



## THE TRUTH ABOUT PRIVATE WATER IN MILWAUKEE, WI

In 1998, United Water (now SUEZ NA) entered into a 10-year, \$300 million agreement with the Milwaukee Metropolitan Sewerage District (MMSD) to provide wastewater treatment services. Milwaukee officials expected to save an estimated \$130 million, or 34 percent of the cost for sewer service, over the term of the contract.

### ACTIVIST FICTION

Critics like Food & Water Watch (FWW) claim the experience in Milwaukee “is indicative of problems suffered under privatization”<sup>1</sup> and blame United Water for the problems with the city’s system, including sewage overflows and pump shutdowns. FWW and other critics have repeated false claims about Milwaukee in at least six reports or case studies since 2009.

### THE REAL STORY

Despite what critics have claimed, United Water’s operations in Milwaukee saved residents \$144 million in the first nine years of its contract, beating projected savings by a wide margin. In addition, city officials didn’t blame United Water for the issues that arose and, in fact, applauded the company’s work. While critics attempt to blame United Water for every issue, facts from independent sources tell the real story.

**SAVINGS:** The 10-year, \$300-million contract between United Water and MMSD saved the district millions of dollars. Through just the first three years of the contract, the district saved \$36.5 million compared to government operation.<sup>2</sup> After five years, the savings amounted to \$66.4 million. According to MMSD Assistant Controller Bob Sander, United Water saved ratepayers \$144 million in the first nine years of its contract, beating its projected savings by a wide margin.<sup>4</sup>

**SEWAGE OVERFLOWS:** While FWW blamed United Water for a series of sewage overflows in 2004, a task force appointed by then-Mayor Tom Barrett found otherwise, stating that the company was not a contributor to the overflows.<sup>5</sup> Further, the task force agreed with the Wisconsin Department of Natural Resources, which stated in 2002 that “rainwater leaking into local sewers is the major cause of sewer overflows” in Milwaukee.<sup>6</sup> The task force report also found fault with MMSD for not moving aggressively enough in the past to curb rainwater infiltration into sewers.<sup>7</sup>

**COST CUTTING:** Critics argue that United Water violated its contract by shutting down pumps to cut costs, a practice they claim resulted in the dumping of more than 100 million gallons of sewage.<sup>8</sup> But, the MMSD confirmed that “none of United Water Services’ actions [to shut down pumps] prompted either a combined or separated sewer overflow.”<sup>9</sup> In fact, it was confirmed that the pumps were shut off to switch power sources during storm events, a practice mandated by MMSD.<sup>10</sup>

**QUALITY OF SERVICE AND MANAGEMENT:** MMSD's 2003 Performance Evaluation called United Water's operations "generally very good," referencing quality awards won from the Association of Metropolitan Sewerage Agencies.<sup>11</sup> The report also noted that "maintenance of critical equipment [has] been consistent with wastewater industry practices and has helped to achieve the good levels of treatment and conveyance operations."<sup>12</sup> Additionally, the evaluation found that, in partnership with United Water, the MMSD system operated "at a high level in a manner that compares favorably with similar agencies across the nation."<sup>13</sup>

**MILWAUKEE REALITY:** United Water's operations in Milwaukee saved residents tens of millions of dollars and city overseers repeatedly applauded the company's work. While critics attempt to blame United Water for every issue, facts from independent sources and stakeholders tell the real story. Veolia Water, another private company, now operates the city's wastewater treatment system.

#### Sources

<sup>1</sup>Food & Water Watch, "United Water's Service Failures Indicative of Problems Suffered Under Privatized Utilities" 4 June 2010.

<sup>2</sup>MMSD Letter to Janice Mueller, State Auditor / Legislative Audit Bureau, dated 24 July 2002.

<sup>3</sup>Associated Press, "Firm that spilled sewage defended but improvements proposed" 24 June 2003.

<sup>4</sup>Milwaukee Journal Sentinel, "MMSD won't renew deal with operator" 17 November 2007.

<sup>5</sup>Milwaukee Journal Sentinel, "Milwaukee task force blames leaks, illegal hookups for sewage dumping woes," 2 October 2004.

<sup>6</sup>Milwaukee Journal Sentinel, "Milwaukee task force blames leaks, illegal hookups for sewage dumping woes," 2 October 2004.

<sup>7</sup>Milwaukee Journal Sentinel, "Milwaukee task force blames leaks, illegal hookups for sewage dumping woes," 2 October 2004.

<sup>8</sup>Food & Water Watch, "United Water Suez Poor Record in the U.S." May 2010.

<sup>9</sup>MMSD Letter to Janice Mueller, State Auditor / Legislative Audit Bureau, July 24, 2002.

<sup>10</sup>Milwaukee Journal Sentinel, "Improper maintenance blamed in dumping" 21 September 2002.

<sup>11</sup>MMSD 2020 Treatment Report, "UWS Contract Performance Evaluation (2003)" 22 May 2007.

<sup>12</sup>MMSD 2020 Treatment Report, "UWS Contract Performance Evaluation (2003)" 22 May 2007.

<sup>13</sup>MMSD 2020 Treatment Report, "UWS Contract Performance Evaluation (2003)" 22 May 2007.