Association of Ohio Metropolitan Wastewater Agencies
Diana Christy, President
S.B. 118 Opponent 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 written testimony on behalf of the Association of Ohio Metropolitan Wastewater Agencies ("AOMWA"). My name is Diana Christy, and I serve as the President of AOMWA. AOMWA opposes Senate Bill 118.

AOMWA is a not-for-profit trade association that represents the interests of public wastewater agencies across the state of Ohio, and AOMWA's members include the cities of Akron, Avon Lake, Bowling Green, Canton, Columbus, Dayton, Euclid, Fairfield, Hamilton, Lancaster, Lima, Marysville, Middletown, Newark, Portsmouth, Salem, Solon, Springfield, Wadsworth, and Warren. AOMWA serves more than 4 million Ohioans and successfully treats more than 320 billion gallons of wastewater each year.

Although AOMWA echoes the concerns raised by other opponents, we write to address three concerns with the current version of the bill.

First, we request that wastewater services be removed from the bill, consistent with current law, due to practical differences between wastewater and drinking water. Many of the bill's proponents argue that utilities should shut off service for nonpaying customers more promptly, but this is not a possibility for utilities providing wastewater service. Wastewater service cannot be easily shut off. Instead, it would require digging soil using a backhoe and plugging the line, which is not economically feasible in most cases involving nonpayment. Accordingly, it is critical that wastewater utilities be able to rely on liens as a last resort to recover unpaid bills.

In addition, shutting off the water supply to indirectly stop wastewater is not a workable option in many communities. In many parts of the state, the drinking water utility is not the same entity as the wastewater utility. In still other parts of the state, properties are served by centralized wastewater treatment while relying on wells for drinking water. Accordingly, the wastewater utility cannot shut off the potable water supply. Further, even in communities where drinking and wastewater services are provided by the same entity, shutting off the potable water supply cannot prevent flows other than the potable drinking water from being discharged into the system.

Second, utilities would be forced to incur additional costs beyond those associated with the risk of nonpayment by tenants. The legislation would also lead to significant local government red tape by requiring additional litigation and investigation of complaints within local governments. The legislation would require that municipalities investigate every complaint

received, resolve complaints in 10 days, and provide updates once a week if the issue is not resolved. This would be required regardless of the legitimacy of the complaint, resulting in mandatory busy work that would further drive increases in costs for all ratepayers. Utilities already have their own administrative billing appeals process, so this would duplicate existing administrative procedures.

Third, the bill requires that "a municipal court or county court" shall hear appeals regarding billing complaints. Beyond the additional litigation expense that the utilities would face, it is unclear whether any analysis has been done to evaluate the stress that these matters would place on the courts. The bill also effectively requires that the Supreme Court adopt rules to provide the standards by which these claims are adjudicated. The proponent testimony has offered no compelling reason why the existing process needs to be changed, such that this additional burden on the courts is needed.

It appears landlords are generally kept informed when tenants are behind on bills. We completed a survey of ten municipalities. For seven of the ten utilities, the landlord is billed directly for past-due bills. For three utilities, the landlord may elect to have the bill sent to the tenant directly in lieu of the property owner. The only time the landlord would not receive a past-due notice is when the landlord chooses not to receive one. It does not appear to be a common practice for a landlord to lack visibility or control over past-due bills, at least for our members.

AOMWA is prepared to work with the bill's proponents and any stakeholders and has already engaged with stakeholders in the House regarding SB 118's counterpart, House Bill 92. We ask that this committee allow that process to continue. Additionally, on June 12, AOMWA, along with our sister organization AODWA, 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 present. The four central ideas in this framework align with this testimony, and include (1) exempting wastewater rates and charges, (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 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 summary, AOMWA and its member agencies strongly oppose SB 118's proposals to restrict municipalities from recovering unpaid invoices. At a minimum, we request that the committee allow for further stakeholder discussion and engagement before acting on this 28-page bill. Chairwoman O'Brien and Members of the Committee, your attention and consideration in this matter are very much appreciated.