



CANADIAN ENVIRONMENTAL LAW ASSOCIATION
L'ASSOCIATION CANADIENNE DU DROIT DE L'ENVIRONNEMENT

June 11, 1997

Alan P. Wells
Chief Administrative Officer
York Region
17250 Yonge Street, Box 147
Newmarket, Ontario
L3Y 6Z1

Dear Mr. Wells,

Thank you for your letter of May 2, 1997. Our apologies for the delay in responding. In response to your concerns we have reviewed the information that was current when our materials were written. We believe that our interpretation of the situation in York Region was accurate at the time of writing. York Region has since made decisions that require us to alter our materials which we are happy to do. However, the situation is not clear cut. Your letter and some of the public debate that has occurred on this issue appears to take a very narrow interpretation of privatization. We consider privatization to include the obvious: the full transfer of title and ownership. We also believe that public-private partnerships and contracting out of public services constitute forms of privatization that deserve careful public scrutiny.

The private sector appears to interpret the situation in York Region differently than you do in your letter. According to the conference brochure for "Water and Wastewater Treatment in Canada: Forming Successful Public-Private Partnerships" which was held in Toronto in late May, the mayor of Newmarket was to "discuss the process by which the Region of York decided to form a public-private partnership". Indeed, on the same page of the brochure York Region is referred to as one of many municipalities that "have looked into privatization". And, featured on the front of the brochure, York Region is noted as one of six Canadian case studies of municipalities that have undertaken different levels of privatization.

The conference fee was prohibitively expensive for any of our staff to be able to attend. Nevertheless, it is clear from this brochure and other materials (including materials produced by York Region) that, contrary to your letter, York Region has looked very carefully into the option of privatizing its water supply.

We will gladly note in our literature that York Region has, as you state, no further intention to privatize the ownership of the water system. However, we will need to qualify this statement as you have done in your letter ("likely will never contemplate the privatization of its water

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supply”). To be more effective, we think it is necessary for York Region Council to pass a resolution stating that at no time in the future does Council plan to sell the public water system to private interests. For such a resolution to have an ongoing effect on future councils, a new by-law should also require any future Council to hold a binding referendum to enable the public in York Region to have a say in such a sale of public assets. As you know, the provincial government removed this democratic right under Bill 26. It would be appropriate for York Region Council to reinstate it.

As you may know we are on record and continue to be opposed to the alternatives that York Region has chosen in its Class Environmental Assessment on this matter, as are other interests in Southern Ontario. We maintain the need for a full environmental assessment on this large scale, long term proposal.

Despite the long EA process undertaken by York Region (within which privatization options were central to discussions), apparently the financial “barriers” to water and sewage privatization in Ontario were the subject of much discussion at the conference noted above. It is noteworthy that these “barriers” (with the exception of the subsidy payback requirement in Bill 107) existed at the beginning of the Class EA process undertaken by York Region. It is unfortunate that these fundamental issues were not more carefully addressed before so much public money was spent on a huge tendering process in York Region, including visits to England, etc.

We maintain that a full environmental assessment of York Region’s water supply, with the opportunity for a public hearing, could provide for a proper evaluation of alternatives including full consideration of the capacity of existing groundwater supplies. Equally important in such a review is the assessment of sewage treatment capacity and impacts for each of the water supply alternatives considered; a matter which has been given almost no consideration in materials produced thus far. The importing of water by pipeline, i.e., the preferred alternative at present, should not continue to be viewed in isolation from the increased sewage treatment requirements that will be created. The assumption (with no details provided) of a Great Lakes-based sewage treatment solution deserves careful public scrutiny alongside decisions about massive increases in development serviced by water pipelines.

We believe that scarce public resources should be spent on a sustainable water system in York Region within the existing resource base (and within a land use planning regime that protects rather than jeopardizes renewable supplies) without recourse to costly transfers of water (and the resulting sewage?) across huge distances.

On the matter of recent decisions by York Region to establish a contractual relationship with a private company for specific services, we are updating our materials accordingly. However, we are also becoming increasingly aware of the activities and aspirations of the international water industry. We believe that the agenda of this industry is very clear: to gain control of, and reap massive profits from, Ontario’s precious fresh water supplies. Among other factors, this industry is made up of large conglomerates with an interest in building water pipelines. The corporate

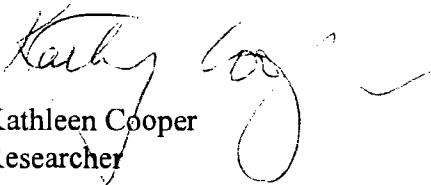
profit motive, combined with key provisions of NAFTA, make us very concerned about the future quality, cost and availability of Ontario's water.

It seems quite clear that this industry is able and willing to wait (see enclosed *Global Water Report* articles). If it takes several decades to gain control of Ontario's water and if it takes a two step process of public-private partnerships (including contracting out of services) in advance of full privatization, this industry is positioning itself to go down that road. York Region is clearly one of the first steps along the way.

Thank you again for your letter. We will endeavour to maintain the highest level of accuracy in our public educational materials.

Yours truly,

CANADIAN ENVIRONMENTAL LAW ASSOCIATION


Kathleen Cooper
Researcher

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