



CUPE Local 500 Speaking Notes to Winnipeg City Council

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**RE: Wastewater Treatment Plant Upgrades**

November 25, 2021

Gord Delbridge CUPE Local 500 President  
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Hello, and thank you for having me speak today.

As you all know, my name is Gord Delbridge, President of CUPE Local 500—representing Winnipeg’s municipal workers.

Winnipeg families, CUPE members and City administration have been clear:

- Keeping our rivers and lakes clean, keeping Lake Winnipeg clean, is a top priority.

And we know this means taking action now to ensure that Winnipeg waste doesn’t destroy Lake Winnipeg and devastate the beaches, fishers, and towns that rely on a clean lake.

This Waste Water Treatment Upgrade is needed.

It actually needed to start yesterday.

Winnipeg is at significant risk of outgrowing our wastewater capacity, and everyday this project is delayed is another day that Winnipeg is at

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risk of having to freeze residential and industrial development in our city

So, like all of you, we were very excited when we heard that after years of delay, the Provincial government has finally agreed to forward the ICIP application to the Federal government

This is a very exciting moment for Winnipeg, and we would like to thank all of you on council who held firm to force the Province to finally make this a reality.

However, at yesterday's press conference, where Premier Stefanson announced the Province would be forwarding the ICIP application, both Mayor Bowman and Premier Stefanson refused to rule out privatization of waste waster treatment.

It will come as no surprise to this council, CUPE is opposed to the privatization of city services, including the north end wastewater treatment plant.

First – we believe, and your own reports argue, that it would be virtually impossible to operate this one project with private operations and maintenance while maintaining a public water and waste/water system.

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- Families don't want private companies, driven by profit, in control of our water and wastewater system
- Families don't want to put our beaches, rivers and lakes at risk with shortcuts and half measures

Second – Winnipeg's economy is in a precarious state. The city should ensure that Winnipeg fully benefits from this spending, and that is best done by hiring local construction companies who employ local workers in good, unionized jobs. By going down the P3 road projects become more complicated and local companies often end up on the outside as projects are awarded to out of province, and even non-Canadian companies.

Three – We know that time is of the absolute essence on this project. Every day we wait is another day that the city may be forced to freeze residential or industrial development – a real threat in the near future.

- We also know that P3's have a long lead time. They are more complicated to negotiate, more complicated to get started, and the nature of them requires significantly greater due diligence.
- We would also add, that with inflation soaring, and supply chain issues continuing to impact every aspect of life, the

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price of this project grows significantly by the day. Also, our borrowing rates remain historically quite low – but how long will that continue? Whatever savings you think you \*might\* get from a P3 could very well be outpaced by the further delay of the project.

Four – to date we have been provided with nothing which indicates that a P3 would actually save any money or provide any benefits to the city. The only thing we know is that a whole bunch of companies said they would want the work if it was done as a Design-Build-Finance P3. I would be willing to bet they would have told you the same thing if you asked them if they would be interested in a traditional build. Before you go down this road of signing a 30 year deal – one that will likely go beyond any of our careers at the City – council would have to do even more due diligence. This will take time – time which Winnipeg doesn't have. This project should not be delayed even more.

Five – Even if the operate-maintenance portion is taken completely off the table, there are still good reasons to reject a Design-Build-Finance project. We know that municipalities can borrow money at rates on far better terms than the private sector. In 2014 the Auditor General of BC examined 16 different P3 projects, and discovered that the cost of private financing in these projects was nearly double that of the

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government's borrowing rates. Additionally, the transaction costs of P3's are much greater than traditional procurement – on average almost twice as high as the traditional procurement, adding nearly 2% to the costs of capital projects. Additionally, the City will be expected to pay out expensive “honorariums” to unsuccessful bidders.

Finally, I'd like to add that for the last eight months, City of Winnipeg employees in the water and waste department have been going to work everyday, during a global pandemic, with the sword of privatization and job loss hanging over their heads. They deserve to have assurances from this city that their skills and hard work are respected and valued, and that their jobs are safe at the end of the day. The sooner this council can put this privatization threat behind them, the better.

Thank you very much for your time today, and I look forward to discussions on this very important project.

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