



People for Public Infrastructure

Supporting lower costs and local control for Prince Rupert's water and sewer system.

1415 7th Ave East
Prince Rupert, BC V8J4N1
tomkertes@gmail.com
November 21, 2022

Rosamaria Miller, Corporate Administrator
City of Prince Rupert
City Hall Corporate Administration 424 – 3rd Avenue West
Prince Rupert, B.C. Canada V8J 1L7
rosamaria.miller@princerupert.ca

Rosamaria Miller, Corporate Administrator:

The following questions were presented to the Committee of the Whole on November 21, 2022.

1. When did city council direct senior staff to move forward on using a municipality-controlled corporation to run the city's public water and, possibly, public sewer system – in partnership with a private company?
2. Who was involved in developing plans to set up a municipality-controlled corporation, working with a private company, to run (including finance and operate) our water and, possibly, sewer system?
3. Is there a business plan and can we see it?
4. How much debt does the city plan to finance through a municipality-controlled corporation? The initial rumour was \$230 million dollars. Is this true?
5. What assurances do residents and businesses have the once a municipality-controlled corporation is formed that it will not be sold in whole (or part) at a future date?
6. What are the alternatives and have these been considered by city council already?
7. What can a municipality-controlled corporation do that a public (within the municipality) utility cannot do?
8. If the municipality-controlled corporation forms a partnership with a private company, then how will its profits be calculated and paid for?
9. Will the municipality-controlled corporation be able to make a profit? If so, why?
10. Finally, is the decision already made? Or is there still a process for the public to share its concerns and to have input into how our public utility system is structured, run, and financed?

In addition, the following questions are posted on our website at <https://PeopleForPublicInfrastructure.org>.

1. **WHEN WAS A DIRECTIVE DECIDED?**

When did city council approve its directive to move forward on using a municipality-controlled corporation to run the city's public water and, possibly, public sewer system – in partnership with a

private company?

2. WHO WAS THE LAST TO KNOW?

What was in the original proposals provided to city council and who developed (or helped develop) these? What was the internal process and who was involved in this process? Was the current mayor involved? Were all the current councilors involved? Consultants? City staff? Community members? Other levels of government? Who was the last to know about this proposal and the directive to move forward on it?

3. IS THERE A BUSINESS PLAN?

What details has the city already decided on in terms of the composition for and oversight of a municipality-controlled corporation? Is there a business plan? If so, what is it?

4. WHAT ARE THE FINANCING DETAILS?

How much debt does the city plan to finance through a new (or existing) municipality-controlled corporation and how will this debt be financed? Who will provide the financing? What ultimate controls will funders have over rates and operation of the water and sewer system? What would happen if the corporation did not set rates at the levels agreed to by the corporation?

5. HOW MUCH WILL LOCAL OR OTHER GOVERNMENTS PAY?

Have the details for the levels of public sector grants and/or City money or contributions in kind been worked out? Have any commitments been made already?

6. WHAT STAGE IS THE CITY AT RIGHT NOW?

At what stage is the “planning and execution” of partner procurement?

7. WHY FORM A MUNICIPALITY-CONTROLLED CORPORATION?

If the city will own the assets, raw/treated water, and benefit of ownership, then why form a municipality-controlled corporation? Will the municipality-controlled corporation have the same level of oversight and transparency as required of a local government?

8. WHAT ARE THE ALTERNATIVES?

Why not ensure “best value” through early collaboration with contractors and Northern Health while retaining a system that is directly financed, operated, maintained, and controlled (i.e. public) water and sewer system?

9. CAN THE MUNICIPALITY-CONTROLLED CORPORATION BE SOLD?

What assurances do residents and businesses have the once the municipality-controlled corporation is formed that it will not be sold in whole (or part) at a future date?

10. WHAT IS THE FULL SCOPE OF THE PLAN?

What does “fill resource gaps in the entire system” mean? What is the full scope for this plan?

11. WHY NOT AN ACTUAL PUBLIC UTILITY?

If the municipality-controlled corporation is “*effectively* structured” as a public utility provider, then why not simply structure the city’s water and sewer system *as* a public utility? What can a municipality-controlled corporation do that a city public utility cannot do?

12. IS THERE ALREADY A DRAFT PARTNERSHIP AGREEMENT?

A “partnership agreement” is mentioned. Is a draft agreement in place already? What are the specifics, and will residents and businesses be privy to the specifics of what could lead a complete transfer of the

entire city water and sewer system to a new entity?

13. WHO WILL ACTUALLY CONTROL THE RATES?

A “rate-setting recommendation” is mentioned? If the municipality-controlled corporation or its partners do not agree to the city’s recommendation for rates, what would happen under this proposal?

14. WHY NOT HAVE THE CITY PROVIDE THE SERVICE TO ITSELF?

The City would own the infrastructure and the raw/treated water. The municipality-controlled corporation would be a service provider. So, what would the municipality-controlled corporation own? In terms of financing, what would the financing provide? Would it just be to pay for the costs associated with setting up a service provider? Or would it be for the costs of the infrastructure?

15. HOW WILL PROFITS BE CALCULATED AND PAID FOR?

If the municipality-controlled corporation forms a partnership with a private company, then how will its profits be calculated and paid for?

16. WILL THE MUNICIPALITY-CONTROLLED CORPORATION MAKE A PROFIT?

Will the municipality-controlled corporation make a profit? If so, why? And will it be legally *allowed* to make a profit, even if there is not an intention for it be profitable? (*Can* it make a profit?)

Tom Kertes,
Volunteer Organizer
People for Public Infrastructure