



Mayors Commission on Water Equity

Field Hearing on Promoting Water Equity in Great Lakes Cities and Safeguarding the Transformative Potential of the Infrastructure Law

Testimony of Mayor Jack Bradley, Lorain, OH
One Water Summit
September 15, 2022

- 1) The City of Lorain has a continuing need to address the funding of much required infrastructure improvements within its corporate boundaries. In relation to this need, water affordability is an ongoing issue that has been at the forefront of conversation throughout the City. Every project undertaken by the Utilities Department Administration requires a deep look into how this capital project will benefit the public, but also allow the department to maintain affordable water rates while maintaining a high level and quality of service. The topic of fiscal responsibility is a pillar of the Utilities Department. Without performing our due diligence by looking deeply into how a project will affect the community, not only from a beneficial and physical aspect, but from a financial impact is necessary in the City of Lorain. With a growing customer base, a low Median Household Income, and a limited and uncertain industrial outlook, ensuring that the residents are receiving a quality product at an affordable rate has been an ongoing tussle as we work to combat aging water infrastructure. Without a mindset geared toward fiscal responsibility, the City of Lorain could potential see an evacuation of sorts from its residents, desiring to go to other areas and cities that adopted an affordability way of thinking for their customers because they have had the fortune to maintain other revenue sources to offset these growing industry costs.

- 2) Successful programs that the City of Lorain has implemented to address the needs of water affordability have been utilizing low to zero interest state funding (i.e. loans) to assist customers by spreading out the cost of these capital projects over a longer term. By procuring these funds and allowing projects to become shovel ready faster, it has helped reduce the impact of inflated materials costs while providing work for local labor contractors which in turn allows the City to benefit from a financial standpoint. Additionally, the City of Lorain has already been utilizing approximately \$1.5 Million in principal forgiveness to remove and replace lead service lines throughout the City, with the expectation to continue this program for years to come as allowed. To directly reference a project that has benefited from state funding, the Redhill Transmission Main and Pressure Improvements has allowed the City of Lorain to expand its Redhill pressure zone to bring water with higher operating pressures to more customers while also maintaining system redundancy. This redundancy will allow the City of Lorain to expand its water service area to outside the corporate boundaries, thus allowing the costs of water operation, maintenance, and repairs to be offset by a larger customer base, therefore maintaining a more affordable rate structure.

- 3) The City of Lorain would like to utilize the increased funding available through the Infrastructure Investment and Jobs Act through grants and low to zero interest loans on large scale capital projects. For instance, the City of Lorain is in need of upgrading and replacing its over 100 year old water purification plant along the shores of Lake Erie. By obtaining, either grants due to the socio-economic factors that pitfall the City of Lorain to offset a portion of the construction cost, coupled with state funding via loans, the overall cost of the project could allow the City to maintain water affordability while upgrading vital and necessary water infrastructure for its customer base. Uniquely positioned along Lake Erie with a plethora of developable areas, the City of Lorain can become a major player in the State of Ohio from an environmental and business standpoint. Access to funding from state and federal agencies can allow Lorain to develop water infrastructure and a new industrial base simultaneously, which will further allow the affordability of water to be maintained for its customer base. As fresh water becomes scarcer in certain parts of the world and this country, having a solid water infrastructure in place along with ancillary (i.e. jobs, entertainment) needs for new residents either in place or coming, Lorain can welcome all as a true International City.

- 4) Policies that have prevented the City of Lorain to access further funding are the current definitions for Disadvantaged Communities set forth by state agencies. Despite being the 9th largest city in the State of Ohio, Lorain has a MHI of approximately \$40,000, an unemployment rate close to 5.5%, a less than 50% increase in population, and approximately 26% of individuals in poverty. These criteria, along with a high risk Affordability Index number per the AWWA standard, should qualify the City of Lorain to partake in funding for disadvantaged communities for larger scale projects, such as the construction of a new water purification plant. Without this classification for the City of Lorain when applying for state funding, the cost of major, necessary capital improvements will be passed along to the customer base in the immediate future, which could begin a spiral of unaffordable water rates, and a decrease in revenue as customers look elsewhere to live. As previously stated, the balance of replacing required infrastructure and practicing fiscal responsibility is a delicate dance, but one that can be done so with the help of state and federal agencies.