

# TESTIMONY TO THE SENATE ENERGY & PUBLIC UTILITIES COMMITTEE

## OPPONENT/INTERESTED PARTY TESTIMONY

Senate Bill 193

May 16, 2022

Chair Rob McColley, Vice-Chair Kirk Schuring, Ranking Member Sandra Williams, and members of the Senate Energy & Public Utilities Committee, thank you for the opportunity to write in opposition to Senate Bill 193.

As we witnessed throughout the recent Covid Pandemic, the State of Ohio prohibited municipalities from performing disconnections of water due to its importance to the health and welfare of the residents of our state. This stay did not place an undue burden, other than cash flow issues, for municipalities as we were able to file liens to collect these balances from property owners for unpaid water bills.

Access to clean and affordable water is paramount to the health and safety of our city's residents. This access is akin to a basic human right. Our city does not disconnect services the day following an account becoming delinquent as there is a legal mechanism to ensure losses are not incurred and we can ensure our residents have access to water. Additionally, our residents do not have to pay deposits before they can access water at their homes. We do not disconnect water service to properties that are occupied by tenants but are billed to the owner when they are unpaid due to our ability to collect with a lien.

With the ability to file liens, our municipality collects more than 99% of all billed charges for water rents without the need for aggressive service disconnections. We don't have to tie up the limited resources of our local courts and we do not have to hire dedicated legal and collections staff to file lawsuits and perform judgment collections, if possible. If the ability to file liens is removed, all of our residents including our senior citizens and our vulnerable populations will be forced to bear the costs of staff increases and bad debts. To state it simply, many people are judgment proof, and incurring the costs of litigation will not yield any collection once a judgment is received. Conversely, under current law, for almost no cost a municipality can file a lien and have a nearly 100% guarantee of collection.

We oppose this legislation due to the increased costs it will place upon our residents for water rents and the disproportionate impact it will have on our senior citizens, minorities, and other vulnerable residents. If title companies perform proper due diligence during property transfers water bills are paid before the passing of the title.

If the goal of this legislation is increasing water rates statewide, then the goal will be met. More low-income residents will lose access to water when their landlords don't pay the water bill. Water disconnections will increase as utilities without the protection tax liens afford will be unable to provide grace periods and payment plans.

The environmental impact of water utilities will increase due to multiple trips to each property for disconnection and reconnection once deposits are received and utility employees traveling for court hearings. Increased service disconnection in older neighborhoods will cause old service lines to break causing the owners thousands of dollars in repairs.

The law as currently written provides an extremely effective low-cost collection method that does not require tying up the limited resources of local courts, it does not require utilities to maintain dedicated legal staff for collection activity, and it allows innocent tenants to not have their water service disconnected when landlords do not pay their bills. It allows municipalities to provide water service without large deposits which only harm elderly and low-income populations and it allows us to operate at lower costs.

Residents of our state continue to struggle with uncertainty that has come from the Covid Pandemic and rapidly rising costs for homes, vehicles, gasoline, diesel and shortages of basic items for survival. For utilities, inflation is causing increases in energy costs, chemical costs, labor costs and the cost to replace waterlines. Now is not the time to take unnecessary actions to raise the costs of providing water even further.

Thank you for your consideration of our concerns with this legislation, and the potential harmful impacts it would have on all citizens, especially the most vulnerable.

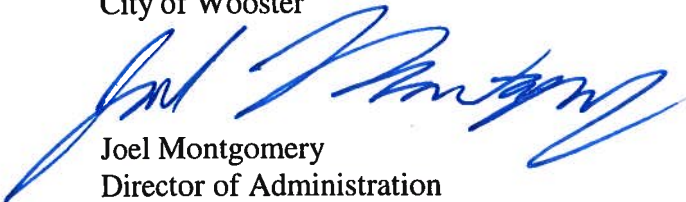
Sincerely,



Darrell Moser  
Accounts Receivable Manager  
City of Wooster - Finance Department



Andrei Dordea  
Finance Director  
City of Wooster



Joel Montgomery  
Director of Administration  
City of Wooster

Cc: Hon. Scott Wiggam, Ohio House of Representatives, District 1  
Hon. Kristina Roegner, Ohio Senate, District 27