

Chairman Wilson, Vice Chair McColley, Ranking Minority Member Williams and other members of the Senate Energy and Public Utilities Committee, thank you for providing the Northeast Ohio Regional Sewer District (NEORS) the opportunity to submit written testimony in support of Rep. Wilkin and Rep. O'Brien's, HB 264, which authorizes OWDA to provide for the refinancing of loans for water and wastewater projects.

NEORS is a rate-payer funded political subdivision that is responsible for wastewater treatment and stormwater management services in Cleveland and the surrounding 61 communities. Our facilities include the area's sewer interceptor network and three sewage treatment facilities.

In addition to our daily operation and maintenance, NEORS entered a \$3 Billion Consent Decree, with the state and federal government called Project Clean Lake. Project Clean is a 25-year program that will reduce the total volume of raw sewage discharges from 4.5 billion gallons to 494 million gallons annually. Over 98% of wet weather flows in our combined sewer system will be captured and treated when the program is complete in 2036.

The projects required for both our daily operation and maintenance and Project Clean Lake are critical to public health and the environment but unfortunately are very costly. Given the significant costs of the projects, NEORS has chosen to finance projects through callable bonds and WPCLF loans. These debt financing mechanisms are crucial to our process, which is why we take a large interest in this bill's proposal to allow for refinancing of debt.

The most obvious benefit to having the flexibility to refinance debt is that it could deliver debt service savings via a lower interest rate on callable bonds, USDA loans and bank loans. Depending on the utility, this could potentially provide financial relief for ratepayers and **result in more affordable water and wastewater services**. In addition to debt service savings, the ability to refinance debt is also good for situations where existing debt is ineligible to be refinanced due to a federal moratorium on tax-exempt refunding and/or a situation where modification of existing debt service structure is advantageous.

Whatever a utility's unique situation or need is to refinance debt, NEORS believes this bill would help them carry out their missions to provide more affordable water services. Thank you again for providing us with the opportunity to provide written testimony and we hope you see the great value of this proposal and take it under consideration as the legislative process for HB 264 continues forward.

If you have any questions, comments or concerns, please feel free to contact our Legislative Affairs Manager, Danielle Giannantonio at [giannantoniod@neorsd.org](mailto:giannantoniod@neorsd.org) or (216) 409-9715.

Sincerely,



Kyle Dreyfuss-Wells  
CEO, Northeast Ohio Regional Sewer District