

Privatizing City of Winnipeg Water and Waste Water

On November 19th last year, Winnipeg City Council voted on a motion that included four sections.

- One part was to explore setting up “a new arm’s length business model to operate city owned utilities.”
- Then the Mayor and 10 of 15 Councilors approved using that model “to design, construct, finance and operate” two water and waste control centres.

In other words, while Councilors said they were open to exploring new ways of providing city utilities, but in the meantime they were going forward with a business or a public private partnership model of providing services.

I’m going to share with you what we are dealing at City Hall, as water is being privatized. If anyone thinks that the privatization of water is only an issue for people in other countries, I want to make sure you know that it is happening here in our own city!

So specifically, here is how we are losing control of our water.

First. The move to having companies provide water and waste water treatment was buried in another proposal to create a

Winnipeg Municipal Corporate Utility. The mayor said this Utility would be like Manitoba Hydro and would still be owned by the city. Well the Utility would be nothing like Manitoba Hydro, and it would open up water to private ownership. While there may be some merit to public corporations that provide services and utilities, the Municipal Corporate Utility proposal was more of a move to create an arms length business-like corporation, than a public utility. In any case, the discussion on the Utility diverted attention from the proposal to actually turn over some of the City's water treatment to private companies.

Second. Note the language the Mayor and some councilors used to promote having a company provide water and waste water treatment. For example, they referred to getting a "Strategic Partner" to design, construct, finance and operate the Pollution Control Centers. Simply, this means private companies. They also talk about P3s – public private partnerships – which sound practical and innocent, but which are arrangements where companies get control of public services, that are then run for profit, not public interest.

It is interesting also, that the Mayor has accused us in the union and other community groups of "fear mongering" when we tried to express our views. He is trying to discredit us rather than address our legitimate concerns.

Third. The resolutions were rushed through the decision making process without public consultation and time for public input. The matter of creating the Utility or having companies operate the Water Treatment facilities was only on the City agenda for a couple of weeks and it got very little media attention. As well, it appears the Mayor and Executive Policy Committee has not even followed Council mechanisms for studying new developments such as the Alternative Service Delivery Committee or even the Public Works Committee of Council.

A coalition of community, student, church and union groups criticized the proposal and advocated for building on existing public capacity, through the City's Water and Waste Department. We wanted more public consultation and discussion on the proposals but were told there was sufficient input from city officials.

On the floor of Council, the Mayor and some Councilors argued that the motion being discussed was not about privatization. They said that their intent was to only explore setting up a Corporate Utility. Mayor also said that one of the public policy goals of the City was that "Water supply operations (be) kept under complete City ownership and control." And that "City retains ownership of all water-waste water assets through it municipal utility."

What he did not address, was that approved motion did practically mean that the utility would involve devolving some control to private companies. By approving that a company would take on the financing of the City water and waste infrastructure, it means that the private companies must own or have a long term control over these developments. Private companies, through P3s, generally must own the physical assets involved or must have long term leases to put up as security for them to get the financing needed.

Companies are often contracted by city governments to design, build and operate facilities, but in these cases, City government is still in control of the services. It is when they take on the financing that ownership or control shifts to the companies.

So, it is be important for the public and news media to carefully watch what City officials, elected and employed, now do to implement the motion approved to have a private company build and operate the water treatment plants. There may still be opportunities to stop or slow the privatization of public services that the Mayor and Council are committed to, but it will take us, as citizens of Winnipeg to challenge them and demand that they not give away or sell our water system.

Thank you.