for over a decade. After today, I hope you can better understand why this legislation has not made it across the finish line over numerous General Assemblies. Under the surface, there are several negative, real-world consequences that if not addressed will create increased costs to the ratepayer for the benefit of the few. SB 118 as written would pass the burden of managing rental properties in Ohio onto public utilities and therefore the ratepayer at a time where water and wastewater affordability are becoming a critical issue for millions of Ohioans. Items in this legislation, such as late bill notification, prompt utility shut-offs, and utility review boards have been in place for decades and are functioning quite well. Again, in areas of the state that do not have these best practices in place, we

hope to work collaboratively with this legislature to modify the code without unnecessarily creating a one-size-fits-all framework.

The Association of Ohio Drinking Water Agencies and its members respectfully request that this committee continue to work on SB 118 for all the reasons mentioned above and for many more not discussed today. SB 118 is harmful to Ohio's public water and wastewater utilities and millions of ordinary Ohioans who would bear its burden. I'd be happy to answer any questions and again, appreciate the opportunity to share our perspective on SB 118.