



THE TRUTH ABOUT PRIVATE WATER IN INDIANAPOLIS, IN

In 2002, Indianapolis signed a 20-year, \$1.5 billion deal with Veolia to manage the city's water system. However, the two sides agreed to end the deal in 2010.

ACTIVIST FICTION

Food & Water Watch (FWW) has claimed the experience in Indianapolis “illustrates why the movement to stop the privatization of water is gaining momentum around the world.”¹ FWW, along with other critics of private water, make assertions across a range of topics from employee benefit cuts to federal charges. FWW and other critics have repeated false claims about Indianapolis in at least five reports or case studies since 2009.

THE REAL STORY

Despite what critics have claimed, employees saw no benefit cuts, an independent survey showed three-fourths of customers were totally or mostly satisfied with Veolia's service, and the federal investigation critics cite resulted in no charges. Indianapolis is an important illustration of how critics ignore facts and misrepresent the truth when describing the record of private water.

EMPLOYEE BENEFITS: Critics claim that, under Veolia's operation, employees saw benefit cuts that would cost more than \$50 million over 25 years.² The city attorney, however, called these allegations “simply not true” and reported that total compensation actually increased under Veolia.³ Further, an independent city audit confirmed that both salary and benefits increased under Veolia.⁴ In addition, Veolia made payouts of more than \$4 million to compensate workers for lost vacation and sick time after taking over management of the system.⁵

QUALITY OF SERVICE: Critics say that within a year of signing Veolia's \$20 million deal, thousands of Indianapolis residents experienced billing problems and consumer complaints more than doubled.⁶ However, the billing problems were related to a software issue that Veolia inherited from the previous system manager. In fact, city officials went on record and agreed, “the billing problems would have occurred even if [Veolia] had not come on board.”⁷ As for customer complaints, an independent survey of customers conducted for the city's Department of Waterworks found that nearly three-fourths of respondents were totally or mostly satisfied with Veolia.⁸

JOB: Hundreds of jobs were eliminated, worker benefits were cut and pension and retirement plans were suspended after the City ended its relationship with Veolia in 2010. Meanwhile, critics erroneously blame Veolia for job cuts and frame the company as not worker-friendly.⁹

FEDERAL INVESTIGATION: Critics reference a 2005 federal subpoena of four Veolia managers as part of an investigation into allegations of falsified water quality reports.¹⁰ However, critics conveniently fail to mention that the informal investigation by the U.S. Attorney's Office resulted in no charges being filed.¹¹

INDIANAPOLIS REALITY: The critics' version of the story leaves out several important, well-documented facts. Critics fail to note that after exiting the Veolia contract, the Indianapolis water system has experienced job cuts, worker benefit cuts and rate hikes. In fact, double-digit rate increases occurred in 2011, 2012, 2014,¹² and 2016.¹³ As their false statements, omissions and misrepresentations illustrate, critics cannot be trusted to tell the full story on private water in Indianapolis.

Sources

¹Food & Water Watch, "Suez Environment's Service Problems in the U.S.," 4 June 2010.

²Food & Water Watch, "Veolia Water North America: A Corporate Profile," August 2013.

³Indianapolis Business Journal, "Employee benefit assessments paint different pictures" 4 August 2003.

⁴Indianapolis Business Journal, "Employee benefit assessments paint different pictures" 4 August 2003.

⁵Indianapolis Business Journal, "Employee benefit assessments paint different pictures" 4 August 2003; The Indianapolis Star, "Water workers sue over benefit cuts" 30 August 2002.

⁶Food & Water Watch, "Veolia Water North America: A Corporate Profile," August 2013.

⁷The Indianapolis Star, "Water workers sue over benefit cuts" 30 August 2002.

⁸The Indianapolis Star, "Indianapolis Water Company sees complaints rise after takeover" 27 February 2003.

⁹Indianapolis Business Journal, "Citizens Energy Exec Enjoys Big Pay Boost" 17 December 2012.

¹⁰Food & Water Watch, "Veolia Water North America: A Corporate Profile," August 2013.

¹¹The Indianapolis Star, "State begins informal probe of complaints by water users" 27 April 2008.

¹²The Indianapolis Star, "Sewer rates may rise 50%" 22 February 2013; The Indianapolis Star, "Citizens Energy customers to see 26 percent sewer bill increase" 24 April 2014.

¹³Indianapolis Business Journal, "State approves rate hike for Indy-area water customers" 20 April 2016.