To Executive Policy Committee, July 15, 2009

Up to this point, I have been speaking on behalf of the Wolseley Residents' Association, of which I am the vice-president. I am employed as the policy analyst for the Social Planning Council of Winnipeg and from this point on, I have been authorized by the President of the Board to speak on behalf of my employer.

For 90 years, the Social Planning Council of Winnipeg has been working to make this city a more just, caring, inclusive and responsive society.

The Social Planning Council of Winnipeg, in consultation and cooperation with the Council of Women of Winnipeg, is today launching a petition campaign to get City Council to delay this important decision for at least three months, from the July 22 meeting of council to the October 28 meeting or later.

It is clear that this proposal has not been studied closely enough by the citizens of Winnipeg. Rushing it through during the summer is part of a deliberate and cynical strategy to ensure that citizens are not involved in this decision-making process.

The so-called public consultation the City engaged in was a farce. Holding two sessions in the same building in one part of the city does not meet anyone's standard for true public consultation.

The format of the sessions was also designed to prevent public involvement. Having static displays with officials standing nearby does not give citizens the chance to ask vital questions in public and get answers, in public, that can then be held up to scrutiny by citizens and the media.

The Council of Women of Winnipeg held its own public meeting, but city officials left the meeting after making a presentation, refusing to answer questions from the public.

The Social Planning Council respectfully requests the following format for truly meaningful public consultations:

1. At least one public meeting of at least 90 minutes is held in each of the city's five community committee areas on a weekday evening in September after Labour Day.
2. The meetings are advertised in both daily newspapers at least a week in advance of the meeting.
3. The Chief Administrative Officer or his designate attends each of the public meetings and answers questions put directly by citizens from the floor.
4. "Public" is defined as:
    a. The meetings are open to all citizens;
    b. Microphones and a PA system are provided by the city; and
    c. City officials and citizens make their comments through the PA system.

The Social Planning Council, in cooperation with the Council of Women of Winnipeg, also respectfully requests that the Public Service produce a new report, answering three key questions not dealt with in the current report:

1. Why is a change required from the existing Water and Waste Department system?
2. What are the costs and benefits of all options, including the status quo?
3. What is the potential effect on public health of this proposal?

Ironically, the most compelling arguments for delaying this decision are provided by Bryan Gray, the official in charge of this process, in his article in today's Winnipeg Free Press, "Delay would be a mistake."

Mr. Gray says not once, but three times, that the city will retain "100 per cent" ownership of the new utility. But he glosses over the fact that the city is prepared to give away 49 per cent of any new subsidiary to the private sector.

Who will be the lucky private sector winner of this giveaway? How? Under what conditions? Mr. Gray candidly admits those decisions have not yet been made.

"There are a number of models…" he says at one point. "Whatever the decision…" he says at another point.

In fact, the Winnipeg Free Press reported that in a meeting between its editors and Mr. Gray and CAO Glen Laubenstein, the two city representatives fell to arguing among themselves about how the private sector partnership would work. This is not a trivial detail. It is a vital component of this plan.

Until there is clarity on how much of Winnipeg's infrastructure – paid for by taxpayers – the lucky winner will get, and what they will do with it, Winnipeggers should not be asked to buy a pig in the poke.

All those details should be clarified before Council is asked to vote on this scheme.

The Social Planning Council favours maintaining the status quo. We want Winnipeg's water to remain 100 per cent publicly owned, not sold off piecemeal to the highest private sector bidder under the guise of "subsidiaries."

We invite all Winnipeggers who share the concerns of the Social Planning Council of Winnipeg and the Council of Women of Winnipeg to sign our petition online by going to our website:

spcw.mb.ca

and following the links.

We will also make paper copies available. I have some to hand out right now to councilors and for anyone else who would like to take one.

Thank you for your attention and I would be happy to answer any questions you may have.

David Cavett-Goodwin

Policy Analyst

Social Planning Council of Winnipeg

This, Councillors, is a bad proposal. And not just in the political-economic, public-policy sense of the word. It is in fact, a poorly written proposal.

A successful Public-Private Partnership (P3) will ensure and illustrate: that public sector resources achieve value for money; open communication between all stakeholders; project affordability; due diligence in planning; procurement process transparency; and, that contractual obligations are met.

This City's proposal achieves none of these objectives. There are too many holes, unanswered questions, and loose ends in this document, to even remotely be given the public's nod of approval. It is not clear that value for money will be achieved through the creation of an MCU, and this presentation will go through the proposal, indicating specifics which speak to its inefficacy.

Good Governance

Principles of good governance (transparency, accountability, customer focus, health and environmental protection, etc) are key to sustainable water services and should be at the core of any reform, including P3's.

However, this MCU proposal does not adhere to the principles of good governance, as much as it likes to use those terms. The Utility's Board of Directors will be selected by the City's CAO, with approval by the City Council, as a slate; meaning all or none. Will the public be consulted on who is going to be suggested as candidates for the MCU Board?

"The proposed governance process would not be open to risk of influence by political agendas, but rather on what will achieve best value for money for the utility in protecting human health and the environment"(3). What about a negative connotations of a business agenda; or is the private sector beyond reproach of having an agenda? It is nonsense to think that politicians have an agenda, and businesses don't.

Public Scrutiny

Trust is at the core of a successful partnership. Involving the community in the process from the beginning should increase public trust. Contracts should be made public before they are signed. Was there due diligence in planning? No. Has

the City Council, the Project Team, and the proposed Utility, earned the public's trust? No.

"The City-owned Utility website was visited 2,233 times from April 12 to May 31 2009, with 37 emails being sent to the City-owned Utility inbox" (12). What did these emails say, and how were they incorporated into the business proposal process?

"The preparation of this business plan was facilitated by the Project Team, and this plan was prepared on a foundation of research and analysis and was shaped by input from key stakeholder groups" (13). The Project Team, consisting of Moira Geer, Bryan Gray and Henry Hunter, published this report on June 26th. This was 2-weeks and day after the final "public consultation" session, with citizens given only 3weeks to read the document, and no one available to answer questions. This is clearly inadequate and unacceptable.

Environmental Scan

"The arms length nature of the organization will allow increased accountability but Council involvement in the day to day operation of the Utility will be minimal" (3). How can this organization be more accountable when the City Council is further removed from the equation? How is this increasing accountability to citizens?

"In the water sector, competition is limited, which makes asymmetric information a bigger constraint (since information cannot be revealed through competition mechanisms). Moreover, the private sector usually restricts access to information, which raises the question of how to maintain high levels of transparency and accountability" (Ouhayai, 2006:17).

Other Options

P3's are clearly not suited for all circumstances. It is thus necessary to consider the advantages and disadvantages of many options before selecting one. To be fair, the selection process should involve all stakeholders. The title, "Improved City-Owned Utility: EVERYONE WINS", is not a positive example of research into alternative water management options.

With regards to the claim that the MCU model will remove the ability for City Council to use utility rate increases to balance the City budget; why can't this be equally achieved through simple fiscal restraint, increased councillor responsibility, or through enacting simple legislation?

The evidence is overwhelmingly clear that pretty much everywhere in the world, well managed, publicly accountable water and sewage systems are responsible for many more years of life expectancy than can be attributed to the whole illness care system (e.g. doctors, open heart surgery and CAT Scans), highlighting the preventative nature of Winnipeg's already clean drinking water. Thus, a change from public to privately operated water services is neither necessary nor desirable.

It is the most vulnerable such as the poor, the socially marginalized, the very young, the very old, that will be most at risk from any negative consequences. There is a long history of negative impacts when the private sector tries to deliver an essential public good like water/sewage treatment.

Finally, the Risk Assessment section of the document attempts to highlight potential public, financial, and technical risks that could arise from a strategic partnership. The description, "Lack of support from the Public for the Utility model", is to be combated with, "Development and implementation of communication plans, ensuring open and transparent communication with the public and stressing the benefits of the new model" (80). In other words, the possibility that the Public won't accept the MCU is unfathomable – "continue to stress the benefits of the new model until the Public is either confused/frustrated/or bored.

Is there a possibility, that the Public does understand what the City is trying to propose with this Utility? Now, is there a chance that the City Council will understand that the public simply does not want it?

Thank-you for your time.

David Cavett-Goodwin
Vice-President
Wolselely Residents Association

Social Planning Council
of Winnipeg

Petition

We, the undersigned, support the following requests presented by the Social Planning Council of Winnipeg, in consultation and cooperation with the Council of Women of Winnipeg:

1. That City Council delay its decision on the proposal to create a Municipal Utility Corporation from its meeting on July 22, 2009 until its meeting on October 28, 2009 or later.
2. That the City's Public Service produce a report that provides clear answers to the following four questions, which are not dealt with in the current report:
    a. Why is a change required from the existing Water and Waste Department system?
    b. What are the costs and benefits of all options, including the status quo?
    c. What is the potential effect on public health of this proposal?
    d. A private sector partner will not have the option of taxation – distributing the costs based on income and ability to pay. What protection is there for those living in poverty from price hikes demanded by the private sector partner in a new subsidiary?
3. That City Council enter into a process of meaningful community engagement with Winnipeg's citizens about this proposal. "Meaningful" is defined as:
    a. At least one public meeting of at least 90 minutes is held in each of the city's five community committee areas on a weekday evening in September after Labour Day;
    b. The meetings are advertised in both daily newspapers at least a week in advance of the meeting;
    c. The Chief Administrative Officer or his designate attends each of the public meetings and answers questions put directly by citizens;
    d. "Public" is defined as the meetings are open to all citizens, microphones and a PA system are provided by the city and city officials and citizens make their comments through the PA system.

Name	Address	Date	Email Address

Please return by July 21, 2009 to:
Social Planning Council of Winnipeg, 412 McDermot Ave. Winnipeg, MB R2A 0A9 or Fax to 204.942.3221.

A link to an online version of this petition can be found at **www.spcw.mb.ca**