April 29, 2024

**To:** Washington Utilities and Transportation Commission (UTC)

621 Woodland Square Loop SE

Lacey, WA 98503

**Subject:** Urgent Appeal to Maintain Stable Water Rates for Rural Communities - Cascadia Water Rate Request Docket# 240151

I am writing to express my deep concern regarding the recent actions of a for-profit water corporation that has been acquiring small local water systems in our rural unincorporated areas. As a resident directly impacted by these developments, I urge the UTC to take immediate action to keep water rates stable and protect the well-being of our community. We are a community of older residents; most hare a two person household and have lived here since early 90’s. In 2019, our base rate was $20 a month, then it increased in 2021 to $49.81. The proposed 107% increase by owners of Cascadia and Northwest Water (NWN) will increase our base rate to $103.28 a month.

This increase defers testing for our Tel One (SO1, SO2, SO3) wells and reservoir. Arsenic levels were reported by Cascadia in 2022. The Environmental Protection Agency (EPA) enforces an MCL (Maximum Contaminant Level) for arsenic of no more than 10 PPB, but this regulation is not purely health-based—it balances health risks with the financial burden on utilities to implement treatment tech. (Large corporations owning the water maintenance and testing systems should have reduced testing costs.

The MCLG (Maximum Contaminant Level Goal) is purely health-based and recommends a concentration of 0 PPB, meaning that the EPA has concluded **there is no safe level of arsenic in drinking water for long-term consumption**. WA DOH concurs. Sporadic testing citing cost concerns does not make sense when the company is very profitable.

Here are the additional key points for your consideration:

**Rate Increases**: Over the past two years, our water rates have skyrocketed. The base water rate was raised by **75%**, and now the same corporation is proposing an additional **107%** increase. These exorbitant hikes place an undue burden on our residents, many of whom are already struggling to make ends meet. The national median is around $35 per month with the highest concentration of households spending between $50-$90 per month. Additionally, an average family household spends up to three times more than a single-person household, primarily due to increased usage from showers and washing machines.

For those living in rural areas who use private wells for their main source of water, their bills usually consist solely of energy costs for pumping the water and maintaining the system itself. A majority of Tel 1 homes are two person households. We are being charged a base rate, for a minimum family of four instead of 1 or 2 occupants. This area outside of the city limits is established and was developed in the early 1990’s. The City of Langley has no intention of expanding water use beyond the current city limits.

**Profitability of the Corporation**: It is alarming to note that the water corporation had its most profitable year ever in **2023**. Despite this financial success, they continue to push for higher rates, disproportionately affecting rural communities like ours.

**Northwest Natural Holding ( NYSE:NWN ) Full Year 2023 Results**

**Key Financial Results**

Revenue: US$1.20b (up 15% from FY 2022).

Net income: US$93.9m (up 8.8% from FY 2022).

**Profit margin: 7.8%**

|  |  |
| --- | --- |
| Average Top Four Monthly Water Prices in the U.S. by State |  |
| Washington | $78 |
| California | $76 |
| Wyoming | $74 |
| New Jersey | $71 |
| **Cascadia/NWN** | **$103.28** |

Checks and balances could prevent misuse of funds, unbalanced pay scales, reports to users of each water system, five and ten years plans, use accountability and transparency, are conspicuously missing from the Cascadia/NWW process. With water contracts being worked out behind closed doors, executives and government officials are free to make decisions based on one-sided information on their own, rather than in the public, interest.

**Water Testing Neglect**: The state UTC’s allowance for water testing to be ignored due to cost considerations is deeply troubling. Safe and reliable water is a fundamental right, and any compromise in quality poses serious health risks to our residents. We ask the UTC to consider WA citizens and ensure affordable good quality and safe water over corporate profits. The MCLG (Maximum Contaminant Level Goal) is purely health-based and recommends a concentration of 0 PPB, meaning that the EPA has concluded there is no safe level of arsenic in drinking water for long-term consumption. The cost of water testing is less with Cascadia/NW Water buying King Water Maintenance and Testing in 2023.

**Monopoly on Maintenance**: The corporation’s ownership of water maintenance companies (King Water on Whidbey) further exacerbates the situation. Our community lacks alternatives, leaving us at the mercy of their decisions. Water should belong to the citizens of the state.

The question of **water privatization** is a complex and contentious issue.

**Equity and Access**: Privatization can exacerbate inequalities. It may lead to higher prices, making water unaffordable for low-income communities.

**Accountability**: Public utilities are accountable to elected officials and the community. Privatization may reduce transparency and community control.

**Profit Motive**: Private companies prioritize profits, not citizens, which could compromise service quality and environmental protection.

**Job Loss**: Privatization may result in job cuts and reduced wages for water workers along with unknown high salaries for “administrators”.

**Evidence and Case Studies:**

**United States:** A 2015 study found that private utilities charged households 59% more than local governments for drinking water services.

[**Global Cases:** Instances worldwide show that privatization has often failed communities, strained public finances, and worsened water crises](https://www.inthepublicinterest.org/wp-content/uploads/ITPI_Water_Feb2021.pdf).

**Federal Stance:**

[The National Infrastructure Advisory Council (NIAC) recently recommended allowing privately-owned water providers access to federal grant programs and financing mechanisms](https://www.inthepublicinterest.org/wp-content/uploads/ITPI_Water_Feb2021.pdf).

[However, the endorsement of privatization remains a contentious issue](https://www.inthepublicinterest.org/wp-content/uploads/ITPI_Water_Feb2021.pdf).

Some struggling systems in need of repairs have turned to water privatization, but research and numerous anecdotal examples show that private water corporations often cut corners to reduce operating costs, negatively impacting water or service quality, or both.

A 2015 study by Food and Water Watch found that, on average, private utilities charged typical households 59 percent more than local governments charged for drinking water service. These impacts are particularly felt by low-income communities and communities of color, since struggling systems disproportionality serve these communities.

Moreover, privatization schemes also harm the workers who run these systems, as corporations often reduce wages and benefits, or even the number of workers, in an effort to cut operating costs. Ensure that policies do not incentivize privatization. **The only way that we can ensure that water is a public good is by keeping water systems in public democratically accountable hands.**

Because the profit motive drives the corporate agenda rather than serving the public interest, environmental standards are continually compromised. In the United States, the National Association of Water Companies (NAWC), representing the private water industry, intensively lobbies both Congress and the Environmental Protection Agency (EPA) to prevent higher water quality standards from being adopted. NAWC continually requests that all federal regulations be based on sound cost-benefit analysis. What this means is that public health is compromised for the sake of higher profits.

**What Choices Do We Have**? (as seniors/elderly on fixed incomes)

Will Cascadia and other water systems controlled by Northwest Water (NWN) explain the upgrades to our water system and why the charges are among the highest in the state/nation? Our three Tel One wells and reservoirs are within one mile of the users. The list of “upgrades” Mr. Lehman provided are not part of our water systems and no upgrades or improvements were listed. Several of the upgrades are listed twice with slightly different wording to give the appearance of providing maintenance.

Should we raise awareness about this issue to our local, state and federal elected officials? Write WA newspapers, notify media, and place pressure on the UTC to act in our best interests. We can request the WA and Federal Depts. of Health, Commerce, DSHS and Ecology become involved with privatization of water and displacing residential seniors that are on limited income.

**Petition and Advocacy**: Consider organizing a petition urging the UTC to reject the proposed rate increases. Engage with local representatives and advocate for transparent and fair water pricing.

**Public Hearings**: Attend public hearings organized by the UTC. Share your experiences and concerns. Your voice matters, and collective advocacy can drive change. (I requested a meeting on South Whidbey for the many scattered systems of Cascadia – no response from the UTC)

**Media Outreach**: Reach out to local newspapers, radio stations, and online platforms. Highlight our community’s struggle and the corporation’s unjust practices. Public awareness can be a powerful force.

**Legal Action**: Consult with legal experts to explore any legal avenues available to challenge the rate hikes. Investigate whether antitrust laws or other regulations apply in this situation.

Reduced monitoring waivers are assessed by each analytical group, since different source characteristics can create different chemical risks. For example, an extremely deep and confined source may be at low risk for pesticides, but at higher risk for naturally occurring inorganic contaminants, such as arsenic. In the waiver model, systems/sources will fit in three groups. Please explain the UTC water testing waivers granted to Cascadia/NWN.

Those with sufficient data to know they are at lower risk and considered for lower frequency sampling. Most water system sources are in this group.

* Those we know are at increased risk due to water quality issues or system defects.
* Systems/sources that, due to lack of information, we do not know enough about. These are new systems/sources, or they have not sampled enough in the past and we cannot put them into one of the other groups.

**Northwest Natural Holding Full Year 2023 Earnings: Revenues Beat Expectations,**

**Northwest Natural Holding ( NYSE:NWN ) Full Year 2023 Results**

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As the Clean Water Act and Safe Drinking Water Act celebrate their 50th anniversaries, they are failing rural Americans.

The Safe Drinking Water Act web page states that “Over 92 percent of the population supplied by community water systems receives drinking water that meets all health-based standards all of the time.” That excludes the 13% of Americans served by private wells or Group B water systems. In Washington, this leaves around 1.7 million primarily rural Washingtonians unprotected by the Safe Drinking Water Act.

The Washington Tracking Network clearly shows the environmental and other health disparities, social vulnerability indices, and other criteria that define these rural communities as disadvantaged. And that without yet taking into account the disproportionate impacts of climate change and industrial agriculture on these communities and their groundwater.

Just as private wells are excluded from the Safe Drinking Water Act, the groundwater on which they rely is excluded from the Clean Water Act. The CAFOs and dairies responsible for nitrates and more are inspected not by the Department of Ecology but by the Department of Agriculture.  With PFAS, Ecology can’t pursue cleanup under the Model Toxics Control Act without a designated polluter to pay, the military sites refuse to recognize the State’s cleanup limits, and private well owners and small water systems cannot afford the treatment systems being installed in urban areas.

Many rural Washingtonians continue to drink water that does not meet safe drinking water standards or are forced to buy bottled water. Access to clean drinking water for rural Washingtonians is an Environmental Health Disparity and an environmental justice concern. Cascadia/NWN own the testing and maintenance on South Whidbey. The capability of the water companies owning the wells, thus the waters of the state and well testing should reduce our water costs, not inflate them. The state allowed Cascadia to defer testing because of “cost” (not identified in any of the rate increase paperwork). The NWN Oregon corporate lawyer requested deferral from testing our water because of ‘cost’.

Average cost of monthly water bill in states. Northwest Water has begun privatization of water systems the bolded states. NWN owns water in 3 of the highest per state water cost averages and two within the top 20 highest costs.

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| # | State | Average Water Bill |
| 1 | West Virginia | $91 |
| 2 | California | $77 |
| **3\*** | **Oregon** | **$76** |
| **4\*** | **Washington** | **$75** |
| 5 | New Jersey | $72 |
| 6 | Connecticut | $69 |
| 7 | Alaska | $68 |
| **8\*** | **Arizona** | **$64** |
| 9 | Hawaii | $64 |
| 10 | Wyoming | $53 |
| **17\*** | **Idaho** | **$37** |
| **20** | **Texas** | **$38** |

For those living in rural areas, whose water is pumped from private wells, should have bills consisting solely of energy costs for pumping the water and maintaining the system itself.

Generally speaking, states located in the western United States tend to have **lower water bills** than those located on the east coast or along America’s southern border.

In conclusion, our rural community deserves equitable access to clean water without facing financial hardship. I implore the UTC to intervene promptly, ensuring that our rates remain stable and that water quality remains a top priority. (Good water instead of Cascadia determining adequate water for households is sufficient)

Thank you for your attention to this critical matter. Together, we should safeguard the well-being of our communities and hold water corporations accountable for random rate increases with their end goal of shareholder profit.

Sincerely,

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