

# Rialto City Council Blocks American Water Privatization Scheme

For immediate release: June 29, 2011

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**Rialto, Calif.** The City Council in Rialto, California rejected a proposed 30-year lease of the City's water and wastewater system to American Water last night by a vote of 2-2. The Utility Workers Union of America, which represents 2,500 American Water employees across the country, mobilized community opposition to the proposed scheme.

"This is a huge victory for Rialto ratepayers," stated Michael Langford, UWUA National President. "We believe that turning over the community's public water system to American Water would clearly have been a bad deal for working families in Rialto."

More than 300 Rialto citizens packed the City Council chambers and two overflow rooms to speak out against the deal, which would have increased water rates in the City by more than 84% in only two years. The defeated proposal would also have required the City to pay American Water more than \$23 million every year in service fees and capital charges.

Jeffrey Sterba, CEO of the New Jersey-based corporation, personally appeared before the City Council to lobby for the agreement. Sterba had previously described the Rialto proposal as a model for the company's future municipal contract operations.

The UWUA worked with Rialto residents over the past month to mobilize opposition to the privatization scheme. Although the union does not represent City of Rialto employees, many UWUA members live in Rialto and in nearby communities.

In addition, UWUA members at American Water have first-hand experience with the company's philosophy of placing corporate profits ahead of all other concerns.

For example, American Water announced plans last month to lay off 10% of its workforce in West Virginia because the company said a 4.4% rate hike recently approved by state regulators wasn't large enough. On May 31, the UWUA won an order from the West Virginia Public Service Commission blocking the layoffs, pending an investigation by the Commission into the harmful effects the proposed cutbacks could have on customer service in the state.

In June 2010, the UWUA joined with community allies to successfully block American Water's attempt to take over the suburban water system in Trenton, New Jersey. Voters in Trenton rejected the proposed sale by a 4-1 margin.

The UWUA's actions in Rialto, Trenton, and West Virginia are part of a larger commitment by the union to partner with community groups and others to oppose American Water conduct that is harmful to consumers and workers.

*The UWUA represents 50,000 working men and women in the utility and related industries throughout the U.S., including 2,500 employees of American Water in California and in 10 other states.*

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