



# **Beyond Privatization: Lessons From the Upper Midwestern United States and the Canadian Province of Ontario**

**Thematic Week: Water and City**

**Thematic Axis: Sustainable Financial Tools**

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*Zaragoza, 25 June 2008*

# US and Canadian Utilities Face Problems:

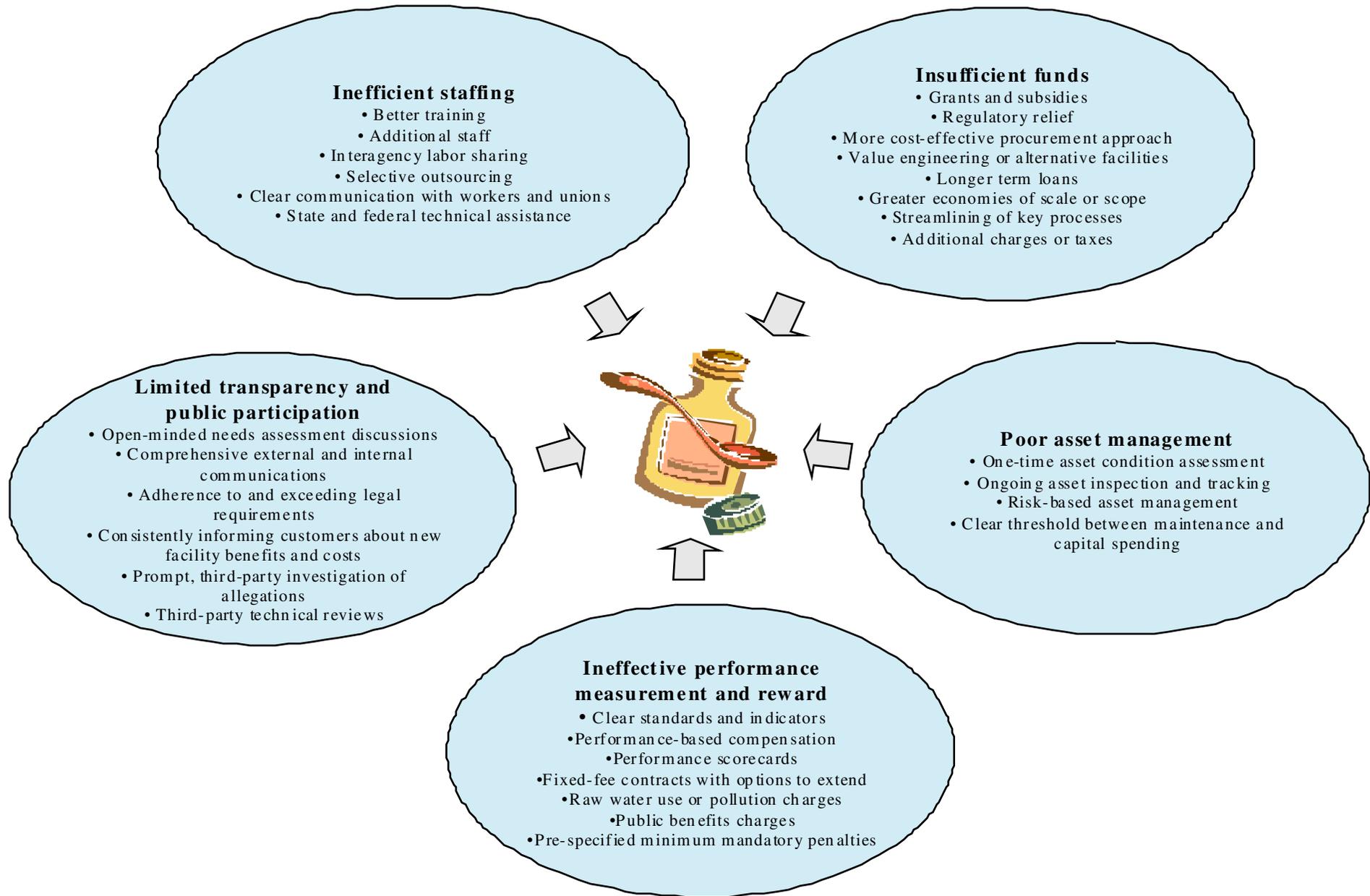
- Historic Under-Investment
- Tighter Regulations
- Increased Security Expenditures
- Limited Financial Resources

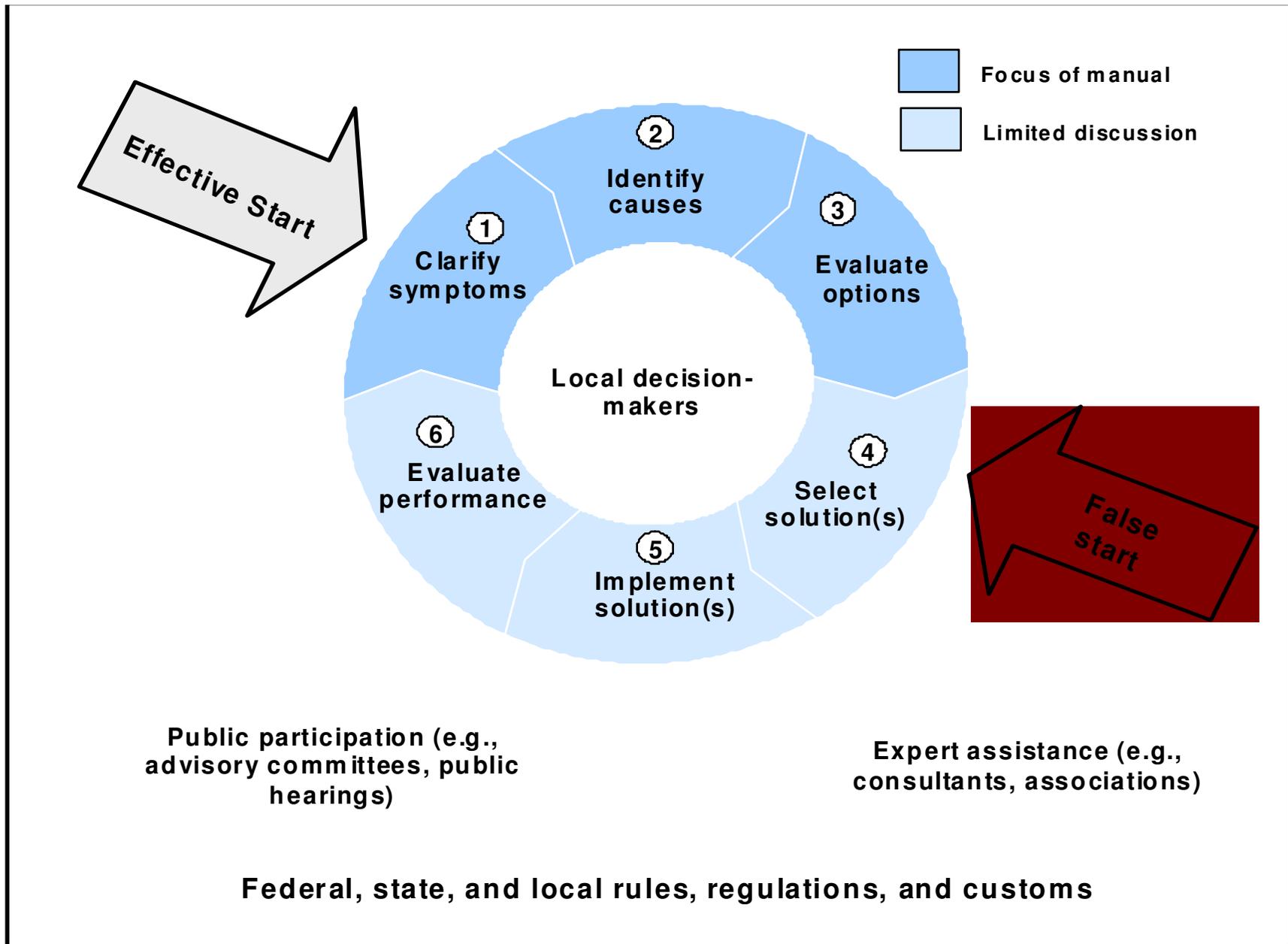
# Is the Private Sector “The Solution?”

- Private/ Public is A Value Issue
- But NOT the Primary Performance Issue
- Case Studies in: Illinois, Indiana, Iowa  
Michigan, Minnesota, Ohio, Wisconsin  
And The Canadian Province of Ontario

# We Found Performance Depends On:

- Effective Staffing
- Consistent and Adequate Funding
- Better Asset Management
- Performance Measurements and Rewards
- Stakeholder Involvement & Transparency
- Avoiding “False Starts”





# Example: Economies of Scale

- Lansing, Michigan Public “Regionalization”
  - (Lansing, Watertown, Delhi Township; Then Added Dewitt, Alaidon, and Bath Townships)
- Minnesota Small Private “Regionalization”
  - (St. Michael, Albertville, Hanover)
- Both Captured Economies of Scale

# Example: Performance Measures and Rewards

- Louisville, Kentucky Water Company
  - Public Ownership with Public Operation
- Milwaukee Municipal Sanitation District
  - Public Ownership with Private Operation
- Hamilton, Ontario -- Public Ownership,
  - With Operation: Public, Private, Public

# **Beyond Privatization: Lessons From the Upper Midwestern United States and the Canadian Province of Ontario**

- Conclusion: Values Are Important, but
- Performance Is a “Separate” Issue
- See this Paper for More Examples
- or the Primary Research Document
  - at: [www.pacinst.org/report/beyond\\_privatization/](http://www.pacinst.org/report/beyond_privatization/)

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