### BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

SARAH HAND

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DOCKET UW-170924

v.

Complainant,

SARAH HAND'S BRIEF RE WUTC JURISDICTION OVER WATER OUALITY

RAINIER VIEW WATER COMPANY, INC.,

Respondent.

Comes now the complainant, Sarah Hand, by and through her attorney, Nigel Malden, and hereby submits her brief regarding WUTC's jurisdiction over water quality complaints.

### I. <u>SUMMARY OF FACTS</u>

Sarah and Gretchen Hand bought their house at 7202 201st Street East in Spanaway, Washington in May 2015. They have lived their continuously with their three children ever since. The house is situated in a community of 179 homes called *Springwood Estates* which gets its water (along with 15,000 or so other Pierce County residents) from a system of wells owned and managed by Rainier View.

As soon as they moved in, the Hands noticed a problem with the water. It was brown in color and had small pieces of debris even after running through the faucets for more than 20 minutes. The Hands were uncomfortable drinking the water and almost immediately started buying replacement bottled water for daily use. They had other problems as well. The brown water tends to stain clothing, so it cannot be used for normal washing and has caused excessive

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NIGEL S. MALDEN LAW, PLLC 711 Court A, Suite 200 Tacoma, Wa. 98402 253-627-0393 p 844-273-6067 f corrosion and staining of plumbing fixtures and appliances. Showering or bathing in brown water is unpleasant, may irritate the scalp or skin, and does not leave one feeling clean.

Sarah Hand repeatedly complained about the brown water to Rainier View for 18 months after her family moved into their new home. Rainier View had no solution other than to "flush the lines."

Flushing the lines would occasionally improve the Hand's water quality on a temporary basis but sometimes it made no difference or made things worse. The Hands continued to press Rainier View for solutions because they felt the water was undrinkable and unfit for normal household use. Sarah Hand asked Rainier View to install a filter and pay for a pressure relief valve damaged by excessive corrosion. Rainier View said they understood the brown water was "aesthetically displeasing" but guaranteed it was "safe to drink" and that it was "the highest quality of water possible." The company said it would continue to flush the lines upon request but it was immune from any lawsuit and could not be legally required to do anything more. This prompted Ms. Hand to complain directly to the WUTC on November 16, 2016 as she was instructed to do on the back of her monthly bill.

A WUTC Consumer Complaint Investigator, Rachel Stark, told Ms. Hand that the WUTC does not have jurisdiction over water quality and she would close Ms. Hand's complaint. Ms. Hand was told the same thing at a WUTC hearing on Rainier's request for a rate increase on December 22, 2016. Consequently, Ms. Hand filed suit against Rainier View in Pierce County Superior court on February 17, 2017. The suit alleged multiple claims and sought compensatory damages. Rainier View filed for summary dismissal claiming that the WUTC has primary

<sup>&</sup>lt;sup>1</sup> See Rainier View Water Company Annual Water Quality Report: 2016

jurisdiction over water quality complaints and that Rainier View is immune from any civil claim in a court of law under the terms of a Tariff. Plaintiff responded by arguing that the WUTC had denied jurisdiction so the plaintiff had no further administrative process to complete and that the Tariff does not immunize Rainier View from potential liability for gross negligence, intentional misconduct, or violations of state law which cause bodily injury, physical damage to property, or economic damage or loss.

At the hearing on the summary judgment motion on October 13, 2017, the trial court suggested that plaintiff's counsel ask a WUTC official authorized to speak on the record and bind the Commission whether the WUTC had jurisdiction over any of Ms. Hand's issues or claims. Shortly thereafter, before any statement or deposition could be taken, the WUTC announced that it would initiate this adjudicative proceeding on its own motion. This prompted the trial court to dismiss the plaintiff's case *without prejudice* in order to allow the WUTC administrative process to run its course.

#### II. LEGAL DISCUSSION

# A. THE WUTC MAY INITIATE AN ADJUDICATIVE PROCEEDING TO DETERMINE WHETHER RAINIER VIEW'S WATER MEETS STATE PURITY STANDARDS

The plaintiff believes that the WUTC initiated this adjudicative proceeding on its own motion to determine whether Rainier View has been selling water with manganese levels which violate state quality standards.<sup>2</sup> The plaintiff believes the Commission is authorized to take this

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<sup>&</sup>lt;sup>2</sup> WAC 246-290-310 sets the secondary maximum contaminant level (MCL) for manganese in drinking water at **0.05 mg/L**.

action by RCW 80.04.110 and is prepared to go forward on this basis even though the process will not resolve all of plaintiff's legal claims or her request for compensatory damages.

## B. THE WUTC MAY ORDER RAINIER VIEW TO TAKE REMEDIAL ACTION TO IMPROVE WATER QUALITY

RCW 80.28.030 states that, if the Commission finds after a hearing that the water supplied by a water company is "impure" or its quality "inadequate," then it may order "improvements" that will be "efficient, adequate and reasonable.<sup>3</sup>

In this case, Rainier View has been supplying water with manganese levels far in excess of state standards which makes the water "impure" as a matter of law.<sup>4</sup> The Commission should order Rainier View to take whatever action is necessary to correct the problem.

Ms. Hand knows that Rainier View installed a new filtration system on one of the wells which was supposed to mitigate the manganese problem beginning in June of 2017. But this should not end the Commission's inquiry into the matter. Rainier View violated state law by designing and installing the filtration system with zero customer input or approval. The DOH approved the design ex post facto but there is no guarantee it will improve water quality. The WUTC should order Rainier View to take and test water samples every month so that the efficacy of the filtration system can be objectively determined and additional remedial measures may be ordered if or as necessary.

<sup>&</sup>lt;sup>3</sup> Violation of state DOH or other state safe drinking water standards is prima facie evidence that the water is "inadequate" or "impure." RCW 80.8.030 (1).

<sup>&</sup>lt;sup>4</sup> Rainier View Water Company Annual Water Quality Report: 2016 states that the water coming from the Southwood well had manganese levels almost five times over the relevant state standard.

## C. THE WUTC MAY ORDER RAINIER VIEW TO TAKE REMEDIAL ACTION TO IMPROVE CUSTOMER SERVICE

The Commission is authorized to order a water company to correct the quality of its water or its customer service.<sup>5</sup> Two aspects of Rainier View's customer service that must be addressed include how customer complaints and water samples are taken and reported to the public and to the government because allowing a private, for profit company like Rainier View free reign to police and report itself is ridiculous.

At a WUTC hearing in December of 2016, Rainier View advised the Commission that there was no problem with brown water until the summer of 2016. Specifically, Mr. Finnigan testified to the WUTC Commissioners that:

"one of the questions that you both asked was for these wells that we are proposing treatment, were they needing the treatment in 2014, then the answer is no. This was an issue that has arisen with these wells since that time."

The WUTC merely accepted what was said at face value despite the reality that the wells (Fir Meadows wells #1, #2, #3 and #4) which serve the Springwood Estates residents, have supplied water with manganese levels which violate state secondary maximum contaminant levels since 1983.<sup>6</sup> When a water purveyor exceeds the primary or secondary Maximum Contaminant Levels (MCLs), follow-up action is required including special notice to the DOH. WAC 246-290-320(1)(c). It appears that no such action was ever taken until December of 2016 when Rainier View finally began talking to DOH about installing a filtration system.

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<sup>&</sup>lt;sup>5</sup> Wash. Utils. & Transp. Comm'n. v. Alderton-McMillan Water System, Inc., Docket No. UW-911041, Third Supplemental Order, at 1 (Aug. 31, 1992).

At the December 2016 WUTC hearing, Rainier View manager, Bob Blackman, told the Commission that he was aware of no more than "a couple dozen" complaints from customers over brown water over the last year. When questioned under oath at deposition a few months later, however, Mr. Blackman said there were 400 complaints from customers regarding brown water between June 2015 and June 2016 and there were 180 between June 2016 and June 2017. These are staggering numbers when you consider that the DOH relies on the WUTC and Rainier View to forward customer complaints to its attention and was blissfully unaware of a single customer making a single brown water complaint against Rainier View.

## D. MS. HAND SHOULD RETAIN THE RIGHT TO LITIGATE HER TORT AND OTHER CLAIMS FOR DAMAGES IN PIERCE COUNTY SUPERIOR COURT

The plaintiff agrees with the WUTC that the Commission has the authority to review whether Rainier View's water meets state quality standards and, if it does not, to consider ordering some kind of remedial action. The WUTC is not authorized to determine whether

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<sup>&</sup>lt;sup>6</sup> In March of 2013, for example, tests results showed manganese levels in the water 240% higher than the maximum allowed.

<sup>&</sup>lt;sup>7</sup> See Robert L. Blackman Deposition, Pgs. 105:8 to 109:13.

<sup>&</sup>lt;sup>8</sup> DOH Deputy Director for the Office of Drinking Water, Michael Means, and DOH Northwest Region Manager, Robert James, both testified at depositions on August 30, 2017 that the DOH was unaware of a single brown water complaint against Rainier View. Part of the problem is that customers are instructed on the back of their water bill to file complaints with Rainier View or the WUTC, not the DOH.

Rainier View's particular acts or omissions violated tort, product liability, consumer protection or other laws making the company liable for compensatory or punitive damages.<sup>9</sup>

DATED: This 22nd day of November, 2017.

NIGEL S. MALDEN, WSBA#15643 Attorney for Sarah Hand

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<sup>&</sup>lt;sup>9</sup> RCW 80.04.440 states that in case any public service company shall do, cause to be done or permit to be done any act, matter or thing prohibited, forbidden or declared to be unlawful, or shall omit to do any act, matter or thing required to be done, either by any law of this state, by this title or by any order or rule of the commission, such public service company shall be liable to the persons or corporations affected thereby for all loss, damage or injury caused thereby or resulting therefrom, and in case of recovery if the court shall find that such act or omission was willful, it may, in its discretion, fix a reasonable counsel or attorney's fee, which shall be taxed and collected as part of the costs in the case. An action to recover for such loss, damage or injury may be brought in any court of competent jurisdiction by any person or corporation.

1	CERTIFICATE OF SERVICE
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3	I, Anna Lee, do hereby declare that this 22nd day of November, 2017, I forwarded a true and
4	correct copy of SARAH HAND'S BRIEF RE WUTC JURISDICTION OVER WATER
5	QUALITY by electronic service to parties listed below:
6	Counsel for Plaintiff, Sarah Hand:
7	
8	Nigel Malden (attorney), nm@nigelmaldenlaw.com Anna Lee (paralegal), anna@nigelmaldenlaw.com
9	
10	Counsel for Rainier View Water Company:
11	Richard Finnigan: rickfinn@localaccess.com
12	UTC
13	Kopta, Gregory: gkopta@utc.wa.gov
14	Roberson, Jeff : jroberso@utc.wa.gov
İ	Brown, Sally : sbrown@utc.wa.gov Gross, Krista : kgross@utc.wa.gov
15	C. Coo, I Wilder I Mg. Good attending T
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20	I declare under penalty of perjury under the laws of the State of Washington that the foregoing
21	is true and correct.
22	DATED: Thisnd day of November, 2017 in Tacoma, Washington.
23	MANAGA

Anna Lee Paralegal to Nigel S. Malden

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