Blue Communities Project Guide

Make your community a Blue Community!
Introduction

There is nothing more important than clean water. We need it for drinking, sanitation and household uses. Communities need water for economic, social, cultural and spiritual purposes.

Yet water services and water resources are under growing pressure. Communities everywhere — including in Canada — are experiencing extreme weather, including record levels of drought, intense rain and flooding. At the same time, privatization, the bottling of water, and industrial projects are threatening our water services and sources. The former Harper government’s gutting of environmental legislation has left a legacy of unprotected water sources. Provincial water laws often promote “business as usual” and do not go far enough to protect communities’ drinking water.

It is now more important than ever for all of us to take steps to protect water sources and services. By making your community a Blue Community, you can do your part to ensure clean, safe water sources and reliable public services for generations to come.

A growing global movement is taking action to protect water as a commons and a public trust. A commons is a cultural and natural resource — like air or water — that is vital to our survival and must be accessible to all members of a community. These resources are not owned privately, but are held collectively to be shared, carefully managed and enjoyed by all. They are a public trust. Recognizing water as a public trust will require governments to protect water for a community’s reasonable use, and for future generations. Under the Public Trust Doctrine, community rights and the public interest take priority over private water use. Water could not be controlled or owned by private interests for private gain.
What is a Blue Community?

A “Blue Community” adopts a water commons framework by taking the three actions outlined in this guide. Adopting a water commons framework is an important step towards governing water as a commons and public trust.

A water commons framework treats water as a common good that is shared by everyone and the responsibility of all. Because water is essential for human life, it must be governed by principles that allow for reasonable use, equal distribution and responsible treatment in order to preserve water for nature and future generations.

The Blue Communities Project encourages municipalities and Indigenous communities\(^1\) to adopt a water commons framework by:

1. Recognizing water and sanitation as human rights.
2. Banning or phasing out the sale of bottled water in municipal facilities and at municipal events.
3. Promoting publicly financed, owned, and operated water and wastewater services.

This guide provides information and resources to help you achieve these goals.

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1. Indigenous communities include First Nations, Métis and Inuit communities. Some First Nations rely on bottled water because of the lack of clean drinking water. A ban or the phasing out of bottled water at community facilities and community events would only apply where potable water exists. The third resolution would promote community-run water and wastewater services. See the Blue Indigenous Communities section for more details.
Why Blue Communities?

Waterways in Canada are increasingly polluted and depleted by unsustainable industrial, agricultural, and municipal activities. Our water services face the growing threats of underfunding and privatization. The need to protect water resources and services is urgent and governments must play a central role in ensuring water is used responsibly and allocated fairly.

The push to privatize water and sewage systems through long-term contracts, known as public-private partnerships (P3s), began in the late 1990s. During its mandate, the Harper government made water privatization part of its agenda through funding mechanisms that promoted, and in some cases, required P3s. This funnelled public money destined for water infrastructure to the hands of for-profit water corporations. The Trudeau government, elected in October 2015, ended the requirement that municipal infrastructure projects over $100 million go through a mandatory P3 screen. However, the federal government has not ruled out P3s for water and wastewater projects, and has actually promoted P3s as a solution to the water and wastewater infrastructure deficit.

In the meantime, the bottled water industry sells water – a shared community resource – for huge profits. Greenhouse gases are emitted and watersheds destroyed as a result of producing and transporting bottled water. Bottled water production places significant stress on increasingly scarce water sources.

On July 28, 2010, the United Nations General Assembly passed a resolution recognizing the human rights to water and sanitation and acknowledged that clean drinking water and sanitation are essential to the realization of all human rights. On September 23, 2011, the United Nations Human Rights Council passed a resolution on the human rights to safe drinking water and sanitation, and called on governments to take concrete action by developing plans of action, establishing monitoring and accountability mechanisms, and ensuring affordable services for everyone. In June 2012, Canada recognized the human rights to water and sanitation at the Rio+20 United Nations Conference on Sustainable Development. But Canada has yet to develop a plan of action to implement these rights.

Municipalities are responsible for water quality, supply, treatment and conservation. The adoption of a water commons framework to address pollution, degradation, depletion, and privatization at the community level is crucial in the battle to preserve water and ensure fair access to all. Blue Communities are municipalities or Indigenous communities that adopt resolutions recognizing water as a commons and the human right to water, and that commit to resisting the corporate takeover of water.

Blue Communities is an opportunity for people – community residents, unionized workers, Indigenous peoples, environmentalists, students and other community leaders – to come together to protect water. Working together to make your community a Blue Community is a great way to build relationships and ensure governments are accountable for providing safe, clean drinking water for everyone.
WHAT IS A COMMUNITY?

While many Blue Communities are municipalities, there are other communities. Schools and churches can become Blue Schools or Blue Churches. For example, the city of Bern, Switzerland and the University of Bern passed resolutions in 2013. The city became a Blue Community and the university became a Blue University. Community organizations and residents can also pass the resolutions amongst themselves. The Village of Bayfield in Ontario became a Blue Community when 80 per cent of the community, represented by 35 organizations, passed the Blue Communities resolutions before the municipality that Bayfield belongs to – the municipality of Bluewater – passed them.
Recognize water and sanitation as human rights

Water is essential to life – no one should be able to control it or exploit it for profit. The human right to water entitles everyone to sufficient, safe, accessible water for personal and household uses. The human right to sanitation would ensure that everyone has access to toilets or latrines that provide privacy and a safe and dignified environment that is physically accessible, affordable and culturally sensitive.

Since 2010, the United Nations has passed several resolutions recognizing the human rights to water and sanitation and has called on governments to develop concrete plans of action.

Human right to water violations

At any given time there are more than 100 drinking water advisories in First Nations where people cannot drink the water straight from their tap. The drinking water advisories include boil water advisories and “do not consume” orders and range from a few months to over 20 years. The majority of advisories in First Nations are for public and semi-public water systems. There are often a handful of advisories in place for community centres, schools and daycares. The number of people affected ranges from 0 to 5,000, yet for many communities the number of people affected is marked “unknown” on the Health Canada website.

The federal government must enshrine the human rights to water and sanitation in Canadian law in order to ensure that people living in municipalities and Indigenous communities are legally entitled to sufficient quantities of safe, clean water for drinking and household uses and water for sanitation. The federal government must also address access inequalities immediately. The lack of safe drinking water and sanitation in Indigenous communities is one of the most serious violations of the human rights to water and sanitation.

In the current global water crisis, billions of people still lack access to basic water and sanitation services. Every day, thousands of people die from preventable diseases that they contracted because they do not have access to clean water. The recognition of water as a human right in international law allows the UN to hold governments accountable for ensuring that their populations have access to safe, clean drinking water and water for sanitation purposes. The Canadian government must do its part to implement the human rights to water and sanitation in this country.
(See Good Practices on page 11 for examples on how governments have implemented the human right to water.)

At the same time, the rights of corporations, whose activities drain, contaminate and destroy watersheds, are protected in the North American Free Trade Agreement (NAFTA) and other international trade and investment agreements, including the Canada-European Union Comprehensive Economic and Trade Agreement (CETA). Canada must protect water sources and services from current and future trade deals.

**Canadian municipalities and the rights to water and sanitation**

Responsibility for water is shared between municipal, provincial and federal governments. This means the right to water must be recognized and implemented at every level of government.

It is crucial that municipalities adopt a water commons framework and recognize the rights to water and sanitation in order to:

- Safeguard against a pricing scheme that would limit access to drinking water and wastewater services.
- Ensure all residents have equal access to adequate supplies of safe, clean water and sanitation.
- Provide citizens with information on their water supply and the operation of their water services.
- Promote water conservation, treatment, reuse and source protection to enhance water quality and quantity.

Many Canadian municipalities already meet these criteria. However, official recognition of the rights to water and sanitation at the municipal level would cement these principles. It would also create much-needed momentum and apply pressure on other levels of government to play their role in implementing water and sanitation as human rights.

> “I guess it was really scary for me,” Robyn Hamlyn, young water warrior explained. “Before, I had no idea that the Earth was running out of water.”

Since seeing the movie *Blue Gold*, based on Maude Barlow’s book by the same name, Hamlyn has been inspired to take action and has been turning cities into Blue Communities all across Ontario.

When she was 12, Robyn Hamlyn approached the city of Kingston and succeeded in getting it to recognize water as a human right in 2011. The next year the town of Ajax adopted the resolutions after receiving a letter from the then-13-year old water warrior. The young activist has contacted dozens of municipalities across Ontario and is speaking at city council meetings throughout the province to draw attention to the importance of protecting water and the Blue Communities project.
WHEREAS almost 2 billion people around the world do not have access to clean drinking water, 4 billion people face severe water scarcity and 2.5 billion people do not have adequate sanitation; and

WHEREAS Indigenous communities in Canada have been disproportionately affected by lack of access to safe drinking water and sanitation; and

WHEREAS on July 28, 2010, the United Nations General Assembly passed a resolution recognizing the human rights to water and sanitation; and

WHEREAS on September 23, 2011, the United Nations Human Rights Council passed a resolution on the human right to safe drinking water and sanitation and called on governments to take concrete action by developing plans of action, establishing monitoring and accountability mechanisms, and ensuring affordable services for everyone; and

WHEREAS the Canadian Union of Public Employees, Eau Secours and the Council of Canadians have asked Canadian municipalities to assist in their effort to have the federal government protect water and sanitation as human rights;

WHEREAS recognizing the rights to water and sanitation is one of three steps needed to declare [name of municipality] a Blue Community;

THEREFORE BE IT RESOLVED that [name of municipality] recognizes and affirms that water and sanitation services are fundamental human rights.

BE IT FURTHER RESOLVED that [name of municipality] will refrain from shutting off water and wastewater services in any residence where residents have an inability to pay their bills, and furthermore that [name of municipality] will make every effort to work with the resident to remediate the debt.

BE IT FURTHER RESOLVED that [name of municipality] will call on the federal and provincial governments to enshrine the human rights to water and sanitation in federal and provincial law.

BE IT FURTHER RESOLVED that [name of municipality] will call on the Government of Canada to develop a national plan of action to implement the human rights to water and sanitation.
The movement to recognize and uphold the human rights to water and sanitation is spreading from community to community. Yet communities need federal leadership. Blue Communities commit to calling on the federal government to develop a plan of action to implement the human rights to water and sanitation. Once your municipality becomes a Blue Community, your mayor can customize this sample letter and send it to the federal government.

Dear Environment Minister [name of current minister] and Minister of Infrastructure and Communities [name of current minister]:

The municipality of [name of municipality] recently became a Blue Community. A Blue Community is one that adopts a water commons framework by taking three actions:

1. Recognizing water and sanitation as human rights
2. Banning the sale of bottled water in public facilities and at municipal events
3. Promoting publicly financed, owned, and operated water and wastewater services

A water commons framework treats water as being shared by everyone, and the responsibility of all. Water is central to our lives and so it must be governed by principles and policies that allow for reasonable use, equal distribution and responsible treatment in order to preserve it for nature and future generations.

On July 28, 2010, 122 countries overwhelmingly voted to pass a resolution recognizing the human rights to water and sanitation. Since then, the UN Human Rights Council has passed two resolutions calling on governments to develop comprehensive plans and strategies to implement these rights, assess the implementation of the plans of action, ensure affordable water and sanitation services for everyone, and create accountability mechanisms and legal remedies.

We applaud the government of Canada for endorsing the human rights to water and sanitation at the Rio+20 United Nations Conference on Sustainable Development in June 2012. However, to give the resolutions life, we urge the federal government to enshrine water and sanitation as human rights in federal law and develop a plan of action that will implement these rights.

At any given time there are over 100 drinking water advisories in First Nations. Some of the long-standing water advisories include Shoal Lake No. 40, which has been under a water advisory for more than 17 years, as well as Kitigan Zibi and Nazko First Nations, both under do not consume advisories for more than 15 years.

As part of being a Blue Community, our municipality is opposed to the privatization of water and wastewater services, including through public-private partnerships. We urge you to support municipal infrastructure by investing in a national water and wastewater fund that addresses the growing needs of communities to maintain and strengthen water and wastewater systems. We call on the Government of Canada to respect the autonomy of municipalities and First Nations by providing needed infra-
structure funding without attaching conditions. The most transparent and cost-effective way to fund infrastructure is to keep it publicly financed, owned, and operated. We urge the government to support communities’ and municipalities’ efforts to keep water and wastewater services public and community-run.

In order to protect our water sources and ensure clean, safe drinking water, we urge the federal government to develop legislation that recognizes the human rights to water and sanitation, establishes national enforceable drinking water standards and invests in public water and wastewater infrastructure in municipalities and community-run infrastructure in First Nations.

Sincerely,

GOOD PRACTICES

More than 40 countries around the world have enshrined the human rights to water and sanitation in national constitutions or national legislation, including India, South Africa, Mexico, France and the United Kingdom.

✓ Mexico

In early 2012, Mexico amended its constitution to recognize the rights to water and sanitation after an intense campaign led by the Coalition of Mexican Organizations for the Right to Water. Three years later, the government was forced to back down after introducing a water bill that would have privatized Mexico’s water when a massive grassroots movement reminded politicians that the human right to water was now part of Mexico’s constitution and the proposed law would have violated its intent.

✓ Uruguay

In 2004, after a successful referendum, Uruguay became the first country in the world to vote for the human right to water. The language of the constitutional amendment that followed not only guaranteed water as a human right, but also said social considerations must now take precedence over economic ones when the government makes water policy. It also said that water is a public service to be delivered by a state agency on a not-for-profit basis.

✓ Canada

In 2007, the Union of Nova Scotia Municipalities recognized “access to clean water” as a “basic human right.” The same year, the Northwest Territories passed a motion recognizing the human right to water, and in 2010 adopted a Water Stewardship Strategy to guide every level of government and the public in the maintenance of water resources.

✓ Wallonia

The Belgian region of Wallonia officially recognizes that, “Each person has the right to dispose of drinking water of quality and in sufficient quantity for its nutrition, its household needs and its health.” In 2008, the Walloon Minister of Environment announced that the region would extend water solidarity to the international level by creating a tax fund that would assist countries of the Global South in investing in water and wastewater infrastructure.
Ban the sale of bottled water in municipal facilities and at municipal events

Bottled water represents a private takeover of the water commons. Corporations take free-flowing water from its natural state – or, sometimes, treated municipal water – put it in plastic bottles, and sell it at exorbitant rates.

Lax labelling requirements in Canada mean it is difficult to know how much bottled water actually comes from municipal systems. One major brand, Aquafina, has acknowledged its water comes from municipal systems in Mississauga and Vancouver. In the United States, one scientist estimates that 45 per cent of the country’s bottled water comes from municipalities.

Twenty years ago, bottled water was considered a luxury product consumed by a niche market, but its sale and consumption increased dramatically as multinational corporations tapped into the bottled water market, selling it as a “clean, safe, and natural alternative” to public water. Despite this, households are increasingly turning away from bottled water for their primary source of drinking water. According to Statistics Canada, in 2013, 23 per cent of households drank bottled water as their main source of drinking water compared to 30 per cent of households in 2007.

Formerly a top net exporter of bottled water, Canada’s bottled water exports declined significantly from a value of $206.5 million in 2000 to $24 million in 2012. This has been attributed to the 2002-2003 recession, the 2008 economic crash and the trend of people choosing to drink tap water over bottled water.


WHAT COMMUNITY ACTIVISTS CAN DO:

- Work in coalition to introduce a motion to stop your municipality or school board from selling or serving bottled water in their facilities and at their events.
- Organize a film screening of Tapped or Bottled Life to educate your community about bottled water.
- Create a sculpture with old plastic bottles to draw attention to the waste created by bottled water.
- Push for access to public water by calling for new drinking water fountains in public spaces.
- Promote campus or community water fountains. Provide directions to the nearest water fountain. On vending machines, tape maps of water fountain locations.
- Create bottled water free zones. Promote places in your school, on campus, or in a municipal facility like city hall or a recreation centre, where everyone will commit to drinking public tap water.
Most provinces charge water-bottling companies next to nothing to extract water from springs and aquifers. Whole watersheds are now under threat from this practice. A 2015 study published in Geoscience found only six per cent of groundwater around the world is renewable. In 2015, a poll commissioned by the Munk School of Global Affairs Program on Water Issues found that 96 per cent of Canadians said it is important that groundwater use remain sustainable and not be exhausted by overuse.

In order to persuade people to spend up to 3,000 times what they spend on tap water, bottled water companies advertise their products as a safer and healthier alternative. Nothing could be further from the truth. Bottled water is regulated as a food product under the Canadian Food Inspection Agency. Bottling plants are inspected on average only once every three years.

Regulation of tap water, on the other hand, is far more stringent. In general, municipal tap water is tested continuously during and after treatment, and during distribution. For example, the City of Toronto tests samples every four to six hours to ensure there is no bacteria. Halifax tests samples six to eight times daily, at multiple locations, to monitor treatment at the city’s drinking water plants. The Blue Community of Nanaimo conducts daily tests for coliform bacteria and monthly tests for total organics, disinfection by-products, parasites and microorganisms.

Finally, in an era when the world is dealing with the impacts of climate change, the bottled water industry requires massive amounts of fossil fuels to manufacture and transport its product.

Increasingly, Canadians are moving back to the tap and rejecting bottled water. A growing number of Canadian municipalities, school boards, colleges and universities, and other institutions are banning the sale and purchase of bottled water in their facilities and at their events.

- **Pledge to drink water from the tap.** Host an event where people can learn about the issues, make a “toast to the tap,” and take the pledge.

**WHAT MUNICIPALITIES CAN DO:**

- **Ban or phase out the sale and purchase of bottled water in municipally-owned facilities and at municipal events.**
- **Ensure access to tap water by installing and maintaining drinking water fountains in municipally-owned facilities and providing access to tap water at municipally-sponsored events.**
- **Promote the value of municipal water through public education campaigns.**
- **Pressure governments for dedicated funding to protect and improve the quality of municipal tap water and of treated wastewater.**

**IT TAKES A LOT OF WATER TO BOTTLE WATER!**

The production process requires three to five litres of water to produce a one litre bottle of bottled water.
BOTTLED WATER AND FIRST NATIONS

Bottled water is often used as an interim measure to the lack of clean drinking water in First Nations. The federal government spent $1 million on bottled water for Neskantaga First Nation, a community in northern Ontario that has been under a boil water advisory for nearly 20 years.¹ Between 2005 and 2015, the federal government spent $2.3 million flying bottled water from Thunder Bay, Ontario to Ogoki Post/Marten Falls. The community has been under a boil water advisory since 2005.²

In some cases bottled water companies are competing with Indigenous communities for water sources. For example, Nestlé is vying for a well in Elora, Ontario in the Grand River catchment area. The well sits on the traditional territory of the Haudenosaunee people, also known as Six Nations. Downstream from the well more than 90 per cent of people in Six Nations of the Grand River – roughly 11,000 people – do not have clean, running water.

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WHEREAS [name of municipality] operates and maintains a regulated and sophisticated water treatment and distribution system that meets some of the most stringent water quality requirements in the world; and

WHEREAS the regulatory requirements for monitoring water quality contained in single-use bottled water are not as stringent as those that must be met by [name of municipality or community]; and

WHEREAS single-use bottled water is up to 3,000 times more expensive than water from the tap in [name of municipality], even though bottled water can originate from municipal water systems;

WHEREAS resource extraction, packaging and distribution of single-use bottled water creates unnecessary air quality and climate change impacts, consumes unnecessary resources such as oil in the manufacturing of plastic bottles and fuel used in the transportation of bottled water to the consumer, and creates unnecessary recycling and waste disposal costs; and

WHEREAS [name of municipality]’s tap water is safe, healthy and accessible to residents and visitors, is readily available at most indoor public facilities, and is substantially more sustainable than bottled water; and

WHEREAS when access to municipal tap water does not exist, bottled water can be an appropriate alternative; and

WHEREAS banning the sale and provision of bottled water in municipal facilities and at municipal events is one of three steps needed to declare [name of municipality] a Blue Community;

THEREFORE BE IT RESOLVED THAT, where access to municipal tap water exists, single-use bottled water will no longer be sold in municipal facilities, from municipally-owned or municipally administered concessions, or from vending machines in public facilities; and

BE IT FURTHER RESOLVED THAT single-use bottled water will no longer be purchased and provided at municipal meetings, events or work performed outdoors where access to municipal water exists; and

BE IT FURTHER RESOLVED THAT the availability of water jugs with municipal water will be increased at municipally-organized meetings and events; and

BE IT FURTHER RESOLVED THAT a staff and public awareness campaign will be developed to support the rationale for these changes; and

BE IT FURTHER RESOLVED THAT staff develop an implementation schedule with timelines that includes an assessment of access to tap water at municipal facilities; and

BE IT FURTHER RESOLVED THAT staff provide a progress report at regular intervals.
Water to go

The City of Toronto created “HTO to Go” – a mobile water trailer filled with municipal drinking water that serves as a big drinking fountain and a fun way to educate people about the city’s water. Residents of Toronto organizing a public event can contact the city to have HTO to Go at their event.

Metro Vancouver also provides water stations for event-goers to refill their reusable bottles.

Waterloo’s Water Wagon is a mobile drinking water station that provides water at municipally-sponsored events during the summer.

Tap water apps

Cell phone apps like Toronto-based Quench and Metro Vancouver’s Tap Water make it easier for people carrying reusable water bottles to fill up and stay hydrated while they are out by showing them where to find nearby water fountains and water bottle refill stations.

U.S. mayors challenging bottled water

At their annual conference in June 2008, U.S. mayors passed a resolution to phase out the municipal use of bottled water in favour of tap water. Since then, the movement to ban bottled water has spread among U.S. municipalities, including San Francisco (2014) and Concord, Massachusetts (2012).

Municipalities encouraged to ditch bottled water

In March 2009, the Federation of Canadian Municipalities, an umbrella organization for municipal governments across Canada, voted in favour of a resolution to encourage all Canadian cities to phase out the sale and provision of bottled water in municipal facilities and at municipal events.

In 2011, the Union of B.C. Municipalities voted overwhelmingly in favour of a Blue Communities resolution\(^7\) at their annual convention. The organization stressed the need for federal funding to maintain clean tap water.

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\(^7\) Union of B.C. Municipalities, Blue Community Resolution http://www.ubcm.ca/resolutions/ResolutionDetail.aspx?id=3980&index=0&year=2011&no=&resTitle=&spons=&res=water&prov=&fed=&other=&conv=&exec=&comm=&sortCol=year&sortDir=asc
Promote public water and wastewater infrastructure

Local communities directly own and operate the vast majority of Canadian drinking water and sewage treatment facilities. But the need for reinvestment is growing, and Canadian municipalities are chronically underfunded. Federal and provincial infrastructure programs do not deliver long-term, sufficient and predictable funding. And few infrastructure programs cover the long-term operating and maintenance costs beyond initial capital investments. Limited in their ability to raise their own revenues, and facing a growing and aging population, cities and towns are also facing downloaded responsibilities for housing, social services and other core municipal services.

Instead of properly funding cities and towns, successive federal governments have instead attempted to push municipalities into privatization through public-private partnerships (P3s).

A P3 is a form of privatization. P3s are multi-decade contracts for private financing, management, operation and/or ownership of public infrastructure and services. They are negotiated in secret and stifle democratic debate on important issues. P3s also result in higher costs, lower quality and loss of accountability and public control.

Very few communities in Canada have experimented with P3s for drinking water or sewer services, but there are lessons we can learn from those that have. Experience from Canada and around the world has shown that privatization through P3s is risky, expensive and undemocratic. Important evidence from Ontario’s Auditor General confirms P3s cost considerably more than infrastructure that is publicly financed and operated. In addition, P3s lack proper oversight and do not have independent, unbiased assessment. Communities with water and wastewater P3s have seen water rates go up, accountability go down, and costs balloon in the long run.

*WHAT COMMUNITY ACTIVISTS CAN DO:*

- Urge Members of Parliament to invest in a national water and wastewater infrastructure fund that supports publicly financed, owned and operated facilities and services. Pressure them to make this a top priority.

- Bring a resolution to your local municipal government to protect publicly-owned and operated infrastructure.

- Establish a Water Watch Committee in your community to monitor city council meetings. Think of having a rotating water watcher who attends every council and relevant committee meeting to be on guard against the early warning signs of privatization. (See page 26 for tips on how to create a Water Watch Committee).

*“Water Pipes” by David Lee via Flickr. CC-by-sa 2.0*
P3s waste public money and put communities at risk

P3s are more expensive than public financing and operation because of higher private-sector borrowing costs, transaction fees, and the need to generate a profit. The costs of lawyers and consultants alone can set municipal governments back millions of dollars before projects even get off the ground. Corporations also charge a premium for so-called “risk-transfer.” But despite the cost, governments have not been successful in transferring risk to the private sector.

In 2014, Ontario’s auditor general undertook a comprehensive review of the province’s P3 program, run by the provincial Crown corporation Infrastructure Ontario. Auditor Bonnie Lysyk reviewed 74 P3 projects (known in Ontario as AFP or Alternative Financing and Procurement), as well as the overall processes and practices of Infrastructure Ontario. The scope and depth of the review is significant. The auditor examined the entire P3 program, and had access to financial and other details that are not publicly available.

The report’s main findings call into question the entire P3 model. The 74 projects cost a total of $8 billion more than if they had been publicly financed and operated. Of this, $6.5 billion was due to higher costs of private borrowing. Overall, the projects cost nearly 30 per cent more than if the province had borrowed the money itself.

All of Infrastructure Ontario’s 74 P3s were justified on the basis that the projects transferred large amounts of risk to the private sector. But there was absolutely no evidence or empirical data provided to support these claims in the crucial value-for-money assessments. Instead, pivotal decisions were made on unsubstantiated opinions, and not facts.8

Ultimately, the public sector bears the risk in any infrastructure project. Companies can walk away if a project is not profitable for them, leaving governments to pick up the pieces. The public absorbs the costs of failed P3 deals, since the public “partner” is responsible for delivering services and infrastructure.

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**Resisting federal P3 pressure**

The federal push for municipalities to use P3s began with federal Liberal governments of the 1990s and early 2000s. When the Conservative government came to power in 2008, it dramatically expanded this approach by establishing a dedicated privatization agency, PPP Canada Inc., which promotes, assesses, and subsidizes P3s. PPP Canada has identified municipalities as a clear target for P3s, focusing on water and wastewater, as well as transit, local roads, solid waste, and energy-from-waste projects.

The Harper government also tightened the privatization strings attached to infrastructure funding, putting P3 conditions on any Building Canada Fund project with a capital cost of more than $100 million. These projects were forced through a mandatory P3 assessment – performed by the same agency tasked with increasing the number of P3s in Canada. If a project was deemed viable as a P3, funding was only approved if the municipality agreed to privatize.

The Liberal government no longer requires municipalities to enter into public-private partnerships in order to receive federal funding for large infrastructure projects. But municipalities still face the threat of P3s. The federal government has not ruled out P3s for water and wastewater projects, and has actually promoted P3s as a solution to the water and wastewater infrastructure deficit. And the pressure to enter into P3s from PPP Canada continues.

Local governments still have access to the lowest borrowing rates available. With accounting standards requiring that P3s show up as public debt, there is no incentive to rely on more expensive private financing, or to lock communities into long-term deals that can tie governments’ hands.

Decades of infrastructure funding cuts have resulted in a municipal infrastructure deficit. One-third of Canada’s water infrastructure, including linear assets (pipes), is rated in fair to poor condition. The 2016 Canadian Infrastructure Report Card estimates the cost of replacing systems graded “poor” or “very poor” to be $61 billion. The Alternative Federal Budget calls for an additional $125.2 billion – $74.4 of which would be the federal portion – to maintain and upgrade infrastructure graded “fair” or better over 20 years.

Drinking water services and wastewater collection and treatment services have important public health and environmental implications. Protecting the public interest requires community control and autonomy over water services. Public water utilities are responsive and accountable to communities and empower community members to engage in water distribution and governance.
RISKS OF TRADE LAWSUITS

When private companies own and operate water, wastewater, and water sanitation systems, water becomes a tradable good. As such, water-related policy and other measures – for example conservation regulations or rate controls – can be vulnerable to investor-state challenges or lawsuits under international trade agreements. Because of Investor-State Dispute Settlement (ISDS) clauses in trade agreements like the North American Free Trade Agreement, the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union, the massive Trans-Pacific Partnership, as well as the little-known Trade in Services Agreement, governments can be penalized for health, water, and environmental regulations that are seen to threaten corporate profit.

In 2006, Argentina cancelled a 30-year water and wastewater contract with French transnational Suez. When the Suez-led consortium took over water services in Buenos Aires in 1993 it promised to increase access to water services and cut rates by a quarter. Instead, rates went up, with the average monthly water bill in Buenos Aires nearly doubling between 1993 and 2002. At the same time, access to municipal drinking water and wastewater systems did not increase. The Argentinian government denied a 2005 Suez request to further raise user fees, and then cancelled the contract. Suez sued Argentina under a bilateral France-Argentina investment treaty and in 2015, Argentina was ordered by the World Bank’s International Center for Settlement of Investment Disputes to pay $405 million to Suez for terminating the corporation’s water and sewage services contract.

Despite the risk of trade challenges, communities around the world are taking back control of their water and wastewater services by cancelling P3s and other privatization contracts and remunicipalizing water and wastewater infrastructure. Over the last 15 years, more than 180 municipalities in 35 countries have taken back control of their water services including cities like Accra (Ghana), Berlin (Germany), Buenos Aires (Argentina), Budapest (Hungary), Kuala Lumpur (Malaysia), La Paz (Bolivia), Maputo (Mozambique), and Paris (France).
WHEREAS public health depends on equitable access to drinking water and sanitation systems; and

WHEREAS public ownership and operation of drinking water and wastewater treatment systems have been fundamental to access and quality over the past century; and

WHEREAS [name of municipality] is committed to protecting water and wastewater systems from the consequences of privatization through “public-private partnerships,” or P3s, including:

- lack of transparency and public accountability;
- increased costs;
- higher user fees;
- multi-decade contracts that limit the policy options of future local governments; and
- international trade deals providing private water companies with rights to sue municipalities that bring water services into public hands; and

WHEREAS the privatization of municipal water and wastewater treatment systems and services through P3s or contracting out turns water into a commodity to be sold for profit; and

WHEREAS the federal government is requiring much-needed improvements to wastewater standards – a situation that could open the door to privatization unless dedicated public infrastructure funding is provided to upgrade treatment facilities; and

WHEREAS keeping water and wastewater infrastructure public is one of three steps needed to declare [name of municipality] a Blue Community; and

THEREFORE BE IT RESOLVED that [name of municipality] oppose privatization in any form of water and wastewater treatment infrastructure and services, including through P3s or short-term service contracts, and resolve to keep these services publicly financed, owned, operated and managed; and

BE IT FURTHER RESOLVED that [name of municipality] lobby the federal government to fulfill its responsibility to support municipal infrastructure by investing in a national water and wastewater infrastructure fund that would address the growing need to renew existing water and wastewater infrastructure and build new systems, and that would only fund public projects; and

BE IT FURTHER RESOLVED that [name of municipality] forward this resolution to the Federation of Canadian Municipalities for circulation to its members.
Hamilton
In 2004, the City of Hamilton-Wentworth ended a water privatization contract after 10 years of environmental problems and mismanagement by several private water corporations, including Enron subsidiary Azurix. Despite the promises of local economic development, new jobs and cost savings, the workforce was cut in half within 18 months. Millions of litres of raw sewage spilled into Hamilton Harbour and flooded homes, with clean-up costs borne by the public. The P3 also reduced transparency. In Hamilton, elected officials had to pay fees under the Freedom of Information Act in order to see the contracts. Negotiations to renew the deal in Hamilton fell apart when the corporation tried to charge the city twice as much if they were to be accountable for risks in the future. The system is now back in public hands, surpassing environmental standards, and delivering significant cost savings.

Vancouver
In 2001, the Greater Vancouver Regional District rejected a P3 for their water treatment facility in response to public protests. Along with worries about loss of control, lack of accountability and higher costs, citizens voiced fears about the dangers under international trade deals of privatizing the water system. In 2010, the Seymour-Capilano filtration plant opened, and has been delivering high-quality drinking water ever since.

Moncton drinking water treatment facility
In 1998, US Filter Canada, a subsidiary of a French multinational water company, was selected to design, build, operate and maintain Moncton’s water treatment facility over a 20-year contract. The plant was a much-needed improvement. But residents pay high water fees that are increasing much faster than they did prior to the P3. Between 1995 and 1999 fees increased by up to seven per cent each year. Rates increased 75 per cent between 1999 and 2000. Economist John Loxley has analyzed the P3, and found the city of Moncton paid $31 million for a $23 million water treatment plant, due to the higher costs of private financing.

Other cities that have rejected or reversed water and wastewater privatization include:
- Abbotsford, B.C.
- Banff, AB
- Halifax, NS
- Kamloops, B.C.
- Ladysmith, B.C.
- Montreal, QC
- Nanaimo, B.C.
- North Battleford, SK
- Oliver, B.C.
- Port Hardy, B.C.
- Prince Edward County, ON
- Thunder Bay, ON
- Whistler, B.C.
- White Rock, B.C.
- Williams Lake, B.C.
Blue Indigenous Communities

Despite repeated pledges from the federal government to ensure clean drinking water, there are regularly more than 100 First Nations under drinking water advisories at any given time, with some communities under a drinking water advisory for close to 20 years. This is in addition to the 1,880 homes in First Nations without water service at all.

The Truth and Reconciliation Commission final report outlined the horrors and intergenerational impacts of residential schools, and shed light on a path toward rebuilding relationships between Indigenous peoples and Canadians. The report called on the federal government “to establish measurable goals to identify and close the gaps in health outcomes” in consultation with Indigenous peoples.

Water is critical to ensuring the health of Indigenous peoples and to closing the gap between Indigenous communities and Canadian communities. Bottled water is often used as an interim measure to the ongoing water crises in First Nations. The Blue Communities resolutions can be used to continue to draw attention to the ongoing water crisis in First Nations.

Tsal’alhmec, known as “People of the Lake,” (Seton Lake Indian band) became the first Blue Indigenous Community in January 2015.

WHEREAS almost 2 billion people around the world do not have access to clean drinking water, 4 billion people face severe water scarcity and 2.5 billion people do not have adequate sanitation; and

WHEREAS Indigenous communities – First Nations, Métis and Inuit – in Canada have been disproportionately affected by lack of access to safe drinking water and sanitation services; and

WHEREAS the 2011 National Engineering Assessment, a study commissioned by the Canadian government on the condition of First Nations water and wastewater systems, found that 73 per cent of water systems were at medium to high risk; and

WHEREAS there are routinely more than 100 water advisories in effect in First Nations where people cannot drink straight from the tap, with half of the communities living under advisories for over five years and a number of communities living under advisories for more than ten years; and

WHEREAS on July 28, 2010, the United Nations General Assembly passed a resolution recognizing the human rights to water and sanitation; and
WHEREAS on September 23, 2011, the United Nations Human Rights Council passed a resolution on the human right to safe drinking water and sanitation and called on governments to take concrete action by:

- developing plans of action;
- establishing monitoring and accountability mechanisms that ensure free, effective, meaningful, and non-discriminatory participation of all people and communities;
- ensuring affordable services for everyone; and
- providing a framework of accountability with adequate monitoring mechanisms and legal remedies;

WHEREAS bottled water is routinely used as an interim measure to lack of access to drinking water in many First Nations, but is not a sustainable or cost-effective solution; and

WHEREAS the Safe Drinking Water for First Nations Act creates necessary, high standards for drinking water, but was passed without allocating adequate funding and without free, prior, and informed consent of Indigenous communities. These conditions can force Indigenous communities to turn to funding from private companies under the P3 (public-private partnership) Canada fund;

THEREFORE BE IT RESOLVED that [name of Indigenous community] recognizes and affirms that water and sanitation are fundamental human rights; and

BE IT FURTHER RESOLVED that [name of Indigenous community] opposes privatization in any form of water and wastewater treatment services, including through P3s, and keep these services community owned, operated and delivered; and

BE IT FURTHER RESOLVED that [name of Indigenous community] call upon the federal government to allocate $4.7 billion to water and wastewater infrastructure in First Nations, as called for by the National Engineering Assessment, and make adequate funding available without the condition of a P3 agreement; and

BE IT FURTHER RESOLVED that bottled water will not be sold at any community facilities or events in [name of Indigenous community] where potable water is available; and

BE IT FURTHER RESOLVED that the [name of Indigenous community] Chief and Council forward this resolution to the Assembly of First Nations for circulation to all First Nations; and

BE IT FURTHER RESOLVED that [name of Indigenous community] will call on the federal and provincial governments to enshrine water and sanitation as human rights in federal and provincial law; and

BE IT FURTHER RESOLVED that [name of Indigenous community] will call on the Government of Canada to develop a national plan of action to implement the human rights to water and sanitation.
In December 2015, the Municipality of the District of Lunenburg (MODL) in Nova Scotia became the first Blue Community in Atlantic Canada. The South Shore Chapter of the Council of Canadians was key in initiating the process and supporting the four-member “Blue Team” in their initial presentation to MODL Council. Good communication between MODL staff charged with answering some councillors’ concerns, a representative from the Blue Team, and Council of Canadians staff was key in moving the process to its successful conclusion.

Most of the Blue Communities in Canada to date are cities or towns. The Municipality of the District of Lunenburg, however, is a rural community, meaning that most MODL residents get their drinking water from private wells and manage their own wastewater. The majority of homeowners are responsible for maintaining their own water quality, including having it tested or finding another source if their well runs dry or becomes undrinkable. Only a couple of small villages in the District have access to some piped water infrastructure. Because of this, the wording of the second and third resolutions on public-private partnerships and bottled water, led to some confusion about the interpretation and implications for rural responsibilities.

For example, questions about the public-private partnerships resolution and whether it applied to private well owners had to be clarified. When Council members were assured that the P3 resolution applies only to for-profit water services – not homes on well water – they voted to adopt the resolution, adding some clarification to underline different circumstances and needs in their community. Similarly, in rural communities there are instances where residents need to buy local-sourced water from locally-owned businesses when they do not have a reliable water source on their rural property. This does not violate the bottled water resolution, which focuses on single-use bottled water sold by large multinational corporations where potable water exists.

As a next step, municipal legislation is needed to require residents to remove the wastewater pipe that transports their raw sewage from their home to a nearby lake or river in order to protect existing groundwater in rural communities.
Steps to creating a Blue Community

Send an email to bluecommunities@canadians.org to join the network of community activists, public sector workers, and local government officials working on creating a Blue Community.

Community members working on promoting the water commons are setting up Water Watch committees across the country. Visit canadians.org/bluecommunities, cupe.ca/water or eausecours.org/communautes-bleues to find out more.

We hope the information provided in this guide is useful in helping you develop strategies to protect the water commons in your community to:

- Recognize the human rights to water and sanitation.
- Ban or phase out the sale of bottled water in publicly-owned facilities and at public events.
- Promote publicly-owned and operated water infrastructure.

Creating a Water Watch Committee in your community

Creating a Water Watch committee or a network of water activists is essential to the Blue Communities Project. Water Watch committees are the first line of defence against the privatization of water. Made up of CUPE members and community and environmental activists, Water Watch committees fight to keep water safe, clean and publicly owned and controlled. Please visit www.canadians.org/bluecommunities or cupe.ca/water for tips on how to create a Water Watch Committee in your community!

We are here to help

Keep us informed of your progress by contacting us at bluecommunities@canadians.org or by calling us toll free at 1-800-387-7177. We would love to feature your work on our website and share your stories and ideas with other communities in Canada.

Contact details for further info:

bluecommunities@canadians.org or canadians.org/water

waterwatch@cupe.ca or cupe.ca/water

The information contained in this guide is based on the report *Our Water Commons: Toward a new freshwater narrative*, by Maude Barlow. A copy of the report can be downloaded at www.canadians.org
**Resources**

**Water as a commons and public trust**

FLOW for Water - What is public trust?  

Great Lakes Commons: [http://www.greatlakescommons.org/](http://www.greatlakescommons.org/)

Maude Barlow on water as a commons, Great Lakes Need Great Friends Tour (October 2013): [https://www.youtube.com/watch?v=Ml-rVR3Z9NY](https://www.youtube.com/watch?v=Ml-rVR3Z9NY)


Our Water Commons - Toward a freshwater narrative: [http://canadians.org/content/report-our-water-commons-toward-freshwater-narrative](http://canadians.org/content/report-our-water-commons-toward-freshwater-narrative)

**Blue Communities**

The Blue Communities Project brochure: [http://canadians.org/publications/brochure-blue-communities-project](http://canadians.org/publications/brochure-blue-communities-project)

Video of Blue Communities webinar (December 2015): [http://canadians.adobeconnect.com/p61cpk0dfvr/](http://canadians.adobeconnect.com/p61cpk0dfvr/)


**The human rights to water and sanitation**


**Public-Private Partnerships and remunicipalization**


Asking the right questions: A guide for municipalities considering P3s (September 2012): [http://cupe.ca/asking-right-questions-guide-municipalities-considering-p3s](http://cupe.ca/asking-right-questions-guide-municipalities-considering-p3s)

Factsheet: Fighting Water P3s - Stopping the community takeover (March 2014): [http://canadians.org/content/factsheet-fighting-water-p3s-stopping-community-takeover](http://canadians.org/content/factsheet-fighting-water-p3s-stopping-community-takeover)


**Bottled water**

Video: Back the tap - Go bottled water free (May 2013): [https://www.youtube.com/watch?v=zONh0ZTR6ZU](https://www.youtube.com/watch?v=zONh0ZTR6ZU)


Leaflet: Five things you can do to help ban bottled water (August 2008): [http://canadians.org/content/leaflet-five-things-you-can-do-help-ban-bottled-water](http://canadians.org/content/leaflet-five-things-you-can-do-help-ban-bottled-water)

