

Committee Report on a Legislative Matter

Report Regarding: 16.034pwu Ordinance Pertaining to Water Resources

From:

Comm. on Public Works & Utilities

Date of Meeting 3 /28/2016

Prepared By: P. Powers

Recommendation:

Positive Recommendation

Yes: 4

No: 0

Absent: 0

Abstain: 0

Factors Considered:

The Committee reviewed the ordinance and heard testimony from Councilor Ryan O'Donnell, one of the sponsors of the ordinance.

Comments, Discussion & Debate:

City Council Vice-President Ryan O'Donnell was present to talk about the ordinance that he is proposing. The ordinance seeks to prevent privatizing the city's water supply. The ordinance is modeled after an ordinance that was enacted in Gloucester. That city took the ordinance one step further and added language into their charter to prevent privatizing of their water. The right built into their charter is a right of referendum; if the city looked to privatize their water infrastructure, then the measure would be voted upon by residents in the community. Last year, New Jersey Governor Chris Christie signed a bill into law that would allow for fast-tracking the privatization of public water systems in New Jersey. The "Water Infrastructure Protection Act" removes the public vote requirement to sell water systems throughout the state under emergency conditions.

Across the country there have been strained budgets and mounting financial pressures felt by municipalities. This has led to corporations taking over the infrastructure of a city's resources such as water. One place this happened was Atlanta Georgia. That municipality has since switched back because of problems associated with privatizing. One very good example of where privatizing failed is Flint Michigan. The results have been disastrous for that community. The poisoning of the water by lead is a direct result of emergency managers making a variety of decisions with very little public accountability and driven by the desire to save money without any concern for public health or well-being. Other examples of privatization of public services has been in the areas of education,

transportation and utilities. However, he believes people would like the ability to continue to debate water and sewer rates and would prefer that such infrastructure remain with the city.

Councilor Dwight asked whether this ordinance was a prevention measure; Councilor O'Donnell noted that the city has a good water infrastructure system that the city should be proud of and should try to protect. Such an ordinance is a proactive measure to provide such protection. While the current mayor or city council may not look to privatize the water system, the ordinance would look to provide protection into the future.

Councilor O'Donnell shared the experience of privatizing Atlanta Georgia's water system. The city faced the high cost of its water infrastructure and also was facing the high cost of deferred maintenance. The city entered into contract with United Water. The company was able to provide the service at a lesser cost than the city. Private companies don't have to carry the same costs that government does. After a period of time, problems arose regarding the quality of the city's water and people inevitably raised concern about it issue. Ultimately the contract between the city and the company ended after 4 years of a twenty year contract.

Councilor Bidwell supports the ordinance; he commented that the Committee on Community Resources reviewed the ordinance last week. He likes the idea of calling attention to this important piece of city infrastructure that is well run and produces great water. He also likes the idea of being proactive about protecting a valuable public resource and infrastructure.