

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

WASHINGTON WATER SUPPLY, INC.,

Respondent.

DOCKETS UW-230598 and UW-240079
(Consolidated)

In the Matter of the Request of

WASHINGTON WATER SUPPLY, INC.,

To Approve Tariff Revisions Regarding a
Temporary Surcharge for Recovery of
Purchased Water Expenses

REBUTTAL TESTIMONY OF JOHN POPPE
ON BEHALF OF
WASHINGTON WATER SUPPLY, INC.
Complaint Against Washington Water Supply, Inc.

January 22, 2025

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- Exh. WWS-12 September 12, 2023 Email from Poppe to Young
- Exh. WWS-13 Legal Invoice Summary

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3 **I. INTRODUCTION**

4 **Q: Please state your name and business address.**

5 A: My name is John Poppe, and my business address is P.O. Box 2985, Silverdale,
6 Washington 98383.

7
8 **Q: What is your occupation?**

9 A: I am the President of Washington Water Supply, Inc. (“WWS”).

10 **Q: What is the scope and purpose of your testimony?**

11 A: I am testifying on behalf of WWS in this proceeding. I offer rebuttal testimony in
12 response to UTC Staff member Mike Young’s testimony. I am over 18 years of age and am
13 competent to testify in this matter. I provide this testimony based on my personal
14 knowledge.

15
16 **Q: Please describe your professional qualifications.**

17 A: I have been in the utility industry for over 50 years, with more than 40 years in
18 Kitsap County. My college degree is in Wastewater Management and Technology. I held a
19 Washington State Water Distribution Manager License Level 4 and currently hold a
20 Washington State Wastewater Management License Level 4. These licenses are the highest
21 available in this industry. During my career, I have owned and managed several water
22 systems, been a guest lecturer at conventions and the University of Washington, and served
23 as a board member for several organizations including, as pertinent here, the Silverdale
24 Water District, Water Environment Federation, and the Department of Health Rule Making
25 Committee. I have also served as President of the Pacific Northwest Clean Water
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1 Association, and Chair of the Board of the Hood Canal Salmon Enhancement Group and the
2 Kitsap County Civil Service Commission.

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4 **II. SUMMARY OF REBUTTAL TESTIMONY**

5 **Q: Please summarize your testimony.**

6
7 A: Considering all the circumstances and evidence in this matter, WWS provided safe,
8 adequate, and efficient water services and facilities and fixed any issues in a timely manner.
9 WWS attempted to comply with Order 01 but it ultimately could not because it did not agree
10 with UTC Staff requirements and believed the outcome would not be fair to all of WWS's
11 customers. There was a reasonable foundation for every choice WWS made, and WWS did
12 its best to address the issues that arose.

13
14 The bottom line is that the complaint filed against WWS in this matter would never
15 have occurred if the Commission had not been convinced that WWS was in dire financial
16 straits from briefing by UTC Staff prior to, and DOH testimony during, the Open Meeting
17 on August 10, 2023. Derek Pell insinuated that the circumstances surrounding the Echo
18 Glen well were a “cry for help” and that conversations regarding sale would likely begin.¹
19 Mr. Pell continued that he believed the Commission’s decision and the situation at hand
20 could be leveraged to encourage me to sell WWS to the community, a government entity, or
21 another private investor.² The Commission replied that it lacked the ability to force WWS
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26 ¹UTC Open Meeting August 10, 2023 Recording at 51:58 through 53:19,
27 <https://wutc.app.box.com/v/OpenMeetings/file/1288044702722>.

²*Id.*, at 53:53 through 54:28.

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2 to sell or transfer the company, but it did have the authority to call WWS in for a rate case.³
3 This supports the conclusion that this complaint is the result of the UTC leveraging this
4 situation to overextend its authority and bully me into selling the Echo Glen water system.

5 **Q: Have you prepared exhibits in support of your testimony?**

6
7 A: Yes. I prepared Exhibits WWS-7 through WWS-12. They are:

- 8 • Exh. WWS-7 Various Emails between John Poppe and Well Driller.
- 9 • Exh. WWS-8 Emails between John Poppe and Well Driller forwarded to
10 UTC Staff.
- 11 • Exh. WWS-9 Emails regarding Conservation.
- 12 • Exh. WWS-10 Customer Complaints.
- 13 • Exh. WWS-11 Trucked Water Invoice Summary
- 14 • Exh. WWS-12 September 12, 2023 Email from Poppe to Young

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16 **III.BACKGROUND**

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18 **Q: Please summarize what happened with the Echo Glen water system.**

19 A: The Echo Glen water system began experiencing low pressure in summer 2022, and
20 WWS immediately began researching a new well or a well rehabilitation.⁴ WWS held a
21 meeting with Echo Glen customers in June 2022 to discuss well replacement versus well
22 rehabilitation.⁵ The customers decided they did not want to pay for a \$60,000 well
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25 ³*Id.*, at 54:35 through 54:52.

26 ⁴Exh. MY-2, Attachment 1 (June 1, 2023 Email from John Poppe to DOH RE: Echo Glen
Summary).

27 ⁵Exh. MY-2, Attachment 4 (June 8, 2022 Emails between John Poppe and Echo Glen
customers RE: Community Meeting).

1 replacement and that they would prefer a \$12,000 well rehabilitation. WWS found and
2 negotiated an agreement for price and availability with Valley Pump and Well in late 2022,
3 and paid the deposit in March 2023.⁶ Valley Pump was the only company willing to
4 rehabilitate the Echo Glen well. The rehabilitation was to take place before or just after
5 Memorial Day 2023.⁷ However, the well driller was injured, and WWS was told that Valley
6 Pump could not complete the rehabilitation until the well driller was back to work.⁸ WWS
7 forwarded all of its correspondence with the well driller to UTC Staff.⁹ Valley Pump
8 apparently did not staff any other well drillers. WWS reached out to other well drilling
9 companies, but they had no availability until fall.¹⁰ WWS repeatedly reached out to Valley
10 Pump to get information on a start date.¹¹ As the summer progressed, the water supply was
11 taxed by customers' outdoor watering, despite WWS's requests for conservation.¹² To meet
12 customer demand, WWS trucked water to the Echo Glen well.¹³ Despite these efforts,
13 customers still experienced water outages, although not on cool weeks when trucked water
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21 ⁶Exh. MY-2, Attachment 1 (June 1, 2023 Email from John Poppe to DOH); Exh. WWS-7, at
22 49 (Deposit Receipt).

23 ⁷Exh. MY-2, Attachment 1 (June 1, 2023 Email from John Poppe to DOH).

24 ⁸Exh. MY-2, Attachment 1 (June 1, 2023 Email from John Poppe to DOH).

25 ⁹Exh. WWS-8 (Emails between John Poppe and Well Driller forwarded to UTC Staff).

26 ¹⁰UTC Open Meeting August 10, 2023 Recording at 46:38 through 47:15,

27 <https://wutc.app.box.com/v/OpenMeetings/file/1288044702722>.

¹¹Exh. WWS-7 (Various Emails between John Poppe and Well Driller); Exh. WWS-8
(Emails between John Poppe and Well Driller forwarded to UTC Staff).

¹²Exh. WWS-9 (Emails regarding Conservation).

¹³Exh. MY-2, Attachment 7 at 36 (November 8, 2023 Well Rehab Update Letter to DOH);
Exh. WWS-11 (Trucked Water Invoice Summary).

1 was not needed.¹⁴ I had a phone conversation with Mr. Derek Pell, DOH Regional
2 Engineer, and out of an abundance of caution, we both agreed to a Boil Water Advisory.
3 However, independent water quality testing confirmed that the Echo Glen water system
4 complied with the Federal Clean Water Act, all WACs, and DOH rules.¹⁵ Eventually, the
5 well driller returned to work in September 2023 and rehabilitated the well. The well has
6 worked correctly ever since.
7

9 IV. CAUSES OF ACTION

10 **A. First Cause of Action: Washington Water violated RCW 80.28.010(2) by**
11 **failing to furnish and supply such service, instrumentalities and facilities as**
12 **shall be safe, adequate and efficient, and in all respects just and reasonable**
13 **during the period that Echo Glen was subject to a Boil Water Advisory.**

14 **Q: Did the DOH issue a Boil Water Advisory?**

15 A: Not exactly. WWS and DOH discussed and agreed to a “Boil Water Advisory” to
16 manage water quality based on the Echo Glen water system’s pressure issues.¹⁶ WWS then
17 issued the Boil Water Advisory.¹⁷

18 **Q: Why did WWS issue a Boil Water Advisory?**

19 A: The Echo Glen water system was experiencing low pressure. In those
20 circumstances, there is a potential that bacteria can enter the system. In an abundance of
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24 ¹⁴Exh. MY-2, Attachment 1 (June 1, 2023 Email from John Poppe to DOH RE: Echo Glen
Summary); Exh. WWS-12 (September 12, 2023 Email from John Poppe to Mike Young).

25 ¹⁵Exh. MY-2, Attachment 7 at 36 (November 8, 2023 Well Rehab Update Letter to DOH)
and at 53-55 (Test Results).

26 ¹⁶UTC Open Meeting August 10, 2023 Recording at 49:12 through 49:30,

27 <https://wutc.app.box.com/v/OpenMeetings/file/1288044702722>.

¹⁷Exh. MY-1T at 8.

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2 caution, WWS worked with DOH and issued a Boil Water Advisory to protect customers.
3 DOH never issued a violation or notice to correct to WWS for the boil water advisory.

4 **Q: Did the water in the Echo Glen Water System ever test positive for bacteria**
5 **outside of required standards?**

6 A: No.¹⁸

7
8 **Q: Why did the Boil Water Advisory last from July through September 2023?**

9 A: The well driller that WWS hired to rehabilitate the Echo Glen well was injured.¹⁹
10 Valley Pump had no other well driller to replace the injured driller. All other well drilling
11 companies in the area were already booked and not available to step in.²⁰ We had to wait for
12 the well driller that was hired and paid for to become available to fix the well.

13
14 **Q: Why didn't you coordinate with DOH before lifting the Boil Water Advisory?**

15 A: WWS issued the Boil Water Advisory as agreed with DOH, so I believed that WWS
16 could lift the Boil Water Advisory. I know that Mr. Pell from the DOH stated WWS needed
17 to coordinate with DOH pursuant to WAC 246-290-71001, but I read that rule, and it
18 doesn't state the protocol for lifting a Boil Water Advisory issued in coordination with
19 DOH.²¹ DOH didn't cite or otherwise penalize WWS for lifting the Boil Water Advisory.
20 WWS acted in a responsible manner, demonstrated in part by keeping the Boil Water
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24 ¹⁸Exh. MY-2, Attachment 7 at 36 (November 8, 2023 Well Rehab Update Letter to DOH)
and at 53-55 (Test Results).

25 ¹⁹Exh. MY-2, Attachment 1 (June 1, 2023 Email from John Poppe to DOH).

26 ²⁰UTC Open Meeting August 10, 2023 Recording at 46:38 through 47:15,
<https://wutc.app.box.com/v/OpenMeetings/file/1288044702722>.

27 ²¹Exh. MY-2, Attachment 7 at 29 (DOH Email RE Lifting Boil Water Advisory); WAC
246-290-71001.

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2 Advisory in place until extra testing could be completed despite Echo Glen customers'
3 repeated requests it be removed.

4 **Q: Did you receive a violation from DOH for not providing a coliform sample in**
5 **November 2023?**

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7 A: No. WWS received a notice that it failed to provide the November 2023 coliform
8 sample results.²² However, the notice stated that WWS could simply provide the results,
9 and the violation would be removed. WWS provided third party water quality test results
10 proving the water was potable. It was a simple administrative error that was corrected.

11 **Q: What is WWS's process for notifying customers of important, but not**
12 **statutorily identified, information, such as the Boil Water Advisory?**

13
14 A: WWS has hired an Echo Glen water system customer to distribute this information to
15 all Echo Glen customers via email. Email notifications have been approved by UTC and
16 DOH as demonstrated with all 2023 customer notifications.

17 **Q: Why did WWS choose to notify customers in this way?**

18
19 A: This system ensures that Echo Glen customers receive communications from WWS
20 quickly and regularly. Also, Echo Glen customers wanted to be contacted through email.²³
21 I have never had a complaint from a customer about the use of email or previously been
22 issued a violation by regulators.
23

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26 ²²Exh. MY-2, Attachment 6 (DOH Notice).

27 ²³UTC Open Meeting August 10, 2023 Recording at 1:08:08 through 1:08:33,
<https://wutc.app.box.com/v/OpenMeetings/file/1288044702722>.

1
2 **Q: Is it true that the person WWS hired to distribute this information did not have**
3 **all the customers' contact information?**

4 A: To my knowledge- no. All customers were contacted through the email notice
5 system. No customers have contacted WWS about not receiving a notice or communication.
6

7 **Q: In your opinion, does WAC 480-110-425 prohibit your notice system?**

8 A: No. By my read, this WAC applies to specific kinds of notices concerning
9 increasing rates, changing terms of an existing service, changing ownership of the company,
10 a new service charge, or eliminating a service.²⁴ None of these circumstances apply to the
11 content of the messages WWS sent to Echo Glen customers during the Boil Water
12 Advisory.²⁵ Staff cites WAC 480-110-425(5) as requiring printed and mailed notices for
13 each company communication.²⁶ However, that section addresses notices approved by the
14 Commission, and none of the communications at issue here were required to be approved by
15 the Commission.²⁷ It is my opinion that this WAC does not apply to the penalized
16 communications. It is important to note that neither the DOH nor the UTC has previously
17 issued a violation for the use of email.
18

19
20 **Q: Do you pay the individual to email company notices to all customers?**

21 A: Yes.
22

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24 ²⁴WAC 480-110-425(1)-(3).

25 ²⁵Exh. MY-2, Attachment 1 (June 1, 2023 Email from John Poppe to DOH); Exh. MY-2,
26 Attachment 4 (June 8, 2022 Emails between John Poppe and Echo Glen customers RE:
27 RE: Community Meeting; Exh. MY-2, Attachment 7 at 43-52 (John Poppe Emails to Customers
RE: Well Rehab Update); Exh. WWS-9 at 1-23 (Emails regarding Conservation); Exh.
WWS-7 at 11-29 (Various Emails between John Poppe and Well Driller).

²⁶Exh. MY-1T at 11.

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2 **Q: In your opinion, did WWS provide safe, adequate, and efficient water service as**
3 **required by RCW 80.28.010(2)? If yes, please explain.**

4 A: Yes, WWS did provide safe, adequate, and efficient water service as was just and
5 reasonable under RCW 80.28.010(2). The water was safe: Independent testing showed the
6 water complied with water quality standards.²⁸ The water was adequate and efficient: The
7 well was pumping enough water to meet household needs, not irrigation needs.²⁹ WWS
8 trucked in water to meet customer demand.³⁰ There is evidence that customers were not
9 complying with conservation requirements.³¹ WWS kept up with customer demand as long
10 as customers did not use water for outside irrigation. WWS cannot be held responsible for
11 the well drilling company failing to appropriately staff its crew or follow a schedule as
12 contracted for. Additionally, although some customers complained about WWS to UTC in
13 summer 2023, the company was upheld on all complaints.³²

14
15
16 **B. Second Cause of Action: Washington Water violated RCW 80.28.010(11) by**
17 **failing to timely repair the Echo Glen well.**

18 **Q: When did the Echo Glen Water System start experiencing low-pressure issues?**

19 A: Summer 2022 during hot, dry weather.³³ It is important to note that there were no
20 pressure or supply issues from fall 2022 through spring 2023. It is also important that WWS
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22 ²⁷WAC 480-110-425(5).

23 ²⁸Exh. MY-2, Attachment 7 at 36 (November 8, 2023 Well Rehab Update Letter to DOH)
24 and at 53-55 (Test Results).

25 ²⁹Exh. MY-2, Attachment 1 (June 1, 2023 Email from John Poppe to DOH).

26 ³⁰Exh. MY-2, Attachment 7 at 36 (November 8, 2023 Well Rehab Update Letter to DOH);
27 Exh. WWS-11 Trucked Water Invoice Summary.

³¹Exh. WWS-9 Emails regarding Conservation.

³²Exh. WWS-10 All Complaints.

³³Exh. MY-2, Attachment 1 (June 1, 2023 Email from John Poppe to DOH).

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2 dropped a camera down the Echo Glen well in 2022, and the well casing was in good shape
3 at that time.

4 **Q: When were you aware of the decline?**

5 A: Summer 2022 during hot, dry weather.³⁴

6
7 **Q: When did you start researching whether to replace or rehabilitate the well?**

8 A: Summer 2022.³⁵

9 **Q: What did that entail?**

10 A: I called and emailed licensed well drillers. The cost of drilling a new well was
11 estimated at more than \$60,000. The initial cost estimate to rehabilitate the well was
12 approximately \$15,000 with the final cost being \$24,000.³⁶

13
14 **Q: Did you have a meeting with Echo Glen customers in June 2022?**

15 A: Yes.³⁷

16 **Q: Why did you have that meeting?**

17 A: I wanted to explain how customer demand was impacting the water volume and how
18 to remedy the issue. Options included either drilling a new well or rehabilitating the
19 existing well. Customers needed to know that a new well or well rehabilitation effort was
20 going to cost them extra money.

21
22 **Q: What did the customers decide at that meeting?**

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25 ³⁴Exh. MY-2, Attachment 1 (June 1, 2023 Email from John Poppe to DOH).

26 ³⁵Exh. MY-2, Attachment 1 (June 1, 2023 Email from John Poppe to DOH).

27 ³⁶Exh. WWS-7 at 52-53 (Various Emails between John Poppe and Well Driller).

³⁷Exh. MY-2, Attachment 4 (June 8, 2022 Emails between John Poppe and Echo Glen customers RE: Community Meeting.

1
2 A: Some customers wanted to drill a new well until they realized how much it would
3 cost. The customers ultimately decided they did not want to pay to replace the well.
4 Instead, the customers decided to rehabilitate the existing well.

5 **Q: When did you find a company to rehabilitate the well?**

6 A: Fall 2022. Valley Pump and Well out of Auburn.³⁸ It was the only well drilling
7 company willing to do the rehabilitation job.
8

9 **Q: When did you officially hire Valley Pump?**

10 A: In February 2023 by phone conversation, but we were discussing the situation and
11 planning much earlier.³⁹ Valley Pump needed a \$6,000 deposit to schedule drilling, which
12 was to be completed by June 1, 2023. I paid the deposit in March 2023.⁴⁰
13

14 **Q: Why did it take some time for you to hire a well driller after the June 2022**
15 **meeting?**

16 A: I had to seek multiple bids to assess costs. Also, Valley Pump put us on the schedule
17 for when they were available. We had to get in line. Other well drillers were too busy and
18 did not want the job. Valley Pump was the only well driller that agreed to rehabilitate the
19 well.
20

21 **Q: What is the actual timeline for the time period between when the Echo Glen**
22 **well started experiencing issues and when WWS hired the well driller?**
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26 ³⁸Exh. MY-2, Attachment 1 (June 1, 2023 Email from John Poppe to DOH).

27 ³⁹Exh. WWS-7 (Various Emails between John Poppe and Well Driller).

⁴⁰Exh. WWS-7, at 49 (Deposit Receipt).

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2 A: Summer 2022 to February 2023, with the understanding that the well did not
3 experience supply or pressure issues from fall 2022 through spring 2023.⁴¹

4 **Q: Did you truck in water to address the well issues during summer 2023?**

5 A: Yes.⁴²

6 **Q: How much water did you have trucked in?**

7 A: More than 200,000 gallons.

8 **Q: How did you decide how much water should be trucked in?**

9 A: Water was trucked in based on the water level in the reservoir. Some weeks, no
10 water was trucked in because it wasn't necessary in cool weather.

11 **Q: Was the amount of water trucked in by WWS sufficient to supply the Echo
12 Glen customers with water?**

13 A: Yes. Residential consumption levels were met. Winter water consumption averages
14 130 gallons per day per residence. During hot weather, average water consumption was
15 more than 300 gallons per day per resident. Additionally, the trucked in water came from
16 Cedar River Water District, which chlorinates all drinking water. Cedar River also added
17 chlorine to each water delivery.

18 **Q: Why did the customers continue to experience outages while you were trucking
19 in water?**

20 A: Customers were not following conservation requirements. Mainly, several
21 customers continued to water outside which took up a substantial amount of supply.⁴³ In
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⁴¹Exh. MY-2, Attachment 1 (June 1, 2023 Email from John Poppe to DOH).

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2 addition to customers watering gardens and lawns, one customer even pressure washed his
3 roof.⁴⁴ The requirement for conservation is defined in the company tariff.

4 **Q: Do you believe that you acted in compliance with RCW 80.28.010(11)?**

5 A: Yes, I believe that WWS maintained safe and efficient facilities under RCW
6 80.28.010(11). Once I knew that the Echo Glen well was experiencing pressure issues, I
7 began working toward either replacement or rehabilitation. There was only so much I could
8 do when working with Valley Pump because it was the only company who would agree to
9 rehabilitate the well and because WWS had already paid a \$6,000 deposit and other monies.

10
11 **C. Third Cause of Action: Washington Water violated WAC 480-110-415(1) by**
12 **failing to install meters to measure the volume of water delivered to 21**
13 **direct service connections.**

14 **Q: Why haven't you installed meters at all of the connections in the Echo Glen**
15 **Water System?**

16 A: WWS discussed meter installation with DOH during a sanitary survey. DOH has
17 never disagreed with WWS's installation rate or issued a violation. WWS has installed a
18 number of meters consistently each year, including 2024, which is in compliance with DOH
19 requirements. Meter installation is included in the monthly service fee. It is important to
20 note that legal fees dealing with 2023, 2024, and 2025 UTC issues have prevented additional
21 meter installations.

22
23 **Q: Do you agree that WAC 480-110-415(1) requires you to install meters at every**
24 **connection? If not, explain.**

25
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27 ⁴²Exh. WWS-11 (Trucked Water Invoice Summary).

⁴³Exh. WWS-9 (Emails regarding Conservation).

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2 A: No. WAC 480-110-415(1) provides water companies with requirements to follow
3 when the water company installs meters. This regulation does not say water companies are
4 required to install meters at every water connection.⁴⁵ That requirement is actually covered
5 by WAC 246-290-496(2).⁴⁶
6

7 **Q: Please explain your verbal agreement with DOH.**

8 A: Pursuant to WAC 246-290-496(f), WWS provided DOH with a meter installation
9 schedule during a sanitary survey and has been making steady and continuous progress
10 toward meter compliance.

11 **Q: What entity has the power to penalize WWS for failing to install water meters?**

12 A: DOH. WAC 246-290-050 and WAC 246-290-010(71) make it clear that DOH is the
13 entity to enforce WAC 246-290-496(2), which requires water companies to install meters.⁴⁷
14

15 **Q: Has DOH penalized you for installing water meters periodically over time**
16 **instead of all at once?**

17 A: No.

18 **Q: Do you think it is appropriate for the UTC to penalize you based on its**
19 **perception that you are not following DOH regulations?**
20

21 A: No. The UTC cannot penalize WWS for failing to follow DOH regulations,
22 especially because WWS is installing meters as agreed with DOH.
23

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25 ⁴⁴Exh. WWS-7 at 27 (Pressure Washing).

26 ⁴⁵WAC 480-110-415(1).

27 ⁴⁶WAC 246-290-496(2).

⁴⁷WAC 246-290-050; WAC 246-290-010(71).

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2 **D. Fourth Cause of Action: Washington Water violated Order 01 from Docket**
3 **UW-230598 by failing to file a general rate case no later than January 15,**
4 **2024, with an effective date of February 15, 2024.**

5 **Q: Why didn't you file the general rate case as required by Order 01 in UW-**
6 **230598?**

7 A: UTC started placing restrictions on completion dates and tariff wording and
8 threatening fines to try and get WWS to agree to unrealistic terms. It is important to note
9 that UTC did not ask for feedback on drafts to include dates, terms, and conditions. If the
10 draft wording could not be settled, then an administrative hearing is required. Also, I
11 believed that the Commission had given WWS permission to renew the approved surcharge
12 without a new filing because the final trucking costs were unknown. When that surcharge
13 wasn't renewed as I believed had been agreed, I didn't think WWS had to uphold its end of
14 the bargain by filing the general rate case.

15 **Q: Did you attempt to file the general rate case as required by Order 01?**

16 A: Yes, I did. UTC Staff wanted to include expenses that I did not agree were fair to
17 WWS customers. This practice would be practical if WWS's customers were in the same
18 service area, shared the same water lines and wells, and would all benefit from the Echo
19 Glen costs. However, the Echo Glen water system is located in East King County while the
20 Salmon Drive and Maple Haven water systems are more than 100 miles apart and have no
21 common infrastructure connections. UTC Staff has not demonstrated the reasoning behind
22 the shared costs or asked WWS for its thoughts for assigning costs. The Staff mandate is
23 unreasonable.
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Q: Did you provide all of the available information requested by Staff?

1
2 A: Yes, I tried to cooperate fully with Staff's requests.

3 **Q: Are you aware of any law or regulation that requires the Company to file for a**
4 **general rate case after a certain amount of time has passed?**

5 A: No.

6 **Q: Why did you choose to go so long without raising rates?**

7
8 A: I was trying to save my customers money by averaging annual expenses and income.
9 Cost averaging is the key to acting in the customer's best interests. It's important to note
10 that the Annual Reports to the UTC clearly identify profit loss, so WWS's financial
11 condition was no surprise. WWS never received an inquiry from the UTC, and my
12 summation is they were just looking at whether the report was filed on time not the report's
13 content.
14

15 **Q: Are there any other issues with the current general rate case?**

16 A: Yes. I have incurred over \$22,000 in legal fees that need to be addressed in a general
17 rate or surcharge.⁴⁸ These fees should only be instituted against Echo Glen customers.
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19 **E. Fifth Cause of Action: Washington Water violated Order 01 from Docket**
20 **UW-230598 by failing to file reports each calendar quarter the trucked**
21 **water surcharge was in effect.**

22 **Q: Why didn't you file the reports required by Order 01 in UW-230598 and by**
23 **WAC 480-110-455(4)(c)?**

24 A: UTC Staff were notified that the reports could not be delivered until WWS's books
25 were closed at the end of the year. This was no surprise to UTC Staff.
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V. ENFORCEMENT FACTORS

Q: Please respond to Staff's testimony regarding the 11 enforcement factors.

A:

(1) How serious or harmful the violation is to the public. Staff says that WWS did not address critical well repairs and water quality issues.⁴⁹ This is simply not true. WWS searched for and hired a well driller. WWS trucked in water when pressure and supply were low. WWS issued a Boil Water Advisory to protect customers. Several water systems had Boil Water Advisories in summer 2024. WWS was put in an impossible position when the well driller it hired was injured, monies were paid, and no other drillers were available. WWS did everything it could to manage the situation until the well driller became available. WWS understands that customers experienced issues based on water shortages and absolutely sympathizes with those issues. It is certainly frustrating to endure a water shortage. However, basic water requirements for household consumption were met. The well issues were exacerbated by watering outside the home. Conservation requirements were included in WWS's tariff. Moreover, the serious economic, health, and safety issues that staff cites were mere possibilities, not actualities. There is no evidence that any house sale fell through or that any customer became ill (or that the water was ever unsafe!). There is evidence that there were no water quality failures at any point. There is evidence that WWS trucked in water that exceeded residential demands in spite of customers' resistance to conservation efforts. Finally, if the UTC believes that these alleged violations were so

⁴⁸Exh. WWS-13 (Legal Invoice Summary).

⁴⁹Exh. MY-1T, at 26.

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2 serious and harmful, it should review the entire file and consider why fines, penalties, and
3 staff time got so far down the track.

4 (2) Whether the violation is intentional. WWS did not intentionally violate any statute
5 or UTC requirement. UTC Staff recommendations were not in the best interest of all WWS
6 customers. WWS did know about the water pressure issues in June 2022, but it is not true
7 that it waited until spring 2023 to take action. WWS's search for well drilling companies
8 began in summer 2022. WWS could not foresee that the well driller it hired would be
9 injured and that the company would have no other driller to fulfill its contractual obligations.
10 As for Order-01, I was not present at the August 10, 2023 open meeting because of the
11 UTC's electronic meeting technical issues.
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14 (3) Whether the company self-reported the violation. WWS did not report any
15 violations because it did not have any. This requirement inappropriately assumes the
16 violation is a foregone conclusion.
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18 (4) Whether the company was cooperative and responsive. I did my best to comply with
19 UTC requirements. Those requirements are often not in writing and based on internal
20 practices that WWS is not privy to. When the requirements were in writing, it was often
21 difficult to decipher what was expected. I admit to being frustrated at times, but I think any
22 person would be when trying to navigate the maze that is the UTC. I am not perfect, but I
23 have always tried to be cooperative and responsive. This has been demonstrated in part by
24 WWS's settlement with the UTC in UW-230997. WWS did not ignore a Commission order
25 to file a general rate case. As previously explained, WWS disagreed with UTC Staff's
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2 recommendations and did not believe them to be in the best interest of all of WWS's
3 customers. It would be a shame to discover that cooperation means never disagreeing with
4 the UTC.

5 (5) Whether the company promptly corrected the violations and remedied the impacts.

6 Again, this requirement inappropriately assumes the violation is a foregone conclusion. No
7 violation has yet been proven. However, WWS promptly searched for, negotiated with, and
8 ultimately hired a licensed well driller. When the well driller was injured, WWS contacted
9 the company repeatedly for updates on a start date. When the water supply dwindled, WWS
10 promptly trucked in water. After discussing with DOH, WWS issued a precautionary Boil
11 Water Advisory. WWS responded to customer emails. Regarding the general rate case,
12 WWS believed it was protecting all of its customers when not filing the general rate case in
13 accordance with Order 01. However, WWS genuinely and in good faith attempted to file a
14 general rate case in June 2024 but has been informed it was mistaken. Since then, WWS has
15 timely produced the requested information (and then some) to try and get Staff everything
16 they need to determine a new general rate. UTC Staff has not contacted WWS about the
17 need for more information, lack of date, or status of the investigation, so all we can do it
18 wait. WWS is doing its best to work with Staff.

19 (6) The number of violations. 197 is a made-up number based on arbitrary dates and
20 calculations chosen by Staff. For the sake of argument only, the number of violations could
21 just as easily be 5 (1 for each alleged claim in the complaint). It is obvious UTC Staff is
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2 trying to intimidate WWS and is improperly applying the WAC, UTC procedures, and
3 reasonable judgment.

4 (7) The number of customers affected. Echo Glen is a small water system.
5 Additionally, many customers contributed to the effects of the water shortages by watering
6 outside during hot, dry spells.

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8 (8) The likelihood of recurrence. It is outrageous that a water company can be penalized
9 based on hypothetical future events that haven't happened yet. Mr. Young's testimony on
10 this point is based purely in speculation when the results of the investigation are not
11 complete. WWS had the well rehabilitated and fixed the issue. There have been no other
12 issues with Echo Glen.

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14 (9) The company's past performance regarding compliance, violations, and penalties.
15 Staff's assertion that WWS has had issues with the Echo Glen well since 2006 is
16 misleading.⁵⁰ Yes, submission of various test results and certification requirements occurred
17 over the years, often years apart, but those are administrative issues for which WWS
18 received reminder letters. WWS received no serious violations or penalties for the Echo
19 Glen Well. WWS has never had a prior similar well issue with the Echo Glen Well.

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21 (10) The company's existing compliance program. It is unclear what kind of
22 "compliance program" Staff implies is required.⁵¹ WWS does its best to comply with all
23 applicable regulations.
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27 ⁵⁰Exh. MY-1T, at 29.

⁵¹Exh. MY-1T, at 30.

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2 (11) The size of the company. WWS is a small water company making little to no
3 profit. Staff's current recommended penalty will be impossible for WWS to pay.

4 VI. CONCLUSION

5 **Q: Can you summarize what you believe is the appropriate resolution to this case**
6 **based on all the evidence?**

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8 A: I believe that WWS has performed as required under all applicable RCWs and
9 WACs. The recommended penalties are extreme and unwarranted. This complaint is the
10 result of UTC deciding that I should no longer own Echo Glen. The UTC is trying to
11 pressure me to sell or transfer ownership. In doing so, the UTC has caused me to incur
12 significant legal fees. The UTC should at the very least drop the complaint and the
13 penalties. The UTC should also keep WWS's general rate at its current rate and approve the
14 surcharge for the \$24,000 cost to rehabilitate the Echo Glen well.

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16 **Q: Do you declare under penalty of perjury under the laws of the State of**
17 **Washington that the foregoing is true and correct?**

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19 A: Yes.

20 **Q: Does this conclude your testimony?**

21 A: Yes.
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