

Privatization of Wastewater Treatment in Whistler

**A Submission to the Mayor and Council
of the
Resort Municipality of Whistler**

Prepared by CUPE Research on behalf of
Canadian Union of Public Employees, Local 2010

January 9, 2006



Introduction

The Canadian Union of Public Employees (CUPE) represents more than 540,000 workers in Canada and 70,000 in BC, primarily in the local government sector. CUPE represents water and wastewater workers in the Resort Municipality of Whistler (R.M.O.W.) and in many communities across the country. We have considerable experience with infrastructure issues and have undertaken extensive research on privatization. CUPE is very concerned about Whistler's decision to enter into a multi-decade contract for privatized operation of wastewater treatment. We thank Council for this opportunity to outline some of our concerns..

In this submission, we identify concerns about: insufficient due diligence; the Blue Ribbon Panel; the procurement process; the pattern of large cost increases associated with P3s; the companies that have been short-listed; lack of transparency; and inadequate access to information. Attached as appendices are a list of questions that Councillors may wish to put to R.M.O.W. management, as well as a recent Ipsos-Reid report on widespread opposition to water privatisation in BC.

BACKGROUND

Wastewater treatment in the R.M.O.W. is currently managed and operated as a high quality public sector service. In September 2004, the Sierra Legal Defence Fund ranked Whistler's public sector service second in the country in its National Sewage Report Card, which evaluated 22 cities and assigned them a letter grade based on the quality of their sewage treatment. Whistler scored a solid "A".

Public-private partnerships (P3s) for wastewater treatment are rare in BC. Almost all BC municipalities operate and manage this service publicly. One of the most recent success stories of public sector operation is the new Kamloops Centre for Water Quality, but there are several other public sector examples around the province, including recent upgrades in Penticton and Kelowna. The public sector Seymour Water Filtration Plan is nearing completion in the Lower Mainland.

Whistler has been planning a major upgrade of its Wastewater Treatment Plant for the last several years. In 2003, the R.M.O.W. was provided with a \$12.6 million federal/provincial infrastructure grant in support of this upgrade.

Plans to privatize operation of the wastewater service have been quietly underway since at least 2001. In July of 2001, well known privatization advocate Jonathan Huggett (of J.R. Huggett Co., Infrastructure Consultants) produced a report for the R.M.O.W. (and – subsequently – Partnerships BC) entitled A Public-Private Partnership for Wastewater Treatment Plant Upgrade: Business Plan.¹

¹ Huggett was one of the main consultants for the District of Maple Ridge when it put together its failed public-private partnership (P3) for downtown redevelopment in the late 1990s. The Maple Ridge downtown redevelopment P3 was eventually deemed illegal by the BC Court of Appeal. Maple Ridge recently borrowed \$49 million from the Municipal Finance Authority in order to get itself out of the P3 deal and finish downtown redevelopment through regular procurement.

Following the Huggett report, the focus has been on how to privatize operation of the upgraded facility. R.M.O.W. managers worked closely with Partnerships BC to develop a plan for private design, construction and operation of the upgraded plant. In December 2005, it became clear that a portion of the project would be privately financed as well.

DISCUSSION

Blue Ribbon Panel: In August 2004, a “Blue Ribbon Panel” was established to compare the option of public sector operation with the option of private design/build/operate (D.B.O.) and to make a recommendation. Municipal lawyer Don Lidstone chaired the committee. It is fair to say that several members of the Blue Ribbon Panel are either proponents of P3s or from municipalities which favour P3s. Amongst others, panel members included: P3 advocate Mark Hodgson of PricewaterhouseCoopers²; Keith Shepherd of the Municipality of Jasper³; Don Kochan of the Town of Canmore⁴; Ted Tisdale of the City of Chilliwack⁵; Richard Corbett of Associated Engineering⁶; and Gordon Lindsay of North America Construction (1993) Ltd.⁷ The Blue Ribbon Panel compared a regular privately engineered and constructed/ publicly operated procurement model prepared by the engineering firm of Dayton and Knight with a private design/build/operate model proposed by Partnerships B.C. The Partnerships BC option was referred to as a “shadow bid”, however, as a minority dissenting view by Panel member Dennis Mitchell stated “...*although the Partnerships BC Shadow Bid was useful to illustrate a process they would follow in delivering this Project, it did not provide evaluators and potential proponents with a suitable basis upon which to evaluate the merits of proposals Whistler would receive... (the) Shadow Bid was based on other examples, in particular Jasper. A substantial examination of the Whistler plant by an independent consultant is required to prepare a suitable Shadow Bid.*”⁸ In responding to Mr. Mitchell’s dissenting comment, the other members of the Panel conceded, “...*the Partnerships BC Shadow Bid was merely illustrative in nature to demonstrate one potential alternative design and delivery mode.*”⁹

Yet, even though the Partnerships BC option was “*merely illustrative in nature*”, the Blue Ribbon Panel relied on it to justify its recommendation in support of privatized operation. In its final report of January 6, 2005 the Panel recommended that “...*the R.M.O.W. proceed with a design build operate program...the Panel recommends a design build program combined with a ten year operating agreement (with an option to renew)*...”¹⁰

² Subsequent to presentation of the Blue Ribbon Panel report, Hodgson was retained by the R.M.O.W. as Procurement Manager for the Whistler wastewater P3 project.

³ Jasper has a wastewater treatment P3 deal with EarthTech, based on recommendations by Jonathan Huggett

⁴ Canmore has contracted with Epcor for its wastewater treatment P3, following procurement advice by Jonathan Huggett

⁵ Although Chilliwack did not privatize operation of its wastewater treatment upgrade, it did put a P3 in place for its new recreation complex

⁶ Along with PriceWaterhouse Coopers, Associated Engineering was subsequently hired by Whistler to manage the P3 project.

Associated Engineering advised Port Hardy before its water and wastewater P3 with Epcor was put in place and is part of the Sea to Sky Highway P3 consortium

⁷ North American Construction (1993) Ltd. has constructed many projects, both P3 and public sector. It uses the controversial Christian Labour Association of Canada (C.L.A.C.) for its construction employees.

⁸ Report of the Blue Ribbon Panel January 6, 2005. page 11

⁹ Ibid

¹⁰ Op. cit. page 1

Only four days later, on January 10, 2005, Whistler Council announced it had chosen the design/build/operate approach and would be proceeding to privatize operation of the upgraded facility. The Council news release stated that the seven current staff positions at the plant “...will be transferred to the private sector...”.

Costs: R.M.O.W. management staff have emphasized a belief that privatization of wastewater treatment will cost less than public sector provision. The January 2005 announcement claimed: *“Studies have shown that a competitive D.B.O. approach can provide significant cost savings. The municipality established a budget of \$22.31 million, and received a grant of \$12.6 million...the actual cost of the upgrade will be determined through the process, but savings are expected to be at least 15 per cent over traditional procurement methods on capital construction alone, while at the same time decreasing risk to the municipality.”*¹¹

The only justification in the Blue Ribbon Panel Report for this bold assertion is allusion to (but no specific footnote or reference for) an unnamed Urban Systems report done at some point for the City of Chilliwack, plus simple statements of faith such as “Competition is good” and “Innovation saves costs”.¹² There is no other quantifiable information in the report to substantiate such a conclusion.

The Blue Ribbon Panel also saw privatization cost savings in its comparison between the public sector Dayton and Knight concept and the Partnerships BC model. But the comparison was flawed. For example, the P3 scheme set out by Partnerships BC had certain, apparently cheaper, ideas about biological sewage treatment and removal of unstabilized seepage, which were not in the more conventional concept from Dayton and Knight. This is a classic comparison of “apples and oranges.” There is no reason why a public sector upgrade could not also use these cheaper or more efficient methods (in fact, many publicly operated systems do use biological treatment). If that is the kind of system the R.M.O.W. wants, it can simply tender for it. There’s certainly no need to privatize sewage plant operations and maintenance simply to achieve a certain sewage treatment strategy.

In its cost comparison model, Partnerships BC also extrapolated a net present value of operating costs over 20 years using a discount rate of 6%. This resulted in an artificially high figure for estimated operating costs of the public sector option, since inflation is currently running at roughly 3% and interest rates for 20 year municipal borrowing are currently 4.7%.¹³ In the United Kingdom, the Treasury stipulates that the discount rate for P3 versus public sector comparisons must be 3.5%¹⁴ - a much more realistic figure than 6%.

Current operating costs for the Whistler wastewater treatment system are \$2.05 million per year. Partnerships BC claimed a P3 can bring that down to \$1.65 million per year, but didn’t substantiate why. There is nothing quantifiable or specific in the Blue Ribbon Panel report to justify such a conclusion. The public will not know the real number until after a P3 contract has been concluded – and by then it will be too late.

¹¹ WWTP to proceed with design-build-operate R.M.O.W. news release. January 2005.

¹² Blue Ribbon Panel Report pages 8 and 9

¹³ Municipal Finance Authority of B.C. <http://www.mfa.bc.ca/marketrates.htm>

¹⁴ Green Book, Appraisal and Evaluation in Central Government H.M. Treasury <http://greenbook.treasury.gov.uk/annex06.htm>

Everything possible was done in both the Partnerships BC and Blue Ribbon Panel analyses to try to make public sector look bad and private sector look good. There was no independent or substantiated review of a range of options.

Cost experience of other P3s – From a budgetary perspective, British Columbia’s experiment with P3s is going poorly. The consistent pattern is for the public to be told (only after binding contracts have been signed and concluded) that the P3s are far more costly than the budget estimates upon which planning and approvals were based. For example: after contracts were concluded, the Richmond/Airport/Vancouver rapid transit (R.A.V.) P3 went up from the promised \$1.5 billion to the current cost of \$1.9 billion¹⁵; after contracts were signed, the public was told the Bennett Bridge P3 project across Lake Okanagan had gone up 44.5% from the promised \$100 to the new figure of \$144.5 million¹⁶; the all-in cost of the Abbotsford Hospital P3 has gone up 94% from a promised figure of \$720 million to the current cost of \$1.4 billion¹⁷; the projected cost of the Golden Ears Bridge P3 between Maple Ridge and Langley has gone from a promised \$600 million to the current estimate of \$900 million¹⁸; and in December, the public was surprised to learn that, over the 25 year project term, the Sea to Sky Highway P3 will cost at least \$312 million more than originally forecast.¹⁹

Given this history, it will be very surprising if the eventual capital costs of the Whistler Wastewater Treatment P3 do not significantly exceed the \$22.31 million budget set by the R.M.O.W. Council and if annual operating costs do not significantly exceed the \$1.65 million per year predicted by Partnerships BC and the Blue Ribbons Panel. Council may wish to request a full briefing on current cost estimates both before an R.F.P. is issued and **before** contracts are concluded. During these briefings, councillors may wish to focus on actual monetary costs rather than the so-called “enhanced value” which will be used as the justification for them.

Procurement: A Request for Qualifications (R.F.Q.) for the Whistler wastewater treatment upgrade was issued in August 2005. The shortlist of qualified proponents was issued in November. A formal Request for Proposals (R.F.P.) is scheduled for January 2006. A preferred proponent is meant to be chosen by June 2006. “Financial close” of the P3 deal is set for July. Construction is to begin next autumn.

This means there is still time for Whistler’s Council and citizens to put a brake on this privatization, should they choose to do so.

¹⁵ <http://www.canadaline.ca/aboutFAQ.asp>

¹⁶ “SNC Lavalin chosen to deliver William R. Bennett Bridge” Ministry of Transportation news release. June 29, 2005. http://www2.news.gov.bc.ca/news_releases_2005-2009/2005TRAN0032-000628.htm#

¹⁷ “Review of the Request for Proposals: Abbotsford Hospital and Cancer Centre”, Ron Parks and Associates Inc. Investigative and Forensic Accounting. December 24, 2003. <http://www.heu.org/2004/rparks-review-of-rfp.pdf>

¹⁸ see project website http://www.translink.bc.ca/goldenearsbridge/project_benefits/financialvalue.asp and “P3 bridge costs ramp up” by Nick Rockel, *Georgia Straight* December 8, 2005 <http://www.straight.com/content.cfm?id=14721>

¹⁹ *Project Report: Achieving Value for Money Sea to Sky Highway Improvement Project* Partnerships B.C. Dec. 21, 2005 http://www.partnershipsbc.ca/files_2/seatosky.html and “Sea to Sky Expensive and Overbuilt” by David Schreck Dec. 27, 2005 <http://www.strategicthoughts.com/record2005/seatosky.html>

Interestingly, the R.M.O.W. amended the Request for Qualifications on October 7th, 2005 to permit the option of the municipality adding extra capital funds itself beyond the level of “available funding” that had been identified in the original R.F.Q. This likely reflects messages from the private sector that capital costs will be higher than budgeted. It may also signal that private proponents are already negotiating to transfer a higher level of risk back to the municipality than had been contemplated in the original R.F.Q.

If so, this is typical of the pattern of British Columbia P3s. As procurement negotiations unfold, things are generally made easier for the private proponents through transfer to the public owner of higher costs and risks. Many B.C. P3 projects have seen higher risk transfer to the public than originally promised. Examples include the Richmond-Airport-Vancouver rapid transit P3, the Abbotsford Hospital P3, the William R. Bennett Bridge in the Okanagan, the Golden Ears Bridge P3, the Sea-to-Sky Highway P3 and others.

There is some confusion as to who is managing project procurement. According to the Partnerships B.C. website²⁰, the Procurement Manager for this project is Mark Hodgson of PricewaterhouseCoopers. (Hodgson was one of the members of the Blue Ribbon Panel that recommended privatization. Both he and his firm are active advocates for P3s.) But according to Whistler’s project website²¹ the Procurement Director is Robert Orr of PricewaterhouseCoopers. And, at the R.M.O.W. Council meeting of December 19th, Sue-Anne Fimrite of Partnerships BC was introduced as the Project Director.

The Short-list:

Four proponents were short-listed on November 23rd, 2005. Of the four, three are large multinational water companies: American Water of Voorhees, New Jersey (owned by RWE AG of Essen Germany and part of the RWE Thames Water division of Reading England)²²; Veolia Water of Paris, France (formerly Vivendi)²³; and CH2M Hill of Canada, an affiliate of the CH2M Hill family of companies, based in Denver Colorado²⁴.

²⁰ http://www.partnershipsbc.ca/files_2/whistler.html

²¹ <http://www.whistlerwastewater.com/contact.html>

²² Thames Water has been fined repeatedly for pollution violations and has been cited as one of the top polluters in the U.K. (see: [RWE/Thames Water: A Corporate Profile](http://www.citizens.org/documents/RWE%20Profile.pdf) – a report by Public Citizen, updated October 2005 <http://www.citizens.org/documents/RWE%20Profile.pdf> or <http://www.citizen.org/cmep/Water/general/water/majorwater/rwe>) Recently, American Water has been in a prolonged legal battle with Lexington, Kentucky which is striving to return Kentucky American Water to public ownership (<http://www.bluegrassflow.org>) The \$600 million water and wastewater P3 with OMI/Thames Water in Stockton, California is the largest water P3 on the West Coast and has been the subject of considerable community controversy (<http://www.citizen.org/california/water/stockton/index.cfm> or <http://www.ccos.org/>).

²³ In October 2005, the U.S. Attorney in the Southern District of Indiana served local Veolia water management officials with subpoenas to appear before a grand jury investigating the falsification of water quality records in Indianapolis. The Indianapolis contract has been the subject of extensive controversy (see: [Veolia Environnement: A Corporate Profile](http://www.citizens.org/documents/Vivendi-USFilter.pdf) - a report by Public Citizen <http://www.citizens.org/documents/Vivendi-USFilter.pdf> or <http://www.citizen.org/cmep/Water/general/majorwater/veolia/>)

²⁴ Operations Management International (O.M.I.) is the water and wastewater subsidiary of CH2M Hill. O.M.I. partnered with RWE/Thames Water in Stockton and the two companies have close links. They are nonetheless each short-listed separately for the Whistler project.

If one of these multinational companies is eventually selected, it will set a significant precedent for British Columbia. So far, the only multinational company involved in direct provision of water or sewer operations in this province is Terasen Utilities, recently purchased by Kinder-Morgan of Texas. Terasen has a long-term contract to provide sewer service to Langford, on Vancouver Island.

Other than Langford, no BC municipality has contracted with a multinational company to operate its water or wastewater systems. The Council of R.M.O.W. may wish to consider the N.A.F.T.A. and other trade agreement implications of entering into a long-term contract with an international company for provision of a key public service like wastewater. Given Canada's trade agreement obligations, it may be very difficult to ever-reverse course and return to public operation once a contract is awarded to a multinational.²⁵

The fourth short listed company is Epcor, based in Edmonton. Epcor is a private company whose common shareholder is the City of Edmonton. It operates in the marketplace in the same way as any other private company.

Even though Edmonton owns Epcor, the Council of the City of Edmonton, in late September, rejected a comprehensive proposal for Epcor to take over the City's sewer and drainage system through a franchise arrangement.²⁶ Considerable public controversy was generated by the Epcor proposal and 30 delegations spoke to Council in opposition. This was the third time in the last decade that Epcor had made a similar proposal to the City and the idea has been rejected each time. Whistler Councillors may wish to make contact with the Edmonton Councillors who opposed the Epcor application to ascertain why Edmonton Council has consistently (and as recently as last September) rejected proposals to transfer operation of its sewer and drainage system to Epcor.

Lack of transparency and inadequate access to information: As with almost all other P3s, there will be limited information provided to the public about this procurement until it is finished and a contract is concluded. Even then, much information about this publicly financed project will be withheld as "commercially confidential".

Nonetheless, at its meeting of December 19th 2005, R.M.O.W. Council was assured by senior R.M.O.W. and Partnerships BC management that there will be no problems with public access to information if this project is procured as a P3. Council was even given the questionable assurance that the Freedom of Information and Protection of Privacy Act will apply to a P3 contractor. While it is true that the Act applies to the R.M.O.W. and to records in its custody,

²⁵ Note implications of the 1996 dispute between Vivendi International and the Argentine Province of Tucuman in an August 2003 legal opinion prepared by Steven Shrybman of Sack, Goldblatt and Mitchell Public-Private Partnerships: Assessing the Risks Associated with International Investment and Services Treaties. Response to the Canadian Council for Public-Private Partnerships "Guidance for Municipalities"

http://www.cupe.ca/updir/Response_to_C2P3_Guidance.DOC

²⁶ see City of Edmonton Council Minutes for September 27/28, 2005
http://www.edmonton.ca/meetings/minutes_council/cc20050927mn.doc

sections 21 and 17 of Division 2 of the F.O.I.P.P.A. state that disclosure of records, which are arguably "...harmful to the business interests of a third party..." (Such as a P3 contractor) or "...harmful to the financial or economic interests of a public body..." do not have to be released to the public.²⁷

For CUPE Local 2010, the assurances of December 19th are more than a little ironic, given that the President of the Local made a request for documents on April 27th, 2005 which has been stalled by R.M.O.W. managers ever since. The only documents which have been provided are documents which are already posted to the R.M.O.W. website. Local 2010 has even been denied a copy of the Dayton and Knight report prepared for the Blue Ribbon Panel and has had to launch an appeal with the F.O.I. Commissioner in Victoria to try to access this most basic information.

SUMMARY

Despite an excellent record of public sector success, managers for the Resort Municipality of Whistler has been working with Partnerships BC and its consultants since 2001 to develop a strategy to privatize operation and maintenance of an upgraded Wastewater Treatment Plant.

Experience with other BC P3s shows that costs for the wastewater treatment upgrade are likely to significantly exceed the budgets set by Whistler Council. However, given the nature of P3 negotiations, the public and Whistler Council may not learn of these increased costs until a contract is nearly, or fully, concluded.

A Request for Proposals has yet to be issued and a preferred project proponent is not scheduled to be chosen until June of 2006. This means Whistler Council may still opt for public sector delivery of this wastewater treatment, with minimal negative consequences. Given the unresolved issues for Council and Whistler residents, we strongly recommend that Council take this opportunity to revisit the P3 approach.

²⁷ http://www.qp.gov.bc.ca/statreg/stat/F/96165_01.htm

Appendix 1

Suggested questions:

1. At the R.M.O.W. Council meeting of December 19th, Mr. Steve Hollett of Partnerships BC said that as much as 15% of this project may be privately financed, even though Council has not previously approved, or even considered, a design/build/finance/operate structure. The prospect of private financing seems to be confirmed by the R.F.Q. Questions and Answers section of the website, where is the answer to question 7, it is stated that: *“The 15% holdback can be considered as the Contractor’s equity investment in the project”* and in answer to question 8, it is stated that: *“The RMOW may choose to increase the Available Funding to a level such that the only amount funded by the Contractor during the operating term would be the 15% holdback.”* An addendum was added to the R.F.Q. at page 16 requesting: *“Experience in investing equity in projects and/or raising other forms of project specific financing in the range of \$5 million to \$10 million.”*

Given that private sector borrowing is always more expensive than public borrowing, what cost/benefit analysis has been done regarding this option? What additional costs will be added to the project budget if 15% is privately financed? Will R.M.O.W. Council be asked to specifically approve the option of private financing before negotiations commence around it? When will R.M.O.W. Council be presented with options and analysis concerning private financing, so that it may make a deliberate decision on this matter?

2. In 1994, the City of Hamilton, Ontario entered into a P3 arrangement for water and wastewater treatment. By 2004, Hamilton decided to end its P3 experiment and has returned to public sector operation of this service. During the ten years of private operation, the contract was transferred to five different companies. Amongst other difficulties, the municipality dealt with spillage into Lake Ontario of 180 litres of raw sewage and the flooding of 200 homes. Has R.M.O.W. management staffs reviewed the Hamilton experience? What specific penalties and accountabilities are proposed for the Whistler wastewater treatment-operating contract to prevent environmental damage caused by contractor error?
3. Recently, the financing contract for the Abbotsford Hospital P3 was sold to Macquarie Bank by ABN Ambro. It is not unusual for P3 contracts to be transferred from one private operator to another during the contract term. What protection will R.M.O.W. have against its wastewater P3 contract being transferred to one or more different companies than the one it initially engages with?
4. The questions and answers related the R.F.Q. indicate that “Available Funding” may be increased. How much additional funding is contemplated? What is the source of this additional funding? What are the reasons for the cost pressure?

5. What is the current estimated capital budget for this P3? What is the current best estimate of annual operating costs?
6. At its December 19th meeting, Council was assured that the P3 contract would be sufficiently flexible to accommodate future changes in technology and standards. While P3 contracts generally permit “change conditions”, material amendments can only be made for a price – usually a very steep price. How much is it anticipated to cost the R.M.O.W. if the municipality wishes to make significant changes to its approach to sewage management over the next 20 years?
7. Pete Davidson, President of C.U.P.E. Local 2010, submitted an F.O.I. request for documents related to this project on April 27th, 2005. The only information provided in response is information already posted to the R.M.O.W. website. The request has been appealed to the F.O.I. Commissioner in Victoria. Why are R.M.O.W. management reluctant to release copies of the Dayton and Knight report that was reviewed by the Blue Ribbon Panel? Similarly, why has the Partnerships B.C. “shadow bid” report not been released?
8. Provincial F.O.I. legislation permits the withholding of information, which may harm the economic interests of a third party. With P3s, much vital information for taxpayers is often deemed to be “commercially confidential”, especially during procurement negotiations. Given this, what clauses are being negotiated to ensure that as much financial information as possible is available to taxpayers?

Appendix 2

BRITISH COLUMBIANS: KEEP DRINKING WATER IN LOCAL GOVERNMENT HANDS

*Three-Quarters of British Columbians Oppose Privatization of
Drinking Water*

*71% Trust Their Community's Local Government More Than the
Private Sector to Provide Safe Drinking Water*



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Vancouver, BC – A new survey shows that British Columbians are very wary of any privatization of community drinking water. In fact, three-quarters (75%) of British Columbians are opposed to privatization of water services including drinking water, with six-in-ten (60%) BC residents saying they are strongly opposed. These results are from a recent telephone survey conducted by Ipsos Reid on behalf of the Canadian Union of Public Employees.

Only two-in-ten British Columbians (20%) support the privatization of water services, with just 6% saying they strongly support it. Regionally, people on Vancouver Island are particularly opposed to the privatization of water services. On the Island, 78% are opposed, with 62% being strongly opposed.

“As well as strong support, there is solid research in favour of public water management. That is why CUPE in BC and across the country is campaigning to stop water privatization,” says Barry O’Neill, president of CUPE BC. “On Vancouver Island, where there are serious threats to public water, this should be an issue in the November 19 municipal and regional district elections.”

These results show a slight increase in the strength of opposition to the privatization of water services from April 2001. In 2001, 73% of people were opposed to the privatization of water services, which is similar to this year’s result. However, in 2001, only 49% were strongly opposed, compared to 60% today.

Perhaps a large part of the response towards the privatization lies in the issue of trust. When asked who they would trust more to provide safe drinking water to their community, just over seven-in-ten people say they would trust their local community's municipal government more than a private company with 44% saying they would trust the government a lot more and 27% saying they would trust the government a little more. Just two-in-ten (21%) say that they would trust a private company more (10% a lot more, 11% a little more) than their local government.

British Columbians are also more likely to trust the government to provide affordable drinking water than a private company. When asked, almost three-quarters (73%) say they would trust their community's local government more than they would a private company with 46% saying they'd trust the local government a lot more and 27% trusting the local government a little more. Two-in-ten (21%) people say they would trust a private company more (10% a lot more, 11% a little more).

British Columbians were presented with a list of statements regarding the privatization of water services and asked whether they would agree or disagree with each statement. The responses to these statements reflect the attitudes towards the privatization of water services in general. For example, only 33% of British Columbians agree 'that the private sector would do a better job than the government at managing water services' (12% agreeing strongly, 21% agreeing somewhat). In contrast, 64% of people disagree with this statement (39% strongly, 24% somewhat).

Almost nine-in-ten (88%) British Columbians agree with the statement that 'water is a basic public service and should always remain in public hands'. Seventy-two percent of people strongly agree with this statement and 17% agree somewhat. Only 11% disagree (3% strongly, 8% somewhat).

Finally, more than three-quarters (77%) of all British Columbians agree that 'a private company operating the plant would be less accountable to me as a taxpayer than the city would be'. Fifty-three percent strongly agree and 24% agree somewhat, while 20% disagree (9% strongly, 11% somewhat).

Ipsos Reid

These results are based on 1,000 telephone interviews with British Columbians, 18 years of age and older from the BC Reid Express omnibus survey. Interviews were conducted between October 3 and 9, 2005 with residents from throughout the province. The regular monthly BC Reid Express sample of 800 British Columbians has been supplemented with an additional 200 interviews conducted on Vancouver Island (327 total interviews on Vancouver Island) to increase the reliability of the results there. The final data are statistically weighted to reflect the actual age and gender of the British Columbia population and are balanced by region.

With a provincial sample of 1,000, one can say with 95% certainty that the overall results are within ± 3.1 percentage points of what they would have been had the entire BC population been surveyed. The margin of error will be larger for sub-groupings of the survey population.

- 30 -

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