

# Boundary board to question Suburban Water on its rates

SPokane

By Russell Carollo  
Staff writer

Officials of Spokane Suburban Water Co. will be subpoenaed to answer allegations that the company's high rates have forced customers to form their own water district.

"There are people who are not watering their lawns," Brian Smith, chairman of Citizens for Fair Water Rates, said Monday. "There are Realtors who won't show their houses in Spokane Suburban (Water) District."

Representatives of the citizens group Monday asked the county's Boundary Review Board to decide whether they can form their own district. If the board waited any longer, they said, rates would be even higher.

Instead, board Chairman Gerald Blakley said he will subpoena Suburban officials — none of whom attended the meeting — to the board's Sept. 8 meeting. Blakley said he wants to avoid a possible lawsuit by the company.

Blakley also decided to subpoena officials of adjacent water districts. That decision came after Whitworth Water District representatives asked the board to annex portions of Suburban's area that are adjacent to their district.

The citizens group is protesting rate increases by Suburban since it

took over the water company in 1983. General Water Co., a Philadelphia-based company, bought the system from Washington Water Power Co. in 1982 for \$4.5 million and started Suburban Water Co.

Since the takeover, water rates have increased more than 50 percent.

In June, Spokane County commissioners approved the citizens group's efforts to form its own district. The group presented signatures of 4,200 customers favoring a new district.

If the Boundary Review Board approves the group's plan, Suburban customers will be allowed to vote on a new district.

A study by state Sen. Bob McCaslin's office showed Suburban customers paid \$465 for the same amount of water that cost East Spokane Water District customers \$100.

Bob Cole, co-chairman of the citizens group, told the board that Suburban customers want "jurisdiction of our own destiny."

Alan G. Dashen, vice president of a Seattle securities corporation that is helping the citizens group finance the purchase of the water company, said a water district could pay Suburban as much as \$8.5 million. But, he said, he doubted the citizens would be willing to pay that much.

Dashen told the board that residents of the Clarkston area are trying to buy their water system from Clarkston General Water Supply, owned by the same Philadelphia-based company that owns Suburban. General Water Co. paid \$4 million for that company and now is asking \$10 million, he said.

So far, the citizens group has not talked in detail about buying the water system.

"We're not going to pay them anything near \$8.5 million," Smith said. "They only paid \$4.5 million."

Leo Hutchins, superintendent of Whitworth Water District, told the board that if his district were allowed to annex part of Suburban, customers would save.

Hutchins said his district wants to annex 2,300 Suburban customers who live in two areas of North Spokane adjacent to Whitworth Water District and separated from the 5,000 Suburban customers in the Spokane Valley.

"We give them (customers) a \$12 bill and they (Suburban customers) get a \$50 bill from across the street," he said.

Smith said Whitworth officials did not contact his group before the Monday board meeting. Two months ago, a Whitworth official snubbed a suggestion that Whitworth annex the two areas in North Spokane, said Smith, who lives in one of those areas.

SPOKANE

# Water users allowed to form own district

By Jeff Sher  
Staff writer

Spokane County commissioners Tuesday gave the go-ahead for customers of Spokane Suburban Water Co. to form their own water district.

Proponents of the new district now must obtain approval from the Spokane County Boundary Review Board and then hold an election among customers of the company.

If both efforts succeed, the new district must purchase the assets of the company at a negotiated price or one set by the courts.

Suburban serves, and the new district would include, about 7,000 units, mostly in the Mead area, Colbert, north Spokane and the Spokane Valley.

At a public hearing Tuesday, proponents gave their reasons for wanting to form a new water district.

Substantial rate increases from the company are the main reason, said Brian Smith of Colbert and Bob Cole of the Spokane Valley, chairman and vice chairman of Citizens for Fair Water Rates, the organization formed to promote the new district.

Suburban, which is owned by General Waterworks Corp. of Philadelphia, bought the systems it now operates in Spokane County from Washington Water Power Co. in 1982, and took over operations in March 1983, Cole said.

In seeking approval of the purchase before the Washington Utilities and Transportation Commission, the company said the purchase would not affect rates, Cole said.

Forty days after the purchase was approved, the company asked for a 22 percent rate increase, Cole said. About a year later a 13 percent increase was granted. Two months later the company sought a 45.1 percent increase and eventually was granted a 38.2 percent increase.

The total of the two increases was more than 50 percent, and Suburban's rates now are three to five times more than what customers of surrounding water districts pay, Cole said.

Along with their request to form the district, Cole and Smith presented 4,200 signatures of customers, although 2,700 were needed.

No Suburban officials testified at the hearing.

Commissioners, in approving the request to form the district, in effect decided that the formation would not conflict with county comprehensive plans or water and sewer plans, county legal counsel James Emacio said.

The application now goes to the Boundary Review Board, which can give tacit approval by refusing to invoke jurisdiction, or invoke jurisdiction, hold a public hearing and make a decision.

*Spokane County Water Dist.*

REGIONAL SPOKANE

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If the Boundary Review Board approves, commissioners must call an election of the company's customers.