

**THE CORPORATION OF THE CITY OF GRAND FORKS
AGENDA – SPECIAL MEETING**

**Wednesday February 17th, 2016 – 1:00 PM
7217 4th Street, City Hall**

<u>ITEM</u>	<u>SUBJECT MATTER</u>	<u>RECOMMENDATION</u>
1.	<u>CALL TO ORDER</u>	
2.	<u>ADOPTION OF MEETING AGENDA</u>	
3.	<u>REGISTERED PETITIONS AND DELEGATIONS</u>	
4.	<u>UNFINISHED BUSINESS</u>	
a)	Corporate & Administrative Services - 2016 AKBLG Resolutions UNFINISHED BUS - RFD - AKBLG Resolutions	Council's consideration and decisions to adopt 2016 resolutions intending to go to the 2016 AKBLG Annual General Meeting
		RESOLVED THAT Council receives, discusses and adopts the final resolutions, as presented or modified thereof, and further directs Staff to submit those resolutions, prior to the deadline of February 26th, 2016, as adopted by City Council, to the Association of Kootenay and Boundary Local Governments (AKBLG) for those members' consideration and vote at the AKBLG Annual General Meeting held in April 2016.
5.	<u>RECOMMENDATIONS FROM STAFF FOR DECISIONS</u>	
6.	<u>REQUESTS ARISING FROM CORRESPONDENCE</u>	
7.	<u>BYLAWS</u>	
8.	<u>LATE ITEMS</u>	
9.	<u>ADJOURNMENT</u>	

REQUEST FOR DECISION

— REGULAR MEETING —



To: Mayor and Council
From: Corporate Services
Date: February 4th, 2016
Subject: AKBLG Final Resolutions for 2016- UNFINISHED BUSINESS
Recommendation: **RESOLVED THAT Council receives, discusses and adopts the final resolutions, as presented or modified thereof, and further directs Staff to submit those resolutions, prior to the deadline of February 26th, 2016, as adopted by City Council, to the Association of Kootenay and Boundary Local Governments (AKBLG) for those members' consideration and vote at the AKBLG Annual General Meeting held in April 2016.**

BACKGROUND: Annually, the Association of Kootenay and Boundary Local Governments (AKBLG) submits to their perspective municipalities, the opportunity to put forward resolutions that address issues of a broader spectrum for the Kootenay-Boundary region for the membership's consideration. Each motion is brought forward to the membership at their Annual General Meeting and voted upon. Those resolutions that are passed by the membership, are forwarded onto the UBCM (Union of British Columbia Municipalities), in the fall, for that membership consideration at a province wide vote.

Over the last few Council meetings, members of Council have discussed issues that Council could consider to forward as resolutions to the AKBLG. The attached documentation depicts the proposed resolutions and background data that Council would consider as submissions to the 2016 AKBLG Annual General Meeting.

Benefits or Impacts of the Recommendation:

General: Council's adopted resolutions would be considered and voted upon at the Annual General Meeting of the AKBLG

Strategic Impact: The attached resolutions are in alignment with Council's strategic plan as it pertains to Community Livability and Fiscal Accountability

Financial: The presented resolutions could have a direct or indirect financial impact.

Policy/Legislation: Council's prerogative to adopt resolutions

Attachments: 1. Notice of Third/Final Call for Resolutions instructions from the AKBLG; 2. Proposed Resolution and background information from Councillor Thompson regarding annual legislated Tax Sale; 3. Proposed resolution and background from Councillor Ross regarding BC Timber Sales; 4. Proposed resolution and background from Councillor Hammett; and 5. Proposed Resolution and background information from Councillor Butler regarding protection of Water Resources from privatization.

REQUEST FOR DECISION

— REGULAR MEETING —





Recommendation:

RESOLVED THAT Council receives, discusses and adopts the final resolutions, as presented or modified thereof, and further directs Staff to submit those resolutions, prior to the deadline of February 26th, 2016, as adopted by City Council, to the Association of Kootenay and Boundary Local Governments (AKBLG) for those members' consideration and vote at the AKBLG Annual General Meeting held in April 2016.

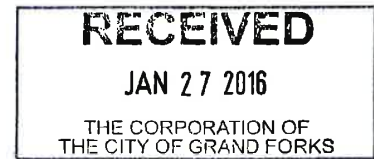
OPTIONS:

- 1. RESOLVED THAT COUNCIL RECEIVES THE STAFF REPORT.**
- 2. RESOLVED THAT COUNCIL DOES NOT ACCEPT THE STAFF REPORT.**

	
Department Head or CAO	Chief Administrative Officer



790 Shakespeare Street, Trail BC V1R 2B4
Cell 250-231-0404 | Email akblg@shaw.ca



TO: All AKBLG Members

FROM: Arlene Parkinson, Secretary/Treasurer

DATE: January 22, 2016

**RE: NOTICE OF ANNUAL GENERAL MEETING
and THIRD/FINAL CALL FOR RESOLUTIONS 2016**

The 2016 Annual General Meeting (AGM) of the Association of Kootenay & Boundary Local Governments will be held **April 27, 28 and 29, 2016 and will be hosted by the City of Kimberley.**

Pursuant to Section 10 of your Constitution, this is the **THIRD AND FINAL CALL FOR RESOLUTIONS** for the Annual General Meeting. If there is an issue of concern to your Local Government, which cannot be resolved at the local level, please submit it to the Association in the form of a Resolution.

We will be circulating the resolution package for perusal by delegates prior to the convention. Please make note of the deadline date. **All resolutions must be received at this office no later than Monday, February 26, 2016.** Resolutions received after this date will be held over until the next Annual General Meeting.

The Executive will receive Special Resolutions no later than 10:00 a.m., Thursday, April 28, 2016, at the AGM provided that there are 100 copies of each resolution. A Special Resolution requires a two thirds vote in support of consideration prior to being introduced onto the floor of the AGM.

Background material and a brief statement of any previous action taken by the member should support each draft Resolution. Each Resolution may be submitted electronically to akblg@shaw.ca and should be on the letterhead of the Local Government submitting it with a short heading to designate the subject of the Resolution. Please include the Mover and the Seconder of the Resolution in order to facilitate communications between the Resolutions Committee and the members.

The Resolution may not contain more than two "Whereas" clauses.

FILE CODE
W152- Notice of Annual General
or AGM - MTG of Third & Final Call
for Resolutions



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Please do not hesitate to contact me at the above email address if you have any questions or concerns.
I have included below the updated section from the AKBLG Constitution.

Thank you

Arlene Parkinson
Secretary Treasurer

PART 10 ANNUAL MEETING RESOLUTIONS

- 10.1 Notice of the 'Call for Resolutions' shall be sent to all Members in November of each year.
- 10.2 The President shall appoint a Resolution Committee. The Committee shall consist of three (3) members of the Executive. The Committee shall elect a Chair from amongst its members.
- 10.3 The role of the Resolution Committee is to examine, comment and make a recommendation on all resolutions submitted to the Annual General Meeting, after it has received comment back from UBCM.
- 10.4 Ordinary Resolutions
- (1) Each resolution shall be prepared on a separate sheet of 8 1/2" by 11" paper under the name of the sponsoring Member and shall bear a short descriptive title;
 - (2) Each resolution shall be endorsed by the sponsoring Member.
 - (3) All resolutions of the Association shall be deemed to be of a local (regional) nature unless specifically indicated by the sponsor that the resolution is to be handled at the Provincial Government level.
- 10.5 Late and Special Resolutions
- (i) Resolutions that are not received in accordance with the deadline outlined in 10.7 below shall be categorized as follows;
 - (a) Late Resolution
 - (b) Special Resolution
 - (ii) A Late Resolution shall be held over until the next Annual General Meeting



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(iii) A Special Resolution shall be determined by the Resolutions Committee, as being any resolution pertaining to a new issue that has arisen between the deadline outlined in 10.7 below and the Annual General Meeting.

(iv) A Special Resolution requires a two thirds vote in support of consideration prior to being introduced onto the floor of the Annual General Meeting, and may only be introduced after all Ordinary Resolutions have been considered or if two thirds of the Delegates present determine to hear the resolution immediately.

- 10.6 The Executive will cause the resolutions to be printed and circulated to Members by way of the Delegate packages.
- 10.7 All resolutions, along with supportive, background information, shall be sent to the Secretary-Treasurer sixty (60) days prior to the date of the Annual General Meeting.
- 10.8 The Chair of the Resolution Committee will call for discussions from the floor.
- 10.9 Any amendment and any motion to withdraw any resolution from consideration of the meeting must be moved and seconded from the floor.
- 10.10 Voting on resolutions shall be by show of voting cards or electronic voting equipment. The resolution shall pass based upon a majority vote of the voting Delegates.
- 10.11 Any resolution that has been voted on cannot be brought to the floor again until the following Annual General Meeting.
- 10.12 Any Member may submit a resolution direct to the Union of BC Municipalities without need of endorsement of the Association.
- 10.13 The host Member shall have equipment available to reproduce copies of any Special Resolutions in the event that the sponsor has not been able to supply sufficient copies for the Delegates. The sponsor of the resolution will be responsible to cover any photocopying costs.
- 10.14 Resolutions for the amendment of the Constitution and Bylaws or any other purpose, shall in the first instance, be referred to the Resolution Committee to report thereon to the Annual General Meeting, unless a two-thirds vote of those Delegates present dispense with the rule.
- 10.15 At the Annual General Meeting, Delegates will prioritize resolutions by means of an equitable voting process that identifies those deemed highest priority by the Association. Resolutions endorsed but not identified as high priority will also be submitted to the Union of BC Municipalities by the Association (see 10.12).

MEMORANDUM

TO: Mayor and Council
FROM: Councillor Christine Thompson
RE: Municipal Tax Sales
DATE: February 15, 2016

As a former Tax Collector, I have personal knowledge of the time and expense it costs a municipality to conduct a tax sale. In 2011, I prepared and our City submitted a resolution to the AKBLG relative to amending the Local Government Act by repealing Sections 420 to 427 and replacing them with provisions similar to those of the Surveyor of Taxes Forfeiture Cycle with an assurance that any unredeemed properties would revert to the municipality. This resolution was endorsed by both the AKBLG and the UBCM. The City did not receive notification of the Province's response until February 2012. At that time, I was not a member of our City Council, and the Province had requested specific examples of where a change in the legislation would benefit municipalities. Nothing was forwarded to them. Attached to this Memorandum are copies of my original resolution and the response from the Province.

It is my firm belief that the municipal tax sale procedures are onerous and costly and that changes need to be implemented. Inasmuch as too much time has gone by to submit specific examples of how amendments to the Local Government Act would benefit municipalities, I am proposing Council endorse and submit the following resolution to the AKBLG:

WHEREAS in 1998 the Province surveyed Municipal Tax Collectors to obtain information on the effectiveness of Tax Sale and comments on the process, and

WHEREAS the Tax Sale process is both onerous and costly to municipalities,

BE IT RESOLVED that the Province of British Columbia be requested to conduct a survey of Municipal Tax Collectors in 2016 to obtain current information on the effectiveness of Tax Sale and their comments on the process.

Respectfully,

C. Thompson

**2011 B119 REPEAL SECTIONS 420-427 OF THE LOCAL
GOVERNMENT ACT**

Grand Forks

WHEREAS administration of Sections 420 to 427 of the Local Government Act is onerous and costly to local governments;

AND WHEREAS the provisions of the Surveyor of Taxes Forfeiture Cycle are clear, concise and do not provide for the involvement of third parties:

THEREFORE BE IT RESOLVED that UBCM petition the Province of British Columbia to repeal Sections 420 to 427 of the Local Government Act and replace it with provisions similar to those of the Surveyor of Taxes Forfeiture Cycle, and that those provisions ensure that any unredeemed properties revert to the municipality.

CONVENTION DECISION: **ENDORSED**

PROVINCIAL RESPONSE

Ministry of Community, Sport & Cultural Development

The Ministry of Community, Sport and Cultural Development (Ministry) surveyed municipal tax collectors in 1998 to obtain information on the effectiveness of tax sale and their comments on the process. The results showed that very few properties typically go to tax sale and that the process is highly successful in bringing in uncollected taxes and averting transfer of title to a third-party purchaser.

However, in March 2001, the Ministry issued a Discussion Paper on the tax collection and tax sale process. It presented a number of options for modifying the current system, including adopting a forfeiture model. Responses to the options presented were mixed, with no consensus that forfeiture should replace the current system.

The Ministry then examined the possibility of making small changes to the existing process to address some of the perceived shortcomings. Upon further review, the Ministry concluded that these changes would not provide sufficient improvement to the system and might have unintended consequences.

Specific examples of situations of where and how the Surveyor of Taxes Forfeiture Cycle provisions would benefit municipalities versus s.420 – s.427 of the Local Government Act would be useful in order for the Ministry to consider the need for and feasibility of legislative change.

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THE CITY OF GRAND FORKS REQUEST FOR COUNCIL DECISION

DATE : February 4, 2011

TOPIC : Proposed Resolutions to Association of Kootenay Boundary Municipalities (AKBLG)

PROPOSAL : Various municipal issues of provincial and national interests

PROPOSED BY : Councillor Thompson

SUMMARY:

Attached is a proposed resolution brought forward by Councillor Thompson for consideration at the Association of Kootenay and Boundary Local Governments annual conference to be held in April in Kimberley. Prior to being forwarded to the Association for consideration, this proposed resolution must be adopted by Council. Should this resolution be adopted and forwarded to AKBLG and be successful at the conference in April, it will be forwarded to the Union of British Columbia Municipalities conference in September. The resolution involves petitioning the Province to modify the Local Government Tax Sale requirements by implementing provisions which are similar to those of the Surveyor of Taxes Forfeiture Cycle.

STAFF RECOMMENDATIONS:

Option 1: Council considers the proposed resolution for submission to AKBLG and determines if the issue regarding provisions for tax sales are a priority for Council.

OPTIONS AND ALTERNATIVES:

Option 1: Council considers the proposed resolution regarding tax sale provisions: This resolution intends that the province would be petitioned to repeal the existing tax sale provisions contained in the Local Government Act and replace them with provisions similar to those contained in the Surveyor of Taxes Forfeiture Cycle. If endorsed by the members of AKBLG, the resolutions will be forwarded to UBCM and FCM for provincial and national endorsements and accordingly will be forwarded to the two levels of governments for actions and responses back to UBCM and FCM.

Option 2: Receive the proposed resolution. Council may not wish to submit this resolution, as it does not rank in priorities over other issues facing the City.

BENEFITS, DISADVANTAGES AND NEGATIVE IMPACTS:

Option 1: Council considers the proposed resolution regarding tax sale provisions. The procedures in dealing with delinquent taxes and annual tax sales are laid out in the Local Government Act. It should be noted that the Local Government Act does not identify all of the expectations and precedents that have been set through common law and litigation cases. These have led to increased risk and costs to the municipalities.

An advantage to this option is that Council may lead the way for change at the provincial level that would see municipalities deal with delinquent taxes in relatively the same manner as the province deals with delinquent taxes for those properties in rural areas. It would also mitigate the risks to the municipalities that can occur when the municipality has to deal with both the Purchaser and the "Owner" of properties subject to Tax Sales. There is really no disadvantage to this option.

Option 2: Council receives the proposed resolution: Council may not wish to submit this resolution, as it does not rank in priorities over other issues facing the City.


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COSTS AND BUDGET IMPACT - REVENUE GENERATION :

Tax sales are generally costly for the municipality. The proposed resolution seeks to simplify the process and thereby reducing the cost in dealing with delinquent property taxes.

LEGISLATIVE IMPACTS, PRECEDENTS, POLICIES :

Council has past practice of submitting resolutions for consideration at the Association of Kootenay and Boundary Local Governments Association annual meeting. The proposed resolution is within the legislation and authority of the Provincial Government.


Department Head or Corporate
Officer


Reviewed by the Chief Administrative
Officer

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MEMORANDUM

TO: Mayor and Council

FROM: Councillor Christine Thompson

DATE: February 3, 2011

SUBJECT: Delinquent Property Taxes

Our staff sold a property at the 2008 Annual Tax Sale due to delinquent taxes. As a result of the failure on the part of the property owner (in this case a limited company) to redeem the property within the allotted time, our staff proceeded to the stage of transfer of title to the purchaser. All notifications were sent to the registered owner at the address on record. All procedures as laid out in the Local Government Act were followed.

It was learned after the tax sale had been held, that the property had escheated to the Province because of the failure of the limited company to file required annual reports. However, the Province failed to notify the BC Assessment Authority (BCAA) of this fact; accordingly their records were not changed. (The City relies on the annual assessment roll provided by the BCAA as well as the copies of Certificates of Title sent to the City by the BCAA for information relative to owners and mailing addresses.)

The person(s) who, at the 2008 Annual Tax Sale, purchased this property, sued the City for failure to transfer title, and this matter is currently before the Supreme Court of British Columbia. As of this date, the Judge has rendered no decision.

The procedures in dealing with delinquent taxes and annual tax sales are laid out in the Local Government Act. They are, in my opinion, onerous and costly to local governments. The table below provides the details on tax sale procedures for municipalities governed by the Local Government Act.

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Year 1	Year 2	Year 3	Year 4
Property tax notices are issued and are due by the first working day after June 30.	Property tax notices are issued showing current and taxes in arrears and are due by the first working day after June 30.	Property tax notices are issued showing current and taxes in arrears and delinquent taxes and are due by the first working day after June 30.	If property sold for taxes is not redeemed, application is made for transfer to title to the new owner through the Land Registry Office.
If unpaid by the first working day after June 30, a 10% penalty is added.	If unpaid by the first working after June 30, a 10% penalty is added to the current portion only.	If unpaid by the first working day after June 30, a 10% penalty is added to the current portion only and become subject to tax sale.	
If taxes remain unpaid on December 31, they become taxes in arrears.	If taxes remain unpaid on December 31, year 2 taxes become taxes in arrears and year 1 taxes become delinquent taxes in arrears.	Each owner of property subject to tax sale is sent a letter advising them of this fact, and, that in order to prevent the property being sold for taxes, only the delinquent taxes plus interest to the date of payment must be paid by 10:00 a.m. the last Monday in September.	
		An advertisement listing each property subject to tax sale and the upset price must be prepared and published twice in a newspaper that circulates in the community.	

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Year 1	Year 2	Year 3	Year 4
		If there is no bid the municipality is declared the purchaser.	
		A letter is sent to the owner of record advising that their property has been sold for taxes, and, that they have one year to redeem the property. Failure to do so will result in title to the property being transferred to the purchaser	
		Notification of Tax Sale for each property sold is filed and placed on title at the Land Registry Office.	
		Purchasers of tax sale property, other than the municipality, must be given a certificate of sale.	

I am sure that you will agree with me that this is an onerous and costly process for local governments.

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The Surveyor of Taxes Forfeiture Cycle as outlined in the table below is much less onerous, does not require advertising, and more importantly, does not involve third parties.

Year 1	Year 2	Year 3	Year 4	Years 5 & 6
Tax notice issued.	Notice of delinquent taxes issued.	Final delinquent notice issued for year 1 taxes.	One year redemption period continues until November 30.	Delinquent taxes removed from Branch records and replaced with WFC flag January 1.
5% penalty added July 3.	Year 2 tax notice issued.	Year 3 tax notice issued.	Year 4 taxes calculated but no tax notice issued due to prior forfeiture.	Revestment period in effect until November 30 year 6.
Notice of overdue taxes issued September 3.	Notice of forfeiture issued October 3.	Final notice of forfeiture issued to owner and chargeholders by certified mail October 3.	Redemption fee reversed due to expiry of redemption period.	Fee of \$535 applied during two year revestment period.
2 nd 5% penalty added November 1.	\$75 fee applied if year 1 taxes are not paid.	Date of forfeiture is December 1. Redemption fee of \$267.50 applied. One year redemption period begins.		
Year 1 taxes become delinquent December 31.	Year 2 taxes become delinquent December 31.			

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While the provincial taxes forfeiture cycle takes 6 years to complete (which is 2 years longer than the Local Government Act allows), it is a much cleaner process involving only the taxing authority and the property owner.

Accordingly, I put forward the following resolution, to be sent to the Association of Kootenay Boundary Local Governments for consideration at the 2011 annual conference:

WHEREAS administration of Sections 420 to 427 of the Local Government Act is onerous and costly to local governments; and

WHEREAS the provisions of the Surveyor of Taxes Forfeiture Cycle are clear, concise and do not provide for the involvement of third parties ,

BE IT RESOLVED THAT the UBCM petition the Province of British Columbia to repeal Sections 420 to 427 of the Local Government Act and replace it with provisions similar to those of the Surveyor of Taxes Forfeiture Cycle, and that those provisions ensure that any unredeemed properties revert to the municipality.

Thank you for your consideration.

Respectfully,

Christine Thompson,
Councillor

Province Wide Review of BC Forestry Management: Public Consultation Required

Whereas forestry activities surrounding our municipalities can have direct and deleterious impact on municipal watersheds by accelerating spring runoff, increasing erosion and sediment from forest service roads and clear cutting, increasing risk of flooding downstream, reducing summer water levels in lakes and rivers and directly impacting water supply and water quality in municipalities, and

Whereas, communities and regional district citizens often are not aware of proposed logging plans in their watershed, and there is no legal requirement for forest licensees (including BC Timber Sales) to consult with or seek approval from local municipalities prior to implementing their annual road building and harvesting operations,

Therefore be it resolved, that the Ministry of Forest, Lands and Natural Resource Operations require all licensees to widely advertise in print, and online, of all of their (Forest Service Plans) FSPs, and actively solicit public and local government input so that all parties have an opportunity to bring forth their concerns, before planning and layout begin, and that no less than 60 days be given for the consultation process.

Review How Annual Allowable Cut is Determined

Rationale:

According to FLNRO's Forest Analysis: Effective May 22, 2014, the allowable annual cut (AAC) for the Boundary TSA is 700,000 cubic metres. This AAC will remain in effect until a new AAC is determined, which must take place within 10 years of the date of the present determination, unless the re-determination date is formally postponed according to the provisions of Section 8 of the Forest Act.

From 1982 to 1993, the allowable annual cut (AAC) for the Boundary TSA was 700 000 cubic metres. In response to mountain pine beetle (MPB) infestations between 1993 and 1995, the AAC was temporarily increased to 900 000 cubic metres. In March, 1996 the AAC was decreased to 700 000 cubic metres. The current AAC for the Boundary TSA under Section 8 of the Forest Act is 700 000 cubic metres and was set by the chief forester effective January 2002 and reconfirmed in the November 2006 postponement decision.

(See Rationale for Allowable Timber Cut, May 2014 <https://www.for.gov.bc.ca/hts/tsa/tsa02/tsr3/02tsra14.pdf>)

Whereas the forestry industry provides important employment throughout the province, and long term employment stability is essential, and requires a long term plan for timber harvesting in order to create stable employment, and

Whereas, AAC may be too high over the long term and at the current rate forests are being logged too quickly,

Therefore be it resolved that the methodology by which AAC is determined by BCTS be re-evaluated so that stable long term employment be assured and watershed and wildlife spaces be protected.

WHEREAS the Class A Gilpin Grasslands Provincial Park has two roles: the primary role being to protect a remnant grassland and ecosystem and an uncommon riparian area along the Kettle River; and, a secondary role being to maintain low impact recreation and interpretive opportunities within a scenic area of the Kettle River Valley; and

WHEREAS the BC Parks document titled Gilpin Grasslands Provincial Park: Management Direction Statement 2009 provides that ongoing consultation with the City of Grand Forks is required to ensure local community needs are considered, and where appropriate, addressed within the management of Gilpin Grasslands Provincial Park, and that such consultation has never occurred;

BE IT RESOLVED that the UBCM encourages BC Parks to follow their own mandate and engage in consultations with the City of Grand Forks relative to community needs being considered and appropriately addressed within the management of Gilpin Grasslands Provincial Park.

Draft motion for AKBLG:

Water - A Public Trust
Julia Butler
Councillor
City of Grand Forks

Whereas the privatization of water resources is becoming commonplace worldwide and
Whereas privatization can lead to decreased access for the public, increased prices and decreased
product and service quality,

Therefore let it be resolved that The City of Grand Forks urges the provincial government to take steps
to protect the aquifers and public infrastructure of BC from purchase by private or corporate interests.

Council for Canadians: <http://canadians.org/blog/saint-john-and-regina-take-note-global-trend-toward-water-remunicipalisation>

University of Wisconsin: <http://academic.evergreen.edu/g/grossmaz/VANOVEDR/>

Blue Gold Video: <https://www.youtube.com/watch?v=qZfvwV8Laj0>

Saint John and Regina take note, the global trend is toward water remunicipalisation

November 15, 2014 - 9:00am

As Saint John, New Brunswick and Regina, Saskatchewan pursue public-private partnerships for their drinking water and wastewater systems, a new report says that the global trend is in the other direction toward public ownership instead. The report - [Here to stay: Water remunicipalisation as a global trend](http://www.tni.org/sites/www.tni.org/files/download/heretostay-en.pdf) (<http://www.tni.org/sites/www.tni.org/files/download/heretostay-en.pdf>) published by the Public Services International Research Unit, Multinationals Observatory and the Transnational Institute - highlights that there has been at least 180 cases of remunicipalisation in 35 countries over the last 15 years.

Amsterdam-based Transnational Institute researcher Satoko Kishimoto says, "Despite more than three decades of relentless promotion of privatisation and public-private partnerships by international financial institutions and national governments, this experiment has clearly failed to deliver its promises and is leading many cities to seek to take public control over water and sanitation management."

The report reveals, "The factors leading to water remunicipalisation are similar worldwide. The false promises of water privatisation that have led to remunicipalisation include: poor performance of private companies (e.g. in Dar es Salaam, Accra, Maputo), under-investment (e.g. Berlin, Buenos Aires), disputes over operational costs and price increases (e.g. Almaty, Maputo, Indianapolis), soaring water bills (e.g. Berlin, Kuala Lumpur), difficulties in monitoring private operators (e.g. Atlanta), lack of financial transparency (e.g. Grenoble, Paris, Berlin), workforce cuts and poor service quality (e.g. Atlanta, Indianapolis)."

And it warns governments like those in Saint John and Regina to avoid entering P3s. It notes, "Policy makers and public officials who are considering transferring the management of water services to the private sector should consider the risks and learn from the mistakes of other local authorities. Rather than bringing the promised private sector efficiency and innovation, water privatisation and PPPs almost systematically produce negative long-term consequences for local communities and their governments. Terminating unsatisfactory private contracts before their expiry is not easy due to the risk of paying multi-million compensations."

The Council of Canadians has called on Saint John city council to not pursue a P3 model for its new [drinking water treatment plant](http://canadians.org/node/9363) (<http://canadians.org/node/9363>) and for Regina city council to abandon its plans for a [P3 wastewater treatment plant](http://canadians.org/blog/barlow-opposes-p3-regina) (<http://canadians.org/blog/barlow-opposes-p3-regina>). Many of the names of the corporate bidders for these systems in [Saint John](http://canadians.org/blog/corporate-bidders-saint-johns-drinking-water-system-announced) (<http://canadians.org/blog/corporate-bidders-saint-johns-drinking-water-system-announced>) and [Regina](http://canadians.org/blog/corporations-seeking-operate-reginas-wastewater-system) (<http://canadians.org/blog/corporations-seeking-operate-reginas-wastewater-system>) can also be found in this report that lists cities where global remunicipalisations have occurred.

We are also concerned that the Harper government is both [requiring P3s](http://canadians.org/blog/harpers-building-canada-fund-rules-mean-local-p3-fightbacks-trade-disciplines-cities) (<http://canadians.org/blog/harpers-building-canada-fund-rules-mean-local-p3-fightbacks-trade-disciplines-cities>) for critical municipal infrastructure and seeking the conclusion of the 'free trade' agreement with Europe. We have [highlighted](http://canadians.org/media/canada-eu-trade-deal-sell-out-or-celebration-public-needs-veto-massive-corporate-rights-treaty) (<http://canadians.org/media/canada-eu-trade-deal-sell-out-or-celebration-public-needs-veto-massive-corporate-rights-treaty>) that leaked documents have shown that the Harper government was unwilling to exclude drinking water, sanitation and other water-related services from the investment chapter of the Canada-European Union Comprehensive Economic and Trade Agreement. That provision would essentially lock in existing privatizations and encourage more private delivery of water services.

To read the 16-page report *Here to stay: Water remunicipalisation as a global trend*, please click [here](http://www.tni.org/sites/www.tni.org/files/download/heretostay-en.pdf) (<http://www.tni.org/sites/www.tni.org/files/download/heretostay-en.pdf>).

In response to this, the Bolivian government promised to reverse the price hike. They never did. So, in February 2000, La Coordinadora organized a peaceful march demanding the retraction of the Drinking Water and Sanitation Law, the termination of the water contract, the participation of citizens in creating a water resource law, and the cancellation of ordinances allowing privatization. Slogans such as "Water Is God's Gift and Not A Merchandise" and "Water Is Life" were used by the protesters. These demands were strongly rejected by the government. The following April, the government declared martial law to try and silence the water protests. Activists were arrested, protesters were killed, and the media was censored. After only a day of martial law, three protesters had been killed, including a 17-year old boy who was shot in the head by soldiers in Cochabamba. Over 30 people had been injured through conflicts with the military and the leaders had been jailed (some were flown to a remote location in the jungle of Bolivia).

The people finally won on April 10, 2000 when Aguas del Tunari and Bechtel left Bolivia and the government was forced to revoke its water privatization legislation. The water company Servico Municipal del Aqua Potable y Alcantarillado (SEMAPO) along with the debts, was handed over to the workers and the people. In the summer of 2000, La Coordinadora held public hearings to start democratic planning and management. However, the Bolivian government and Bechtel continued to harass and threaten activists of La Coordinadora, trying their best to undermine the process. In November 2001, Bechtel filed a lawsuit against Bolivia, demanding \$25 million in compensation for its lost opportunity for future profits.

Currently, this lawsuit is being heard by the International Center for the Settlement of Investment Disputes (ICSID), an international tribunal housed at the World Bank in Washington DC, that holds all of its meetings in private. Bechtel was able to file the case with ICSD under a Bilateral Investment Treaty (BIT) between the Netherlands and Bolivia. Even though Bechtel is a U.S. corporation, its subsidiary founded a presence in the Netherlands in order to exploit this treaty. Because of the secrecy of the hearings, the Center for International Environmental Law and Earthjustice filed a request in August 2002 to open these proceedings to the public of Bolivia. However, in February 2003 the ICSD sided with Bechtel, announcing that it would not allow the media or public to have any part in or even witness the meetings. Not only is the World Bank forcing its programs and ideas on the people of Bolivia, but it is also preventing the affected people from participating in a matter that directly affects their lives. As of May 2004, there has been no verdict on the lawsuit.

Bechtel Strikes Back at Bolivia

<http://www.altemet.org/story.html?StoryID=14525>

URGENT ACTION: supports demands that Bechtel drop suit against Bolivia

<http://www.nadir.org/nadir/initiative/np/fice/imf/bolivia/txt/2002/0420bechtel.htm>

Bechtel vs. Bolivia: Bechtel's legal action against Bolivia <http://www.democracyctr.org/bechtel/bechtellegalaction.htm>

Bechtel in the new Iraq

Today, Bechtel is spreading its water privatization elsewhere, aided by war. Within a month after the 2003 invasion of Iraq, Bechtel acquired a \$680 million contract for "rebuilding" Iraq. As Vandana Shiva writes in her article Bechtel And Blood For Water: War As An Excuse For Enlarging Corporate Rule, "The U.S. led war first bombed out Iraq's hospitals, bridges, water works, and now U.S. corporations are harvesting profits from 'reconstructing' a society after its deliberate destruction. Blood was not just shed for oil, but also for control over water and other vital services. . . war has become a convenient excuse for enlarging corporate rule. If W.T.O. is not enough, use war."

George Shultz was Secretary of State under Ronald Reagan and previously was the president of Bechtel. He is now a board member and senior counselor for the corporation. He was chairman of the pro-war Committee for the Liberation of Iraq and wrote in a op-ed article in the *Washington Post* September 2002 that "A strong foundation exists for immediate military action against Hussein and for a multilateral effort to rebuild Iraq after

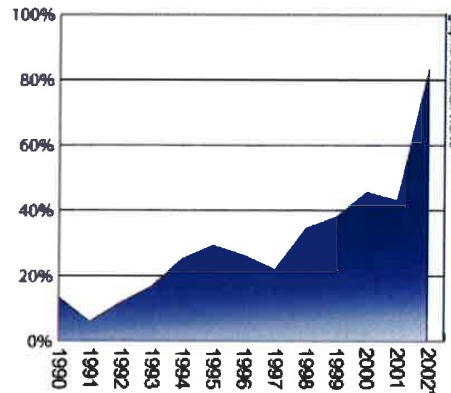
he is gone."

Because Bechtel is a privately held company, without public stock trading, it does not have to reveal many of its operations. Bechtel is responsible for over 19,000 projects in 140 countries on all continents, and is involved in over 200 water and wastewater treatment plants around the world. It was involved in the [Dabhol plant](#) in India with Enron, and is now involved in water privatization of Coimbatore/Tirupur as part of a consortium with Mahindra and Mahindra, United International North West Water. The contract has not yet been made public, as is the case with other privatization contracts.

Conclusion

The rush to privatize water continues unencumbered, despite its unpopularity among residents worldwide who are affected by it. Countries faced with large debts are forced by the World Bank and IMF to privatize water. Water deregulation is a common demand of the World Bank and IMF as part of their loan conditions. In 2000, out of 40 IMF loans distributed through the International Finance Corporation, 12 had requirements of partial or full privatization of water supplies. They also insisted on the creation of policies to stimulate "full cost recovery" and the elimination of subsidies. African governments, such as Ghana, increasingly give in to pressures for water privatization. In Ghana, the World Bank and IMF policies forced the sale of water at market rate, requiring the poor to spend up to 50 percent of their earnings on water purchases. As Vandana Shiva writes in *Water Wars*, "The water crisis is the most pervasive, most severe, and most invisible dimension of the ecological devastation of the earth."

Percent of water loans requiring privatization by year



*Data from Jan. 1, 2002 through Nov. 1, 2002

Source: World Bank and Center for Public Integrity analysis

<http://www.icji.org/dlweb/water/PrintReady.aspx?AID=2>

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<http://www.cbc.ca/news/features/water/>

Argentina Water Privatization Scheme Runs Dry

<http://www.corpwatch.org/issues/PID.jsp?articleid=10088>

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Sydney Water Scare Leads To Accusations, Suggestions

http://www.clo2.com/reading/waternews/sydney_report.html

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Bechtel and Bolivia

Bechtel vs. Bolivia: The Bolivian Water Revolt

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Bechtel Strikes Back at Bolivia

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<http://www.corpwatch.org/issues/PID.jsp?articleid=6532>

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Water Privatization in India by Dr. Vandana Shiva

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Water Privatization Conflicts

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Part of [Water is Life](#), a class website on water privatization and commodification, produced by students of Geography 378 ([International Environmental Problems & Policy](#)) at the University of Wisconsin-Eau Claire, USA, Spring 2004.
[Professor Zoltan Grossman](#)

[WATER IS LIFE homepage](#)

[Global supplies](#)

[Economic policies](#)

[Trade agreements](#)

[Industrial use](#)

[Agricultural use](#)

[Domestic use](#)

[How groundwater works](#)

[Water stress & human consumption](#)

[Effects of shortages on species & crops](#)

[Groundwater drawdown](#)

[Surface water drawdown](#)

[Water companies & water pricing](#)

[Water privatization conflicts](#)

[Bottled water industry](#)

[Bottled water](#)

In her book *Water Wars*, the Indian author Vandana Shiva lists nine principles underpinning water democracy. At least two of these principles are directly compromised by the privatization of water. Point number four states that "Water must be free for sustenance needs. Since nature gives water to us free of cost, buying and selling it for profit violates our inherent right to nature's gift and denies the poor of their human rights." When private companies try to make large profits through high water prices, it denies the poor the inalienable right to the most necessary substance for life. In accordance with this fact, point number seven states, "Water is a commons. . . It cannot be owned as private property and sold as a commodity." How can one justify claiming water as their own through contractual agreement while letting another human being go thirsty? Water is a commons because it is the basis of all life. Water rights are natural rights and thus are usufructuary rights, meaning that water can be used, but not owned. As far fetched as water ownership may seem, it is happening at an increasing rate around the globe.



http://www.asahi.com/english/asianet/hatsu/eng_hatsu030222b.html

Currently there is a rush to privatize water services around the world. The World Bank and International Monetary Fund (IMF) are pushing for the privatization of water services by European and U.S.-based companies. They are pushing privatization through stipulations in trade agreements and loan conditions to developing countries. These privatization programs started in the early 1990's and have since emerged in India, Bolivia, Chile, Argentina, Nigeria, Mexico, Malaysia, Australia, and the Philippines, to name a few. In Chile, the World Bank imposed a loan condition to guarantee a 33 percent profit margin to the French company Suez Lyonnaise des Eaux while the company insisted on a margin of 35 percent.

This privatization of services is only the first step toward the privatization of all aspects of water. Through this new globalization and privatization of water resources, there is an effort to replace collective ownership of water sources with corporate control. This effort is being met with increasing opposition. Supporters of privatization say that it has a great track record of success, increasing the efficiency, quality, reliability and affordability of

[conflicts](#)

[Municipal water safety](#)

[Water wars & international conflict](#)

[Irrigation dams](#)

[Bulk water transfers/ river diversions](#)

[Water pipelines](#)

[Water supertankers](#)

[Great Lakes water conflicts](#)

[U.S. water policy & conflicts](#)

[Technical fixes](#)

[Groundwater replenishment](#)

[Traditional water harvesting](#)

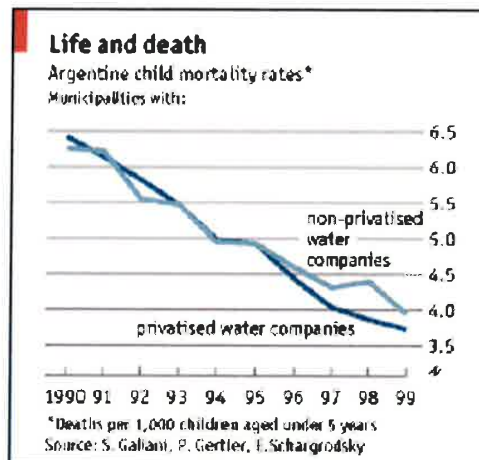
[Alternate directions](#)

A class project by students in
[International Environmental Problems & Policy](#)
(Geography 378, Spring 2004, University of Wisconsin-Eau Claire)

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services to the population.



www.mpi.org/privatizingwatersaves.html

Yet the industry has a track record of hazards and failures. For example, private companies most often violate standards of operation, and engage in price fixing without many consequences. This leads to [water stress](#) among the poor populations of these areas, causing people to drink water that is often very contaminated and hazardous to their health (even though case studies have shown that privatized water can be very contaminated as well).

Rising Prices and Deteriorating Water Quality

Australia - In 1998, the water in Sydney, was contaminated with high levels of giardia and cryptosporidium shortly after its water was overtaken by Suez Lyonnaise des Eaux.

Canada - At least seven people died as a result of E. coli bacteria in Walkerton, Ontario, after water testing had been privatized by A&L Labs. The company treated the test results as "confidential intellectual property" and did not make them public.

Morocco - Consumers saw the price of water increase threefold after the water service was privatized in Casablanca.

Argentina - When a Suez Lyonnaise des Eaux subsidiary purchased the state-run water company Obras Sanitarias de la Nacion, water rates doubled but water quality deteriorated. The company was forced to leave the country when residents refused to pay their bills.

Britain - Water and sewage bills increased 67 percent between 1989 and 1995. The rate at which people's services were disconnected rose by 177 percent.

New Zealand - Citizens took to the streets to protest the commercialization of water.

South Africa - Water became inaccessible, unaffordable, and unsafe after the water supply was privatized by Suez Lyonnaise des Eaux in Johannesburg. Cholera infections became widespread and thousands of people were disconnected from their supply of water.

Sydney Water Scare Leads To Accusations, Suggestions http://www.clo2.com/reading/waternews/sydney_report.html

Water Privatization: Will You Trust the Water That comes From Your Taps?

www.socialjustice.org/subsites/privatization/pdf/waterprivate.pdf

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Corpwatch: Argentina Water Privatization Scheme Runs Dry

<http://www.globalpolicy.org/soecon/bwi-wto/wbank/2004/0226argwater.htm>



[articleid=10088](#)

<http://www.corpwatch.org/issues/PID.jsp?>

As is already evident, once these private water giants take over water services, prices skyrocket. After privatization, customer fees in France increased 150 percent while the water quality declined. In a French government report, it was revealed that over 5.2 million people had received "bacterially unacceptable water". In Subic Bay, a former U.S. naval base in the Philippines, Biwater increased water rates by 400 percent. Water rates in England increased by 450 percent while company profits soared by 692 percent. CEO salaries for the private corporations behind the water supply increased by an astonishing 708 percent. As one can expect with such high price fixing, service disconnection increased by 50 percent. Meanwhile, the British Medical Association condemned water privatization for its health effects because dysentery increased six-fold. Many of these examples of the failures of water privatization are occurring in developed countries, but the most severe effects have been on the developing world. The high rises in pricing along with deteriorating water quality because of water privatization has led to much public scrutiny and uprisings by affected communities around the world.

Water Wars

http://www.thirdworldtraveler.com/Vandana_Shiva/Water_Wars_VShiva.html

Paying for privatization: higher prices, lower employment

www.psinu.org/reports/2000-03-W-Hprice.doc

Bechtel in Cochabamba, Bolivia

Probably the most well known example of the global conflict over water privatization is the case of Cochabamba, Bolivia. It is a shining example of the conflict over the privatization of water services, a victory for the people opposing privatization, and the persistence of the water giants to make money any way they can. Cochabamba lies in a semidesert region of Bolivia, making water a scarce and precious resource. However, in 1999 the World Bank recommended privatization of Cochabamba's municipal water supply company, Servicio Municipal del Agua Potable y Alcantarillado (SENIAPA). "Bank officials directly threatened to withhold \$600 million in international debt relief if Bolivia didn't privatize Cochabamba's public water system." <http://www.altemet.org/story.html?StoryID=14525> This was to be done through a concession to one of Bechtel's subsidiaries - International Water. Bechtel is a U.S. corporation based in San Francisco. This corporate giant is not even welcome in its hometown of San Francisco. In June, 2002 the Board of Supervisors in San Francisco voted to cancel a \$45 million program management contract awarded to Bechtel for the reconstruction of the Hetch Hetchy public water system. This vote took place after an investigation by the *San Francisco Bay Guardian*, a local alternative weekly newspaper, exposed that at least \$5 million dollars of nearly \$8 million paid out to Bechtel for its first year of service was a complete waste of money. In one case, Bechtel took a city database of projects, resorted the information, changed the data into a different format, and sold it back to the city for almost \$500,000.

Bechtel vs. Bolivia: The Bolivian Water Revolt
<http://www.democracyctr.org/bechtel/>
 Bolivia's Water War Victory
http://www.thirdworldtraveler.com/South_America/Bolivia_WaterWarVictory.html
 Bechtel's Water Wars
<http://www.corpwatch.org/issues/PID.jsp?articleid=6670>



<http://www.oilempire.us/water.html>

In response to the World Bank recommendation, the Bolivian Congress passed the Drinking Water and Sanitation Law in October 1999, allowing privatization and ending government subsidies to municipal utilities. Soon after International Water took over the water services in Cochabamba, the monthly water bill reached \$20 in a city where the minimum wage is less than \$100 a month. These increases forced some of the poorest families in to literally choose between food and water (\$20 is nearly the cost of feeding a family of five for two weeks). For more information on the these price hikes, see <http://www.democracyctr.org/bechtel/waterbills/index.htm>. In response to these price increases, an alliance of the citizens of Cochabamba called La Coordinadora de Defensa del Agua y de la Vida (The Coalition in Defense of Water and Life) was formed in January 2000. Through mass mobilization, the alliance shut down the city for four days. Within a month of this, millions of Bolivians marched to Cochabamba and held a general strike, stopping all transportation. The protesters then issued the Cochabamba Declaration, which called for the protection of universal water rights for all citizens.

Bolivia's Water War Victory
http://www.thirdworldtraveler.com/South_America/Bolivia_WaterWarVictory.html
 Bechtel vs. Bolivia: The Bolivian Water Revolt <http://www.democracyctr.org/bechtel/>



www.americas.org/.../WaterCartel2.htm