

City of Columbus, Department of Public Utilities
Ann Aubry, P.E. Interim Director
H.B. 422 Opponent Written Testimony
House State & Local Government Committee
March 2, 2022

Chairman Wiggam, Vice Chair John, Ranking Member Kelly 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. My name is Ann Aubry and I serve as the Interim Director of the City of Columbus, Department of Public Utilities (Columbus DPU). Columbus DPU opposes House Bill 422, which, if enacted, would have a negative impact on the Department's ability to distribute safe, quality drinking water and sanitary service to over 1.2 million consumers in Columbus and in 22 contracting suburban communities.

Columbus DPU has a mission 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. The Department is made up of the Director's Office and three divisions: the Division of Water, the Division of Sewerage and Drainage, and the Division of Power. In addition, a Sewer and Water Advisory Board (comprised of area residents appointed to represent different resident constituencies, the business community, and city officials) oversees the rates and major policy changes for sewer and water services provided by the Department. This board meets several times per year and forwards their recommendations regarding rates and policy changes to Columbus City Council, who then review and vote to set rates or change fundamental policy.

Columbus DPU opposes House Bill 422 because it will 1) limit the ability of utilities to recover the cost of providing service to tenant consumers and negatively impact other consumers, 2) extend resolution of billing disputes and create administrative challenges for both the utility and the Environmental Review Appeals Commission (the designated review board), and 3) interfere with municipal home rule authority under Ohio Constitution Article XVIII sections 4 and 6, which specifically authorizes municipalities to own and operate utilities.

House Bill 422 would restrict the ability of municipal utilities to recover water/sewer service costs.

Columbus DPU currently offers landlords and tenants the opportunity to enter into Tenant Billing Agreements signed by the tenant and property owner that provides a convenient way for tenants to pay their water/sewer bill and ensures that the property owner receives a copy of all bills in order to monitor any payment delinquencies or unusually high bills that may indicate a



malfunctioning toilet or other leak on the property. If a tenant stops paying his or her bill, the Department can work with tenants to develop a payment plan and investigate whether the tenant qualifies for reduced payments or other relief. If an account remains delinquent, Columbus DPU contracts with collection agencies to recover the unpaid bills from the tenant. If the bill remains unpaid, the owner is ultimately responsible for the balance.

Columbus DPU ultimately holds property owners responsible for tenant bills because property owners have the closest relationship to the tenant and, as a result, they are often in best position to ensure that unpaid balances are paid. Collections—while an important tool—are often not an effective way to collect on unpaid water/sewer bills. Landlords are in a better position to track past due utility bills, communicate with tenants to arrange for payment, and hold tenant rent deposits until past due utility bills are paid.

Collecting water/sewer fees from non-owner occupied accounts requires a thoughtful and balanced collections approach from the utility, one that relies on landlord awareness, and at times involvement in the bill pay process. House Bill 422 would upset that balance by limiting landlord responsibility for utility bills at an arbitrary “termination amount”. This is a concept that does not exist currently in the industry and would in practice be difficult to define and even more difficult to implement. Each account’s “termination amount” would be highly dependent on individual facts and circumstances surrounding that account’s water and sewer use and applicable billing rate. If responsibility for utility payments were to be transferred away from landlord to tenants alone as contemplated in the proposed legislation, it is likely that delinquencies would increase, potentially resulting in higher rates for responsible ratepayers.

House Bill 422 would extend resolution of billing disputes and creates administrative challenges both for the utility and the state.

Columbus DPU makes great effort to work with tenants and landlords to ensure that they understand their bills. A 40-person Columbus DPU customer service center answers billing questions, schedules service calls, and helps resolve issues, normally 55 hours per week. Customers can pay their bills online, over the phone, by mail and in person at various locations. Columbus DPU also offers low income and senior discounts, payment plans, accepts credit card payment, and offers water conservation and repair tips to help consumers reduce their bill. In the event that a consumer disputes a bill, Columbus DPU provides an administrative hearing process pursuant to Columbus City Code 1101.03 and administrative hearing judgments are appealable to the Franklin County Court of Common Pleas.

House Bill 422 would create a duplicative administrative process causing confusion and wasted resources for both the municipal utility and the state. Columbus DPU has an administrative appeals process in place for bill disputes. This legislation would create a second process that gives any consumer the right to file an appeal with the Environmental Review Appeals Commission whenever a billing complaint “is not resolved to the satisfaction of the complaining party.” This will lead to an increase in the administrative burden for both Columbus DPU and the



ANN AUBRY, P.E.
Interim Director

Environmental Review Appeals Commission to handle a high volume of complex billing cases that are best suited to be address by the already existing administrative process.

House Bill 422 would interfere with municipal home rule authority.

Ohio Constitution Article XVIII sections 4 and 6, which specifically authorizes municipalities to own and operate utilities. The proposed legislation interferes with this home rule authority. The City of Columbus has developed the process for handling of tenant billing and billing disputes described above. This process was developed pursuant to its authority to own and operate a municipal utility. The proposed legislation unlawfully interferes with this home rule authority.

Columbus DPU respectfully requests that HB 422 be reconsidered.

Columbus DPU understands that the intended purpose of this legislation is to address unfairness in connection with tenants who vacate premises with a water/sewer balance and leave landlords responsible for unpaid bills. However, the result is that this legislation will merely shift costs of these unpaid bills to other ratepayers—creating greater inequity in the process—and causing other consumers to take on a higher fee so that safe, quality water/sewer service can be provided to the community.

For these reasons, Columbus DPU opposes HB 422'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,



Ann Aubry, P.E.



