Good morning Mayor Katz and EPC members,

I am here today to request that you to delay your decision on creating a Municipal Corporate Utility and seeking a private partner. I am asking you to reconsider the short-term benefits of such a plan versus its long-term negative impact. I am also asking that you properly consult the public and provide them with the answers to the questions that they are asking. This is our public water system that we have paid for and we have the right to have our questions answered.

There has not been adequate public consultation. I have been to your "open house" and to the *Speak Up Winnipeg* presentation on Monday evening. At the open house I heard sales pitches and analogies, but no facts. When questioning one of the city administrators about the P3 examples given in the Deloite Touche report, he answered, "Oh, that was so long ago!" He later cited the companies mentioned in the report as examples, unaware that he was referring to the very same companies. On Monday at *Speak Up Winnipeg*, the three city representatives only answered the 10 questions prepared beforehand and left immediately afterwards, not allowing for any questions from the floor, even though the questions were written on cards.

The public has been told what City Hall wants them to hear and, is expected to believe sales pitches, as illogical as they may be, instead of being provided with the facts that they are asking for. Even the reports leave a lot of question unanswered about the relationship between the MCU and the strategic partner. We were told on Monday only that the private company would be hired in a different way. What is this different way? You constantly repeat that the utility will be 100% public owned. Repeating something enough times will not make it true. When questioned about the strategic partner you reply that they will have a 49% stake in the waste water treatment plant, but that it will still be 100% publicly owned. The word "stake" needs to be clearly defined. The business definition of the word *stake* is "ownership in an enterprise" and, in law, "a right or legal share of something; a financial involvement in something". This normally means "shares to be sold on the stock market". If a company has shares in our waste water facilities, this leaves 49% of the utility to be sold by the private, for-profit company on the stock market, and we could end up with almost half of our utility ending up in the hands of foreign companies.

You argue that this route needs to be taken in order to prevent the City Council from dipping into its own coffers. You are the City Council. What of changing your behaviour, setting limits on access to the utility's capital? Giving away our services to a private company does not offer a reasonable solution. You also argue that that the rates need to be protected from city Council by the Public Utility Board (PUB). City Council is going to a lot of trouble to protect the citizens and the utility from City Council!

By creating an arms-length utility, the city relinquishes much its control. You will relinquish the city's ability to choose members of the MCU board. City Council becomes in effect a rubber stamp with the major decisions being made by someone else. With the

corporate model, transparency is lost, control is lost, and the ability for the city to make long-term plans about it is lost.

The PUB model is less accountable than the current model. Its decisions are virtually irreversible, harder to fight because opposition requires costly legal action, and increases are usually granted if a company can justify its cost increases. With private companies such justifications include salary increases for CEOs, engineers, lawyers, etc. In Beaver County, Alberta, where a private company put in the water pipe line, residents saw themselves paying for seven salaries instead of that of the one employee who actually did the work. They now pay over two to three times more per cubic litre as compared to what the rest of the province pays under a public system.

The public is asking you questions and you cannot answer them.
If you cannot give answers to the public's questions and are giving bad answers, then maybe you are making a bad choice.
What is the rush? Why do this while everyone is away on holidays?
What are the positive benefits for the city of Winnipeg to sell off a utility in part or in whole? The private company that the establishment of an MCU will allow in will benefit financially. What are the benefits for the city?
What are the benefits for Mayor Katz and the councillors in favour to rush this decision?
We as citizens will lose 49% of our control of our waste water services.
You need to compare the short term benefits to the long-term negative effects.
The short-term benefits seem to be the belief that the city will save money.
This does not make sense.

This may have looked like a good business plan 18 months ago when the global economy was in the middle of crashing and credit was collapsing, but credit is up now. Right now is the best time for us to borrow because the interest rates are so low. Interest lending rates are not at 9% but down at 3 or 4%.We are not a private company, but a city and owners of a water utility and, unlike a private company, present 0% risk to lenders. The city has a double A+ rating and there is money to borrow in Canada as opposed to having to seek credit from a foreign lender.
Why give up a resource that gives us a good return?
Is it a fair exchange? This is easy to measure: take the present value of the utility and compare it to its future value.

The world has entered into an era of water shortages. Right now one in six people in the world does not have access to clean drinking water. The number one killer of children in the world is cholera, a water-borne disease that flourishes where clean water is not available. By 2025, one in three people in the world will not have access to fresh water. There are two main responses to the water shortage crisis: commodify it or ensure that everyone has enough. The transnational water companies such as Suez, Veolia, and Nestlé know that as supply decreases, demand increases, and that there is a great profit to be made for companies that control the water. Water is made into a commodity: a product you can have only if you can afford it. The other option recognizes water as a basic

human right, a necessity for all life, that needs to be protected and managed so as to ensure that, rich or poor, all will have access to water services. We need to decide whether we will allow our water services to enter the hands of private corporations or remain a part of the public trust.

Again, for the sake of the common good that recognizes water as a right, a sacred gift, a necessity of life that should remain in public, not private hands (you remember passing this motion in March 2006), I ask you to defer you decision on the MCU and private partner until the public, the true owner of the utility, has been properly consulted.

Dr. Mary LeMaître, Development & Peace Chair, Archdiocese of Winnipeg