

Currents

food&waterwatch

News from Food & Water Watch's Water for All Campaign

Vol. II, Issue 4

www.foodandwaterwatch.org

April 2007

California Communities Oppose American Water Sale



American Water representatives told the California Public Utilities Commission that its customers would benefit from American Water no longer being owned by a foreign corporation. But many Californian customers are not celebrating that their water will be controlled by New Jersey-based American Water either. Californians will likely pay higher rates as the corporation passes on costs associated with becoming a publicly traded company. Some communities are fed up with private ownership and want to purchase their water operations.

To date Cal-Am and American Water have ignored community buyout proposals.

The PUC must approve RWE's proposed sale of American Water and its California subsidiary, California American. Unfortunately those communities do not have an ally in the agency tasked with overseeing water utilities. The PUC ignored Felton's request that the sale of American Water be contingent on RWE accepting Felton's offer to buy back their water system.

Cal-Am customers, as well as customers of other private water companies, have become increasingly frustrated with the PUC's "business-friendly" regulation. At a recent investor conference on Wall Street, water executives promote their friendly relationship with PUC's across the country to investors. The American Water sale and the company's continued request for large rate increases has resulted in large numbers of consumer complaints at the PUC; something the company should start paying attention to as it seeks to please investors.

Food & Water Watch Activists Take Action to Reject Bush's Push for Privatization

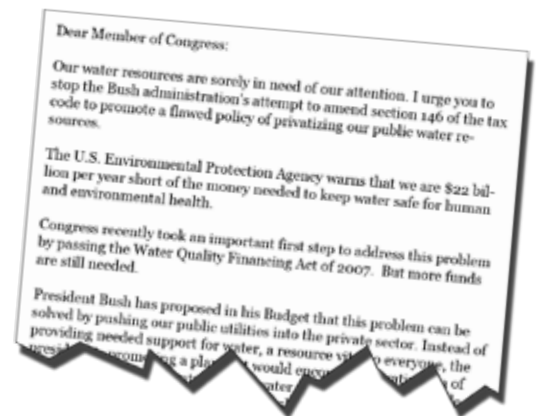
On March 22, Food & Water Watch activists recognized World Water Day by writing to their Representatives in Congress. You sent more than 700 letters to Senators and Representatives to urge them to reject President Bush's push for more privatization of our public water resources.

The Bush administration used World Water Day to promote private financing and privatization of the water sector at the EPA's *Paying for Sustainable Water Infrastructure* conference in Atlanta. The conversation was timely because America is struggling to address the \$300-500 billion gap between funds that are available and what is needed to keep our water clean and safe. There will never be a good time

for EPA's idea of a solution - privatization.

CEOs from the largest private water corporations, Aqua America and American Water, gave presentations on utility models for the future. EPA Administrators spoke of the promise of raising money by selling control of our water systems to private investors. Investment firms were there to offer their services to broker the deal. But your letters helped set the stage for a different conversation: need for public funding for critical water infrastructure in the United States.

If you've written your Member of Congress, please tell us what they had to say in re-



sponse to your letter:
jroach(at)fwwatch.org

If you haven't written your Member of Congress yet, there's still time! Just go to <http://www.foodandwaterwatch.org/water/Alerts/private-activity-bonds/>

! Become a member of Food & Water Watch at:
www.foodandwaterwatch.org



Want to subscribe to our Water for All e-mail list? It's a great way to stay informed with information, updates, and action alerts regarding water privatization. To subscribe to this list email water@fwwatch.org along with the words "subscribe Water for All" in the subject line.

Americans Criticize RWE's Water Business at Shareholder Meeting

For the second year in the row, Food & Water Watch worked with U.S. citizens and elected officials to address RWE executives and shareholders at the company's annual shareholder meeting last week in Germany. RWE, a German energy and utility corporation, owns American Water, the largest private water company in the U.S. American Water has come under fire from U.S. customers who complain of exorbitant rates and poor customer service.

RWE is planning to sell American Water later this year, leaving customers concerned about the future ownership of their water systems. More than a dozen U.S. cities and towns, like Lexington, Kentucky and Felton, California, have explored leaving the private company to restore local accountability and control to their most important resource, their water. At the shareholder meeting, we asked RWE to work with these communities who want to pay a fair price for their water system.

"What we don't understand is—why would this company choose a lengthy, expensive lawsuit over a good deal for its shareholders?" said Connie Barr, founding member of Felton FLOW, in a statement read by Food & Water Watch's Mark Worth.

"In the water business, unhappy customers make for unhappy investors," said Renée Kosel, an Illinois State Representative whose constituents include several thousand customers of American Water. "If customers are unhappy with service, investors will be unhappy with their profits and corporate image."

Red VIDA Meets in Peru



Water for All joined more than 40 organizations from 14 different countries at the second Hemispheric Assembly of the Red VIDA (Inter-American water rights network) in Lima, Peru. We are part of

the coordinating committee, representing the United States in the network.

At the 2-day assembly, "Toward Participatory, Public and Community Management of Water Services," representatives shared reports from across the continent on defending water rights and discussed the proposed work plan for the next 2 years. Meeting representatives participated in an event with Peruvian congresspeople to propose a law to make access to water services a constitutionally protected right.

The Red VIDA Assembly endorsed a work-plan focusing on (1) strengthening public and community management of water services through technical and policy cooperation; (2) continuing advocacy campaigns to stop governments and the international financial institutions' promotion of water privatization, and (3) building capacity, improving communication, documentation, outreach, alliance-building, and information-sharing.

Thirst Hits the Bookshelves—And Our Board of Directors!

Thirst the book is here. The filmmakers who brought us the acclaimed documentary *Thirst* have written a new book that tells the stories of eight U.S. communities challenging corporate control of their water. *Thirst: Fighting the Corporate Theft of Our Water*, by Alan Snitow, Deborah Kaufman, and Michael Fox, hit the bookshelves on World Water Day, March 22.



And please join us in welcoming Alan Snitow, one of *Thirst's* authors, to the board of Food & Water Watch. Alan is an accomplished journalist, filmmaker, author, and water activist. We look forward to working with Alan to strengthen our movement for local democratic control of water.

Knox, PA Goes with the FLOW

When Carol Weaver learned that her city council was considering selling the local water system to a private company, she and her neighbors got together and formed Knox Friends of Locally Owned Water, or Knox FLOW. As a former mayor and city council member, Carol knew how to get the attention of elected officials. She and fellow FLOW members gathered signatures from 300 neighbors opposed to privatizing their public water system (a big number in a town of about 750 registered voters) and presented those to a stunned city council.

"We told the council members: You're accountable to us," Carol said. "But if you sell our water system to a commercial entity that's accountable to shareholders and CEOs, then we, the customers, end up at the bottom of the list."

Knox residents like Carol only learned of the potential privatization after the council had already asked companies for bids. Neighbors sensed foul play: The city council member who proposed the privatization scheme is an employee of Pennsylvania American Water, one of the companies jockeying to privatize Knox's water.

Now, Knox FLOW is working to ensure that residents get to vote on the future of their local water.

"I'm a very patriotic American," Carol says. "For the future of our children and our grandchildren in this town, we have the right and the obligation to vote—to say who we want to control our water."

We are looking for a **new organizer** for the Water Campaign. If you are interested in a career in public interest work please read our job description on: <http://www.foodandwaterwatch.org/about/career-opportunities>