



Regionalization of Water and Sewer Services / Facilities: What's Happening, Why Is It Happening, How Is It Happening, and What Does the Future Hold

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Presented to the

CSEAO Annual Summer Conference

June 17, 2025

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1. Regionalization: What's Happening

1.1 Experience of Past 2 Years

1.2 Major Shift Toward Regionalization, Including:

- Counties Acquiring Municipal Systems
- Counties Merging Into Regional Districts
- Counties Forming Regional Districts to Serve Areas Inside and Outside the County
- Regional Districts Formed to Merge Cities, Villages, Counties and Not-For-Profit Associations (NFPs)
- NFPs Acquiring Municipal Systems



2. Regionalization: Why Is It Happening?

2.1. The Usual Suspects:

- County Takeover of Abandoned Systems
- Cost to Construct, Operate and Maintain, Regulatory Compliance

2.2. New Pressures:

- Inflation Since 2008, Cost Increase in Excess of Inflation
 - o Recession, Shovel Ready Projects, COVID, ARPA Money, Lead Pipe Replacement Money, Etc. Significant New Monies Devoted to Water and Sewer Creating Significant Cost Increases
 - o Cost of Construction
 - o Cost of Operation and Maintenance
 - o Cost of Engineering
 - o Cost of Legal Services
 - o Cost to Finance Projects, Interest Rates



2. Regionalization: Why Is It Happening? (Cont.)

- Scarcity

- Licensed Operators
- Engineering Services
- Construction Services

- EPA Regulation

- Increasing Regulation
- Asset Management Plans
- No PTI Prior to 208 Plan Update



3. Regionalization: How Is It Happening?

3.1 **Mid-Ohio District**

(1) County and Village Into Regional District (W&S)

(2) City Into Regional District (W&S)

3.2 **Tuscarawas County**

(1) NFP Into County District (W)

(2) Village Into Regional District Operated by County (W&S)

3.3 **Clark County**

(1) Village Into County District (S)

(2) Village Into County District (W)



3. Regionalization: How Is It Happening? (Cont.)

3.4 **Brown County District**

(1) Village Into NFP (W)

3.5 **Ottawa County**

(1) Village Into County (W&S)

3.6 **General Issues With Mergers:**

- Major Undertaking: Includes Transfer of Facilities, Debts, Assets, Money, Employees, Contracts, Equipment, Vehicles, Easements, Fee Simple Property, Permits, Customers, Service Agreements, Tap Agreements, Projects In Planning and Construction, Etc.



3. Regionalization: How Is It Happening? (Cont.)

- Transfer of Debt: Standard OWDA, Bank, EPA, Bonds, USDA
 - o Brown County (3.4 above)
- Employees:
 - o Regional District Requirements
 - o City of Cincinnati
- Customers
- Easements and Real Estate



3. Regionalization: How Is It Happening? (Cont.)

- Limitations on Authority
 - Geographic and Other Limitations
 - Most Limited: Municipalities
 - Somewhat Limited: Counties
 - Tuscarawas County (3.2 above)
 - Clark County (3.3 above)
 - Not Limited: Regional Districts and NFPs



4. What Does the Future Hold

4.1

Increased Regionalization

- Factors Referenced Above, Especially Cost
- Water as a Right
- Reduce Authority to Certify Assessments
- Expectations of Customers



4. What Does the Future Hold (Cont.)

4.2 Best Vehicle for Regionalization

- To Manage Regionalization, a County May Want to Consider Merging Into a Regional District or Creating a Regional District as an Adjunct Service Provider.
- Benefits:
 - Ease of Merger and Acquisition of Systems
 - Ease of Service Inside and Outside of County
 - Reduced Political Influence Regarding:
 - Increasing Rates and Fees
 - Expansion of Systems



Questions?

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