

June 2, 2008

Members of the Waste Water Treatment Plant Committee,
Mayor Finnegan and Councillors
Prince Edward County Council
Office of the Clerk
332 Main Street
Picton, Ontario K0K 2T0

Your Worship Mayor Finnegan and Prince Edward County Council:

The Prince Edward County is considering a proposal for a new wastewater treatment plant in Picton to be developed as a public-private partnership.

As part of your due diligence, we believe that it is important for Council to consider experiences and research which reveal that public-private partnerships (P3s) are neither good public policy nor good financial policy.

Our national union, the Canadian Union of Public Employees, has conducted extensive research into public service funding and operating models. Other public policy organizations such the Federation of Canadian Municipalities and the Canadian Council for Policy Alternatives have also published material related to these issues.

CUPE Local 2275 asked our National Research Department to gather material for Prince Edward County Council and to prepare a briefing for you that specifically addresses issues that must be considered in deciding whether or not to use a P3 model for a new sewage treatment plant in Picton. This binder contains material prepared by CUPE and other organizations about P3s, press clippings from other cities where P3 water and wastewater treatment projects have been turned down or gone wrong, and several reports from the City of Hamilton quantifying the decreased costs and increased quality in their water and wastewater treatment since bringing the system back in-house after 10 years with the P3 model. There is a Table of Contents at the beginning of the binder.

It is CUPE's conclusion that the P3 model is not the right model for Picton's new wastewater treatment plant.

As you are aware, Prince Edward County Council is and will be legally responsible for the quality of water and for wastewater treatment under the *Ontario Safe Drinking Water Act* and the *Ontario Water Resources Act*. The County will lose significant control over a sewage treatment plant owned or operated by a private corporation. It will be less transparent and accountable to the County than it would be under direct ownership and operation.

You will see from the material provided that P3s generally cost more than traditionally developed municipal infrastructure projects.

We urge you to examine these materials carefully and to make a decision that will be of the most benefit to the people of Picton

Please feel free to contact us if you have any questions.

Sincerely,

Christena Macartney
President, CUPE Local 2275

Water Wastewater P3 Briefing Book

for Prince Edward County Council

May 2008

Table of Contents

Press Reports

- Hamilton's water and wastewater operations have significantly improved, March 31, 2008 (City of Hamilton Press Release)
<http://www.myhamilton.ca/myhamilton/cityandgovernment/newsandpublications/newsreleases/2008news/03-31-08ka.htm>
- Public works for Halifax sewage treatment, November 20, 2007
http://cupe.ca/p3alertnov2007/Public_works_for_Hal
- BC public water projects on track and under budget, August 22, 2007
http://cupe.ca/P3_Alert_Summer_200/BC_public_water_proj
- Cities decide ASD is not for them, Taber Times, 20 June 2007
<http://www.tabertimes.com>
- Whistler flushes wastewater P3, June 21, 2006
http://cupe.ca/privatization/Whistler_flushes_was
- Hamilton's contracted-in water proves cheaper, safer, more efficient, April 26, 2006
http://cupe.ca/P3_Alert_April_2006/a4450d95d9d222
- Halifax tears up water P3, July 23, 2003
<http://cupe.ca/summer2003/P3Summer2003Strike1>
- City's sewage plan hits clog HRM cancels deal with private partner over proposed changes, The Halifax Daily News Saturday, June 21, 2003
<http://www.halifaxnewsnet.ca/index.cfm?pid=4661>
- Halifax flushes P3 deal with Suez, June 23, 2003
<http://cupe.ca/PrivatizationWater/ART3ef75ce772d7e>

Fact Sheets

- Who Benefits – Corporations or Communities? The Clear Choice About Water
http://cupe.ca/updir/The_clear_choice_water_FINAL.pdf
- City of Hamilton-Wentworth, Ontario Contracted-In Water: Public Excellence
http://cupe.ca/updir/Hamilton_Contracted-In_Water_Public_Excellence.pdf
- P3s no Cure for the Infrastructure Deficit
http://cupe.ca/updir/Infrastructure_and_P3s_Facts_&_Implications.pdf
- New Revenue Sources For Municipalities
http://cupe.ca/updir/New_Revenue_Sources_Facts_%26_Implications.pdf

- Secretive, Risky, Unaccountable: How Public-Private Partnerships are Bad for Democracy
http://cupe.ca/updir/rptbr_Secretive_Risky_Unaccountable_P3_Bad_for_Democracy_1.26.05.pdf

Federation of Canadian Municipalities

Hamel, Pierre. Public-Private Partnerships (p3s) and Municipalities: Beyond Principles, a Brief Overview of Practices. Pp. 1-8
http://www.fcm.ca/CMFiles/p3%20report%2008_31_07a1ubj-392008-7472.pdf

Canadian Centre for Policy Alternatives

Murray, Stuart. Value for Money? Cautionary lessons about P3s from British Columbia. Canadian Centre for Policy Alternatives, B.C. Office, June 2006.
http://www.policyalternatives.ca/documents/BC_Office_Pubs/bc_2006/P3_value_for_money.pdf

Columbia Institute Centre for Civic Governance

Columbia Institute. *Public Private Partnerships: Understanding the Challenge – A Resource Guide.* 2007
http://www.policyalternatives.ca/documents/BC_Office_Pubs/bc_2006/P3_value_for_money.pdf

University of British Columbia

Vining, Aiden R., Boardman, Anthony E., UBC P3 Project Working Paper 2006 – 04: Public Private Partnerships in Canada Theory and Evidence. Phelps Centre for the Study of Government and Business, Sauder School of Business, University of British Columbia, Vancouver, 2006
http://csgb.ubc.ca/files/p3/2006_04_vining.pdf

Hamilton City Council

Hamilton Water and Wastewater Operations Contract – 2005 Annual Report Card, Report to Public Works Committee from General Manager, Public Works, March 21, 2006

<http://www.myhamilton.ca/NR/rdonlyres/B2F6225A-28E4-4BAE-931E-1E4947001A4C/0/Apr24PW06041.pdf>

The 2005 annual report card respecting the operation and maintenance of the City of Hamilton's water and wastewater treatment facilities one year after being brought back in-house. Various qualitative and quantitative objectives and performance targets were identified in the 'Draft Service

Agreement' (DSA) that was provided to private operators for bidding. The operations of 2005 are compared with those objectives and performance targets.

Hamilton Water and Wastewater Operations Contract – 2006 Annual Report Card, Report to Public Works Committee from General Manager, Public Works, April 2, 2007
<http://www.myhamilton.ca/NR/rdonlyres/24E444E6-BC0D-4F15-92F8-C89C1B528775/0/Apr02PW07045.pdf>

Hamilton Water and Wastewater Operations Contract - 2007 Annual Report Card, Report to Public Works Committee from General Manager, Public Works, March 31, 2008
<http://www.myhamilton.ca/NR/rdonlyres/E5BEFD60-641A-487B-8FAD-1F301D29BA35/0/Mar31PW08034.pdf>

Regional Municipality of Whistler, British Columbia

Sewage Treatment Plant DBO Debrief, January 22, 2007

A review of the Council actions and resolutions during the 2–year process of arriving at the decision not to proceed with the DBO process for the sewage treatment plant and the lessons Council learned about the need for public communication.

This staff report is no longer available on the Regional Municipality of Whistler web site. It is referred to at <http://www.whistler.ca/content/view/239/393/> .