

## **2021-11-08 Jane Rohling Comments to Idaho Public Utilities Commission**

### **Case number: EAG-W-18-01**

#### **Part One: RATE INCREASE COMMENTS**

- Those of us who have followed this case for three years understand the reason we were fortunate enough to have below-market rates for years, and we know that the status quo is not an option. We recognize that our rates will increase under whoever buys Eagle Water Company. I believe those whose comments indicate they want to maintain the status quo are people who are not familiar with the history and details of this case. Unfortunately, during the 2+ years the case has been on hold pending the outcome of the City of Eagle's lawsuit, many new people have moved into the area and they are even less familiar with the case than residents who were here when it began.

Unfortunately, neither Suez or the City of Eagle have done much to inform citizens about this case or the options that might be available to the citizens. The City of Eagle didn't provide ANY information to citizens about their intent to settle out of court or their reasons for changing their position on buying Eagle Water Company until after the settlement was final and their Water Management Agreement was in place. They deprived citizens of any opportunity to consider the options and weigh in on the decision. Their actions also removed any possibility of the citizens to look at alternatives (which some of us had already been investigating), primarily the option to convince the city to reconsider their stance or at least bring it to the citizens for a vote, or to possibly look for another local buyer or the possibility of forming a co-op.

- We appreciate the efforts of IPUC in pressuring Suez to extend the phase-in period of the new rates from 3 to 7 years. But we are very concerned about Suez's reputation for coming back to IPUC year after year with requests for additional rate increases.
- We recognize that if the City of Eagle bought Eagle Water Company we would see similar rate increases, but we anticipate fewer future rate increases since the city operates its water services as a non-profit while Suez and Veolia have high-paid executives and shareholders around the world who would have to get their share of the profits from our little water system. In the long run, I believe the citizens would benefit more from public, non-profit water system management than from turning over our water to a foreign-owned, global, for-profit company.
- The City of Eagle made it sound like the only way they could pay for the acquisition and upgrades to Eagle Water Company would be to increase taxes that would be a burden to all Eagle Citizens. They didn't seem to even consider the possibility of state or federal grants, loans or other programs that might in the expense, nor did they mention the fact that the city would most likely be able to get a revenue bond that would cover these costs over an extended period of time (usually 20-30 years from what I've read) at a very low interest rate and that the bond would be paid for out of the revenues produced by the water service. I feel the absolute lack of research on the part of the Mayor, City Council, and staff as well as the fact that they shared too little information too late with citizens so we couldn't possibly investigate or propose

alternatives prior to the city's court settlement or during this PUC process, was designed to intentionally mislead the citizens of Eagle. Shelley Brock's documentation of the misinformation the Mayor and CC shared and the PRRs she requested from the city, IDEQ, and IDWR support this. (Shelley Brock submitted the results of her PRRs to IPUC in her online comments dated 8-05-21.)

- I am retired and on a fixed income and I am a very conservative water user so my bills from Eagle Water Company are usually the base rate of \$8.25/month. The increase on that monthly rate will be a financial impact, but I can handle it. However, I have no options for irrigation other than potable household water, so the impact during irrigation season will be considerable. I have about a 0.3-acre lot and have invested a lot in my landscaping over the years. I have been planting drought-tolerant, native plants, getting rid of lawn, and transitioning to a xeric landscape for several years now, but my fruit trees, shade trees, and vegetable garden still need irrigation, especially if we continue to see hot dry summers like we've had this year. My water bills during the summer will likely increase from about \$35/month to over \$100/month. That's quite a bit on my income. I plan to convert my entire yard to drip irrigation to conserve more water, but that will be a big expense which I will incur on top of the significant increase in rates next year if Suez take over. I know there are many people in my part of town – the older section in the heart of Eagle – who may have similar income levels and concerns.
- An additional expense will be the water filtration system that many Suez customers say they have had to install due to the poor taste and smell of the highly-treated chemical-filled water Suez will be serving us.

## **Part Two: WATER QUALITY AND SYSTEM UPGRADES**

- As many current Eagle Water Customers have commented, we have enjoyed some of the best-tasting water in the region because it is sourced only from our pristine aquifers.
- We do not have to filter our water to address the bad taste, smell from highly chlorinated water or other chemicals used to treat the water, or to clear rust or particulate contaminants from our water and protect our home appliances and laundry from damage.
- We have heard these complaints from current Suez customers in the Treasure Valley, and we know many homeowners (and presumably businesses) have added expensive filtration systems with very expensive filters that need to be replaced frequently to compensate for the poor water quality Suez provides. So, in addition to getting water that doesn't taste as good, I anticipate having to spend money to install a filtration system in my home to mitigate that taste.
- I understand that the reason Suez/Veolia has to add a lot more chemicals to bring their water up to state and federal health and safety standards is that they mix surface water with the groundwater throughout their system. I also understand that there are probably places where this is necessary in order to meet their customer's needs, especially as our area's population continues its explosive growth. While I empathize with the people who bought homes in areas

served by Suez, they have had this issue since day one, so they are not being asked to pay a higher price for lower-quality water and service.

Many Eagle Water Customers who have submitted comments in this case have stated their anger at having to accept this change in our water quality. Quite a few have said they moved here in part because of the wonderful water quality provided by Eagle Water Company and the City's water service -- that was one of the deciding factors for them. Some have had Suez water service in the past and have experienced the difference in water quality personally. I realize that as long as Suez is in compliance with state and federal water quality regulations, we can't claim that their water is unhealthy, but we have plenty of evidence from area Suez customers that the water we will be receiving from Suez will be of a lower quality than what we have now.

- I also understand that the City of Eagle adds some chlorine to their water, but I know it is nowhere near the amount Suez has to add because the City's water source is currently all groundwater. I believe in the water section of the City's Comprehensive Management Plan it states that at some point in the future, the city might have to add surface water to their system, but it wasn't anticipated to be necessary for years. If we reach that point, citizens will accept that change, but we certainly don't want to be forced to do that while we still have adequate water to meet our needs from our excellent aquifers.
- Suez has mentioned the need for more wells, bigger pumps, bigger pipes, and more storage tanks in their list of "necessary" upgrades to Eagle Water Company's infrastructure. I have read the Cooper testimony several times and it seems clear to me that, for the most part, these "upgrades" are needed for Suez to meet the needs of their customers in Avimor, NW Boise, and possibly other unincorporated developments in NW Ada County. I don't think Eagle customers who already have an adequate water supply should have to pay for the services needed outside the city. This is also one of the reasons many of us are opposed to annexing Avimor to the City of Eagle. In addition, I believe the upgrades the city would need to make to the EWC infrastructure to adequately serve the current municipal and EWC service areas would be much less than the amount Suez says are needed to the system to meet the needs and fully integrate the EWC system with the existing Suez system. Unfortunately, neither the city nor Suez has provided us with an analysis comparing those two options and how they would impact water users in Eagle.
- I don't believe claims by Suez that Eagle Water Company is out of compliance with State DEQ or IDWR regulations. If they were, we customers would likely have been notified of that at some point -- particularly in the annual reports we get from EWC. The only complaint I'm aware of was the shortage of water for emergency and back-up needs and that is why Eagle Water Company entered into the Intertie Agreement with the City of Eagle in 2008. My understanding is that agreement resolved that issue and it is still in place to this day.
- During the nearly 22 years that I have been a customer of Eagle Water Company, I have never had a problem with water quantity, pressure, or quality. I have been so happy to be able to drink excellent-tasting water right out of the tap. I truly hate to see that change!

**Part Three: CITY OF EAGLE'S ACTIONS AND THE INFLATED PRICE SUEZ IS PAYING EWC AND TO MR. BANGLE**

- While we know Mr. DeShazo needs to retire and sell Eagle Water Company, we are very disappointed that (1) the current Eagle Mayor and City Council reneged on their promise to pursue buying Eagle Water Company and merging it with the City's Water Department. This would have resolved many of the same issues that Suez promises to resolve at a far lower price to the customers because we would have saved possibly \$5 million on the purchase price with the \$1.75 Eagle Water Company already owed the City for defaulting on the required monthly payments under the 2008 Intertie Agreement, and from not having to pay Mr. Bangle a cool \$3.5 million or so for his service as a broker in this deal.
- We know that Mr. Bangle has been hanging around EWC for a decade or so trying to find some way to make a profit for himself or companies he represented through one scheme after another with the City of Eagle. For a variety of reasons, none of the previous efforts by EWC and Norm Bangle ever progressed to a vote by citizens or even a poll to gauge citizen support for the City to purchase EWC, and it was good that they didn't as they were very flawed plans – the most recent of which would have had the City purchase EWC's infrastructure and business management while Bangle's company would have purchased the water rights. This scheme would have resulted in the city having to buy water in perpetuity from Mr. Bangle. That would not have been a good deal for us!
- I have never heard of any effort by EWC to advertise that the company was for sale. I only know of the past dealings with Norm Bangle and the City of Eagle. I also know that Mayor Ridgeway and the City Council were actively gathering information on EWC to present to the citizens of Eagle at the time Mr. DeShazo and Mr. Bangle struck their deal with Suez. In addition, I believe Mr. Bangle was most likely fully aware of the City's right of first refusal under the Intertie Agreement yet he negotiated his own right of first refusal in years later – presumably, hoping nobody would remember the 2008 Intertie Agreement. He almost got away with it, but clearly the judge in the court decision (in response to Suez, et. al requesting that the City's lawsuit be dismissed) wasn't playing ball with them.
- We would have pressed the city to gather an independent detailed cost analysis of the actual value of Eagle Water Company's assets, as well as the upgrades and repairs needed so they and the citizens would have an accurate picture before making any decisions on how to proceed.
- We KNOW that the Mayor and City Council did NO INDEPENDENT RESEARCH on these issues. They apparently assumed everything Suez was saying about the purchase price and the upgrade expenses was accurate and that the expenses would be the same for the city as they would be for Suez. Shelley Brock's PRRs to the City of Eagle, DEQ, and IDWR as well as additional information she gathered from a number of consultants, proved that Eagle's Mayor, City Council, and staff did NOT do ANY of the "due diligence" they claimed they did before settling the court case and putting together their water management agreement with Suez. (Shelley

Brock submitted the results of her PRRs to IPUC in her online comments dated 8-05-21.)

- While I understand that City of Eagle was not required to get citizen's input, given the fact that Mayor Pierce and Council Members Baun and Pike committed during their campaigns to pursue buying Eagle Water Company, their decision to throw us under the bus and lie to us about their reasons for doing so was inappropriate at best, unethical at the very least. They were well aware of the initial, support among citizens for the city to purchase EWC – if they weren't, they wouldn't have made it a prominent promise during their campaigns and in their campaign literature.
- The Eagle Water Customer Group was ready to mount an education campaign as soon as the City of Eagle's lawsuit was settled. We would have worked very hard to inform citizens about the pros and cons of public vs private water utilities and worked very hard to support the city in their purchase and in finding financing through revenue bonds and possibly grants for infrastructure improvements that would result in a fair price over time.
- The purchase of Eagle Water Company by the city may have resulted in an initial price increase that was higher and probably not phased over several years, but with transparency and a good communication strategy, I think the customers would have understood and still preferred our pure groundwater and local control of our resources to the changes we KNOW we will have under Suez/Veolia. Of course, I can't say that with any certainty because the current Mayor and CC (unlike the previous Mayor and CC) didn't put ANY effort into informing citizens of the facts regarding issues and options or attempting to get input from the citizens about our concerns and preferences for options.
- We recognize that if the City of Eagle bought Eagle Water Company we would see similar rate increases, but we anticipate fewer future rate increases since the city operates its water services as a non-profit while Suez and Veolia have high-paid executives and shareholders around the world who have to get their share of the profits from our little water system. In the long run, I believe the citizens would benefit more from public, non-profit water system management than from turning over our water to a foreign-owned, global, for-profit company. We are also concerned that since Veolia has bought out most of Suez – including ALL of their North American operations, and this change of operations is expected to occur by the end of this year, the PUC should be considering this sale as an application to sell to Veolia, not Suez.

#### **Part Four: FOREIGN-OWNED COMPANIES SUEZ AND VEOLIA**

- There is no shortage of documentation on the pros and cons of water privatization. While I recognize that Eagle Water Company is a small privately-owned company, this small local company has provided excellent water and service to the City of Eagle for 50 years. It is unfortunate that Mr. DeShazo has not been able to raise his rates for so many years but in spite of that, in the 21 years I have been a customer of Eagle Water Company I have never experienced problems with my service or the quality of the water. I thank Mr. DeShazo for his

contributions to the community and wish him well in his retirement. Unfortunately, I believe he has been taken advantage of by Norm Bangle. Bangle's deal with Suez may not have taken any money out of Mr. DeShazo's pocket, but it was obviously negotiated by Mr. Bangle to line his own pockets at a significant unjust cost to the customers of Eagle Water Company if the sale to Suez is approved.

- I would gladly pay more to the City of Eagle, to another small water company, or to a local co-op to retain those significant benefits. These are all options some of the citizens of Eagle have been investigating since the deal to sell EWC to Suez first surfaced 3 years ago. If the City of Eagle's Water Department is operating well and will continue to serve the community well as the city expands to the north, west, and east, their service area will become much larger so the economy of scale will improve. The addition of Eagle Water Company's service area is very logical. It would keep the majority of the city north of Hwy. 44 under the municipal water system.
- If the city ends up annexing Avimor (which I oppose but fully expect will happen very soon), and the city expands service to future developments in the unincorporated Ada County area that will remain in the middle of the city's planning area, the city will have one contiguous water system that covers the area from downtown to the Ada County line to the north (and possibly into Avimor's land in Gem County). It seems the economy of scale – along with continued growth within the existing municipal and EWC service areas -- would soon offset the price of acquiring and upgrading the existing EWC infrastructure.
- Myself and other concerned citizens have done quite a bit of research on Suez and Veolia, as well as the trends toward and now away from privatization of water. We have shared many articles on these subjects with the Eagle Water Customer Group and other supporters of keeping our water under local management. I assume PUC staff and commissioners are aware of these trends and the reasons many cities have canceled or not renewed contracts with Suez or Veolia. I am sure you are also aware that once Suez/Veolia gets their hands on Eagle Water Company or is allowed to expand their service anywhere else in Eagle it will be virtually impossible to ever buy it back regardless of the quality of service provided – and likely far more expensive than buying the company would be now.

#### **Part Five: POOR SERVICE AND CUTTING CORNERS**

- You are well aware of the YEARS of complaints about Suez regarding the ancient, deteriorating pipes on the Boise Bench. The fact that Suez has turned a deaf ear to these complaints for 10-15 years with no compensation to their customers for the incredibly poor water they have been paying for that discolors their clothes and destroys kitchen appliances in short order does not bode well for the service we can expect if the company is allowed to purchase Eagle Water Company. Suez should not be allowed to expand given their poor record on this case alone! They should be required to immediately invest in the replacement of pipes and other changes

needed to address the problems with their service on the Boise Bench!

- You are probably familiar with the case in the summer of 2018 when 20 or so people in several Eagle households became ill after drinking contaminated water. Suez wasted several days before taking appropriate action to investigate and resolve that situation. While the initial problem was caused by an improperly installed backflow valve, there is another issue that allowed that contaminated water to flow beyond the household line where the problem originated and contaminate several downstream households. A very knowledgeable water engineer informed us that secondary backflow valves at the junctions of private properties with the Suez water pipes would have prevented contamination of any household water downstream from the origin. According to our research, Suez is not required to install the secondary backflow valves but it is standard industry practice to do so because water purveyors are responsible for protecting their customers for incidents like this. The state of Idaho REQUIRES municipal water systems to install these devices, so the City of Eagle's Water Department must have them and they would be required to install them if the city bought EWC. We were informed that the cost of these secondary backflow valves would possibly have been as low as \$50/connection. Is this one of the examples we've read about over and over again where for-profit companies like Suez and Veolia cut corners to boost their profits to the detriment of the service, health and safety of their customers? This is one of the many reasons many Eagle Water Customers oppose the sale to Suez and would support the city's efforts to purchase the company.
- Veolia's role in the lead contamination in Flint and reports of other complaints against this company is definitely of concern to Eagle Water Company customers and it should be of concern to the city and state as well. <https://www.theguardian.com/us-news/2019/dec/10/water-company-city-officials-knew-flint-lead-risk-emails-michigan-tap-water>
- Problem with pipe breaking on Floating Feather Road multiple times, requiring problems at a very busy intersection (Floating Feather and Eagle Road) multiple times. Suez has only done short-term fixes each time while admitting that they will need to replace pipes for a long-term solution to this problem. I have to wonder how many times this road has to be torn up due to breaks in Suez water pipes under it before they will actually invest in doing the repairs needed to fix the problem more permanently. <https://www.ktvb.com/article/news/local/water-main-break-eagle-road-multiple-incidents-breaks-suez-water-fixing-repairs/277-d13f4108-bb9a-44f9-b3df-67689074b0e1>

It is unfortunate that the actions of the Mayor and Eagle City Council have put Eagle citizens in the situation we're in now without fully, honestly working with us to pursue purchasing Eagle Water Company as they promised they would. It is unfortunate that Mr. DeShazo and Eagle Water Company was caught up in Mr. Bangle's scheme to make big bucks for himself. If that hadn't happened, the City of Eagle would very likely have purchased Eagle Water Company a couple of years ago. I hope the Idaho Public Utilities Commission will take the many concerns of the customers of Eagle Water Company and the citizens of Eagle into consideration and deny the sale of Eagle Water Company to Suez/Veolia.

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