

The Newport Daily News

Newport water system privatization worries some

By Sean Flynn, Daily News staff

Newport's decision to have a consultant look at converting its municipally controlled water system to one controlled either by a regional water authority or by a private corporation generated some warnings Wednesday night at a forum on "Our Water Future."

"We need to be extremely cautious about privatizing water systems," said Edward S. Clement Jr., executive director of the Aquidneck Land Trust and one of the panelists of the forum held at the Community College of Rhode Island's Newport campus.

He pointed to Atlanta, which privatized its water system in 1999 after accepting bids from some of the largest water management companies in the world.

"Atlanta signed with a multinational corporation but then pulled out of the deal a mere four years later," Clement said. "They pulled out of the contract for various problems, such as substantial declines in the quality of the water services and the city not realizing the revenue it had been promised by the private company."

The panelists discussed water resources on Aquidneck Island and around the state, including the Scituate Reservoir owned by Providence.

Panelist Harold R. Ward, a former professor at Brown University and policy director for the Coalition for Water Security, said 60 percent of all the state's water is in the Scituate Reservoir and it supplies water to about two-thirds of the state's residents, mostly in the Providence area.

"Now, they're thinking of selling it," Ward said, referring to the Providence City Council's decision to possibly sell the water system to a private buyer for \$400 million to \$600 million to help pay off the city's unfunded pension liability.

The Providence reservoirs and buffer lands cover about 4,600 acres.

"The Providence issue is of particular concern because it appears that at least some are considering conveying ownership of this incredible natural resource and its related infrastructure to a private party," Clement said. "Can you imagine the power that would accrue to a private company if it owned a water supply system that two-thirds of the state depended upon?"

Clement called for putting perpetual conservation easements on critical water reservoir areas. That way, he said, even private companies would be subject to the conservation easements if they bought water systems and reservoirs.

Newport Director of Public Utilities Julia A. Forgue, also a panelist, presented details about the Newport Water system that serves Aquidneck Island, and some of the high-capital investments required in the upcoming years. She said Newport Water, which sells water to Newport and Middletown customers and wholesale to Portsmouth and the Navy, has borrowed \$9 million from the state's revolving loan fund for upcoming improvements and is looking to borrow \$6 million more.

Camp, Dresser and McKee Inc., advisers to Newport Water, developed a plan for Newport Water to invest about \$109 million in capital improvements during the next 20 years, highlighted by the

construction of a new Lawton Valley Water Treatment Plant in Portsmouth.

Forgue said the high costs of these improvements led the City Council to hire Camp, Dresser and McKee to study other governance and ownership models for the water system.

These were just some of the many water topics discussed during the forum that lasted more than two hours and was hosted by the Coalition for Water Security, which is a partnership of 19 environmental and economic groups throughout the state, and the Aquidneck Island Planning Commission.

Members of the coalition especially are concerned about high water usage in the summer as compared to the winter. Ward said most of that high water usage comes from watering lawns. He said during the summer about 18 million gallons of extra water is drawn from the Scituate Reservoir on a daily basis. He said restricting watering of lawns to once a week would cut that extra usage by 50 percent.

In Warwick, summer water usage in 2005 was triple that of the winter, Ward said. Forgue said water usage by Aquidneck Island customers increases from about 6 million gallons a day in January to about 10 million gallons a day in August. Much of that, however, is because of the influx of tourists and the return of summer residents.

The coalition has proposed legislation that would allow the state Water Resources Board to impose restrictions on summer lawn watering, although it would be up to the local suppliers of water to monitor compliance. The board also could impose other water management measures as well under the legislation. House and Senate committees have held hearings on the bill and Ward expects at least a Senate vote in the current session.

He said such restrictions have worked in municipalities with tight water resources, such as in Brockton, Mass., and other communities around the country.

Keith W. Stokes, executive director of the Newport County Chamber of Commerce, and Scott Wolf, executive director of Grow Smart Rhode Island, discussed how crucial adequate water resources are to economic development.

Jesse Rodrigues, general manager of Rhode Island Nurseries Inc. of Middletown, said his firm operates 500 acres and uses 8.5 million gallons of water a day, with the need increasing as customers demand more containerized plants. He said the nursery has constructed its own pond to draw from, but are awaiting approval from National Grid to install a pump.

Joanne Galuska, deputy public works director of Naval Station Newport, said the Navy wants to cut back on its water distribution business, and only serve the base and Naval Undersea Warfare College. The Navy currently provides water to military housing complexes in all three Aquidneck Island communities.

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