
ONTARIO REGIONAL OFFICE

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BRIEFING NOTE

For information

This note is a report on a workshop called "Water Governance in Transition: Utility restructuring and demand management in Ontario" that I attended on April 13, 2007 at the University of British Columbia. Gus Oliveira, President of CUPE Local 5167 (temporary national servicing representative), also attended for CUPE.

Background

The workshop was organized by Kathryn Furlong, a PhD Candidate in the Program on Water Governance which is sponsored by the Department of Geography and the Institute for Resources, Environment and Sustainability at the University of British Columbia. Karen Bakker is the Director and principal researcher for the program. Its areas of research are water governance in Canada, trans-boundary water arrangements, the uptake of innovation in municipal water services, and water and development. For more information, see the web-site www.watergovernance.ca. Bakker has just published an edited collection, "Eau Canada, The Future of Canada's Water". I have purchased a copy for the Ontario Regional Office and would be happy to lend it out.

Brother Oliveira and I were the two union representatives interviewed by Furlong when she was in Ontario last year conducting interviews for her 7 case studies of municipal water/wastewater services – Toronto, York, Peel, Hamilton, Waterloo, Peterborough and Kingston.* The remainder of the 50 interviews were with municipal councillors, management, environmentalists, provincial officials, researchers, and staff of water associations and "think tanks".

Furlong's research is funded by Infrastructure Canada, the Canadian Water Network and the Social Sciences and Humanities Council of Canada. After she completes her report on Ontario, Bakker intends to conduct the same research on a pan-Canadian basis

The Research

Furlong's research is examining changes in water governance in Ontario, particularly the relationship between restructuring of water services and demand management. The assumption behind Furlong's research is that municipalities have not done enough to ensure the sustainability – particularly environmental and financial – of their water and waste water systems. She is principally examining two issues:

- What are the drivers and barriers to the uptake of demand side management programs by municipal water systems?
- What are the drivers and barriers to restructuring municipal water governance?

* Brother Oliveira is aware that representatives of the Union of Operating Engineers were also interviewed, but the research paper identifies only 2 union interviews and the union reps invited to the workshop were both CUPE.

That second research question seems to embody an underlying notion that there is a benefit to restructuring municipal water governance and that this benefit may derive from “depoliticizing” management of water and waste water – i.e. removing these services from direct operation by the municipality. Furlong doesn’t define “restructuring” with any precision. She allows it to encompass everything from departmental reorganization to the introduction of new technology to contracting out to devolving responsibility to another level of government. Furlong and Bakker don’t seem to favour privatization in discussion, but I am concerned that their research will bolster that approach.

In addition to conducting 7 “case studies” through key respondent interviews, Furlong based her findings on 87 responses to a survey questionnaires mailed to 285 (or so) municipal systems.

The Workshop

Furlong and the Program on Water Governance invited all of the research respondents and some additional “stakeholders” in the Ontario water/wastewater sector to a one-day workshop at UBC to review and refine her findings from the first phase of the research. The preliminary research findings were circulated to us as a draft policy report, “Water Governance in Transition: Utility restructuring and demand management in Ontario”.

Participants included:

- management staff from Peel, Waterloo, Utilities Kingston, Toronto CAO’s office, Vancouver, the GVRD and Peterborough; the mayor of Peterborough and some others who were both municipal councillors as well as having another position with one of the organizations involved;
- AMO, the Ontario Municipal Water Association and the Canadian Water and Wastewater Assoc.;
- academics from UBC, University of Victoria, Brock University;
- chair of Conservation Ontario (the association of conservation authorities);
- environmentalists from NGO’s - Council of Canadians, CELA and one Vancouver group;
- someone from the Ontario Ministry of Public Infrastructure Renewal;
- Gord Miller, Ontario’s Commissioner of the Environment;
- Harry Swain, author of the “Watertight Report”, who is now working in Victoria.

Noticeably absent was the representative from the Ontario Ministry of the Environment (because a water bill (198) went to second reading the day before the workshop). There were no private water companies and only one private consultant who used to be with government. There were no other union representatives.

During the day, we heard 2 presentations, one on the “Soft Path to Water Sustainability” and one on the governance findings of the research.

The first speaker was Oliver Brandes from the Polis Project on Ecological Governance at the University of Victoria. The Polis project is carried out by social scientists while the UBC project leans toward geographers and natural sciences. The Polis Project’s most recent publication – “Thinking Beyond Pipes and Pumps: Top 10 Ways Communities Can Save Water and Money” – can be downloaded from www.polisproject.org.

After each plenary presentation we were assigned to small groups to discuss particular questions from the research and to report back. The morning questions focused on drivers and barriers for conservation programs.

The afternoon groups addressed governance. Gus and I were assigned to the groups discussing workplace changes and union objections to restructuring the governance of water systems. The background provided to these discussions pointed out that CUPE, working in Water Watch coalitions, has been the main organization working to defeat various “restructuring” proposals as they have come

up in Ontario cities. It is here that the fuzzy definition of “restructuring” becomes problematic. While CUPE has opposed contracting out and privatization, we have not campaigned against internal reorganizations or efficiency programs.

We were able to clarify participants’ understanding of CUPE’s approach by pointing out that:

- that CUPE does not always represent the employees of the water or wastewater system that we are fighting to keep public;
- that we have a strong policy interest in governance, as well as issues related to representation of employees of the systems; and
- that we are not opposed to restructuring per se, but we are opposed to privatization and contracting out.

If Furlong confuses our response because she conflates different types of organizational change, we can only assume that she confuses others’ responses as well.

In another group we were able to generate lists of issues that needed to be addressed in the workplace to make restructuring palatable to workers. (Not everyone cared, but that was what we were asked to do.) We are generally in agreement with managers from water and wastewater systems about the impact of new accreditation requirements on plant operators, the need for a better, publicly delivered training system for operators and the case for increased pay in recognition of meeting certification requirements.

There was general agreement in the room that municipalities have to go further faster in adopting and implementing conservation programs to avoid a crisis in infrastructure provision and drinking water supply. There also seems to be openness to doing so, particularly as the general public and municipal councillors more broadly accept that global warming is real and will have major impacts. There is discussion at many levels about whether it is more effective to influence consumers’ use of water through pricing, or through education, or through legislating caps on usage.

It is notable that the small group that discussed “barriers and drivers to distancing water operations from municipal politicians” reported back that municipal politicians are politically and legislatively responsible so a better question is how to ensure they take appropriate measures to achieve water conservation. The workshop organizers weren’t challenged to explain why they were promoting this notion of “depoliticization”, or how they thought it could be achieved given the current legislative framework.

No one at the workshop advocated that the private sector can solve these problems better than the public sector. Scientists, on the other hand, believe that politicians are huge barriers to progress and want to have water and wastewater systems taken over by “the professionals”, so they come down on the side of moving governance away from direct municipal council oversight.

Sarah Miller from CELA, with whom we have worked a number of times, pointed out that it is environmentalists acting in advisory or advocacy positions with municipal councils who are usually the main drivers for innovative conservation programs. Furlong’s research doesn’t seem to address this at all and I have suggested she should look at this aspect in comments that I sent back to her.

At the end of the afternoon Harry Swain engineered an opportunity to make a brief presentation about the Watertight Report and promote it’s recommendations. (It was released at the end of August 2005.)

The workshop reached no conclusions, nor was it intended to do so. It was more a discussion of ways to convince councils to adopt programs and a means by which Furlong will refine her research. She will be sending out a report of the workshop for review by the participants and posting the final report on the web site www.watergovernance.ca when it is finalized.

We are concerned that Infrastructure Canada is pushing the project toward conclusions that will be used to support P3s in water and wastewater.

Additional Information:

Harry Swain, author of the Watertight report, is now living and working in Victoria. Both in open discussion in the plenary and in informal conversations we were assured by that the main recommendations of Watertight are going nowhere. Municipalities were very unhappy with it. They do not want to give up operation of water and waste water systems to new regional boards created and composed by the provincial government. Certainly the provincial government won't be making any changes of this sort before the provincial election.

The new senior policy advisor on water to the Ontario Minister of the Environment, Laurel Broten, is Teresa McClenaghan, an environmental lawyer formerly with CELA. That's good news for us because we have worked with CELA both in the Walkerton inquiry and in subsequent Water Watch committees. I can't say for sure what her positions are, but I imagine she would be open to talking to us.

We heard that the McGuinty government intends to try to implement, in some way, all of the Walkerton Commission recommendations this term. That means we are going to see a flood of new water legislation and regulations over the next few weeks.

Ken Seiling, Regional Chair for the Region of Waterloo, advocated for public water as part of his introduction of himself. He is on the Board of AMO. Other Ontario employers of CUPE members in attendance were Ric Robertshaw from Peel Region, Paul Ayotte, mayor of Peterborough, and Nancy Autton from the City of Toronto.

Duncan Ellison, executive director of the Canadian Water and Wastewater Association, is very adamant that municipal politicians are barriers to proper system management and should let the "professionals" do the job.

There are several economists at Brock University who work on water issues. I don't know if their work would be useful to us or not. We'll have to look.

Carol Beal, Assistant Deputy Minister of Infrastructure Canada told the group that our competition for funding for water and wastewater infrastructure is highways and that highway planning is far more advanced than water/wastewater systems.

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