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## BIPARTISAN GROUP OF LAWMAKERS JOIN CUB TO OPPOSE WATER RATE HIKES, CALL FOR LEGISLATIVE REFORMS

# Rep. Avelar, Sen. Rezin, Rep. Syed, Sen. Ventura urge long-suffering private water customers to attend upcoming public forums on Illinois American's \$152 million and Aqua's \$19 million rate-hike requests

As frustration mounts among 1.5 million private water customers in Illinois, state legislators from both sides of the political aisle joined the Citizens Utility Board (CUB) on Wednesday to urge state regulators to reject rate hikes proposed by Illinois American Water and Aqua Illinois, call on the General Assembly to reform state water policy that has hurt consumers, and alert people of the upcoming Illinois Commerce Commission (ICC) public forums on the proposed increases.

State Rep. Dagmara Avelar, a Democrat from Romeoville, state Sen. Sue Rezin, a Republican from Morris, state Rep. Nabeela Syed, a Democrat from Palatine, and state Sen. Rachel Ventura, a Democrat from Joliet, held a news conference with CUB Director of Governmental Affairs Bryan McDaniel in Bolingbrook–a community that has suffered under high Illinois American bills. They detailed how Aqua and Illinois American–the state's two biggest private water utilities–have abused their customers in recent years:

- In January, Aqua, which serves about 273,000 customers in Illinois, filed for a \$19.2 million rate-hike request that could increase water/wastewater bills by as much as \$29.91 per month. Aqua's parent company, Essential Utilities, saw a 7 percent increase in profits, to \$498 million in 2023, and the utility last received a rate hike, about \$7 million, in 2018.
- In February, Illinois American, which serves about 1.3 million Illinois customers, filed for a \$152.4 million rate-hike request that could raise water/wastewater bills by up to \$29 a month. The utility's parent, American Water, made \$944 million in profits in 2023, a 15 percent increase from the year before. Illinois American has won \$120 million in additional rate hikes in less than a decade–an \$85 million increase in 2022 and a \$35 million hike in 2016.
- While they pay higher bills, private water customers have also been the victims of extremely poor service—including an Aqua water outage in Lake County in 2023 and unacceptable levels of lead in drinking water in University Park in 2019. While Aqua says the problem in University Park has been fixed, years later some customers were still drinking bottled water because they didn't trust the company.
- Even before the utilities' rate-hike requests, their customers contacted CUB to complain about excessive water bills, because water policy is sorely in need of reform in Illinois:
  - Private water utilities in 2000 won state legislative approval to add a "Qualifying Infrastructure Plant" surcharge to bills, which has needlessly increased costs for customers.
  - In 2013, the utilities successfully pushed for a state law that allows Illinois American and Aqua to buy up depreciated water and wastewater systems across the state and charge their customers to cover 100 percent of the acquisition costs.

<u>CUB Water Tracker</u>, CUB's special online center monitoring the problem, found that these for-profit companies have so far purchased 59 systems since 2013 and have passed \$402 million in acquisition costs onto their customers. Private water companies often charge customers more, once they take over those municipal systems.

CUB's legal team is challenging the rate-hike requests, uncovering \$7.6 million in overcharges buried in Aqua's proposed increase, and \$48.8 million in overcharges in Illinois American's proposed increase. At the same time, CUB is fighting for legislative reforms. Those include eliminating the QIP surcharge; requiring shareholders to

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309 W. Washington St., Suite 800, Chicago, 1L 60606 **Phone** (312) 263-4282 | **Toll Free** 800-669-5556 | **Fax** (312) 263 4329 cover most of the price tag when they buy a local water/wastewater system; and requiring local approval through a referendum before Illinois American or Aqua could buy up municipal systems.

"The acquisition of our municipal water systems by for-profit entities has turned a basic necessity into liquid gold for these companies," Sen. Rezin said. "It's imperative that the public have a voice in these decisions through a required referendum to ensure fair and reasonable water rates for our communities."

"Private water utilities are expensive, and, just like consumers' bills, their dividends keep going up and up," said Bryan McDaniel, CUB's director of governmental affairs. "It's time for Illinois lawmakers to insist water utility shareholders pay their fair share."

"By working alongside the Citizens Utility Board, we are committed to reforming Illinois utility laws that unfairly burden our families with rising water rates, essentially putting our hardworking families underwater," said Rep. Avelar. "We must act now to protect our communities from losing access to this essential resource fundamental to the health, safety, and well-being of our residents. By advocating for fair utility laws, we allow the millions of consumers who depend on running water to continue to have access to an everyday resource and ensure a sustainable and equitable future for all."

"Last summer, our community faced a dangerous water disruption crisis that lasted five days," Rep. Syed said. "Inadequate and drawn out mitigation of the leak coupled with poor communication from Aqua Illinois is not the kind of service that people in my community pay for. Now those same residents are facing a significant rate hike. People deserve more reliable service, not new expenses. Considering our constituents are still not seeing enough protections against for-profit water utility companies, I will continue to work for new legislation to provide the protections we need."

"Water is essential to all life. We cannot allow profits to be put over people," Sen. Ventura said. "I believe water should never be privatized for this reason. I will continue to work with my colleagues to protect access to clean, affordable drinking water."

The ICC will rule on the rate hikes in November for Aqua and December for Illinois American. In the meantime, CUB and legislators urged private water customers to speak out against the rate hikes at ICC public forms.

## On Illinois American Water's rate-hike request:

- 7-9:30 PM, Monday, July 22, Levy Center DuPage Township, 251 Canterbury Lane, Bolingbrook
- 7-9 PM, Tuesday, July 23, Champaign Public Library, Robeson Pavilion Room AB, 200 W. Green Street, Champaign

#### On Aqua's rate-hike request:

- 7-9 PM, Monday, July 29, McHenry County College, Luecht Auditorium, 8900 US Highway 14, Crystal Lake
- 7-9 PM, Thursday, Aug. 1, Olivet Nazarene University, Wisner Auditorium, One University Ave., Bourbonnais

"Everyone who is unhappy with their Aqua or Illinois American bills should attend the upcoming public forums and let their voices be heard against unfair water bills," McDaniel said. "We've got a lot of work to do, but the first step is for people to get involved in fighting for justice for themselves and their neighbors."

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**The Citizens Utility Board (CUB)** is celebrating its 40th anniversary as Illinois' leading nonprofit utility watchdog group. Created by the Illinois Legislature, CUB opened its doors in 1984 to represent the interests of residential and small-business utility customers. Since then, CUB has saved consumers more than \$20 billion by helping to block rate hikes and secure refunds. For more information, call CUB's Consumer Hotline at 1-800-669-5556 or visit CUB's award-winning website, www.CitizensUtilityBoard.org.

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