

Privatization foes push for referendum

By Cheryl Miller

Record Staff Writer

Published Thursday, December 5, 2002

Faced with the probability they won't get the public vote they originally sought, opponents of Stockton's utilities privatization efforts are preparing for a voter referendum early next year.

The Stockton City Council on Tuesday rejected for the third time attempts to give voters the final say on a proposed 20-year contract with OMI-Thames for operation of the city's water, wastewater and stormwater systems.

Instead, council members promised to hold at least one public forum before they vote on a final deal.

But members of the Concerned Citizens Coalition of Stockton, the group that gathered 18,000 signatures for a March ballot initiative on privatization, say they fear city leaders are pushing to ink a contract with OMI-Thames before the election, a move that would render meaningless the results of that public vote.

So the group is gearing up for a referendum, a process that would require proponents to gather thousands more signatures to force a special election asking voters to ratify or reject the council's decision.

"We can't act until the council acts on a contract," Concerned Citizens Chairwoman Sylvia Kothe said. "Until then, we're just biding our time, raising money and preparing for a public-education campaign."

A referendum would add to what is already shaping up to be a busy election season in what is usually a nonelection year. Already slated for the March 4 ballot are the Concerned Citizens' privatization initiative; a measure requiring specific police and fire staffing levels; a charter change affecting certain election procedures; and a city-sponsored attempt to funnel all money raised by Stockton's utility tax into police and fire budgets.

The deadline to place an issue on the March ballot is Friday, and the city will not likely add another measure by then. But any qualified referendum would be held sometime in the spring, as would a special election, which Councilman Larry Ruhstaller on Tuesday suggested the city could call to ratify a council decision on privatization.

Any combination of public votes on a utilities contract would likely generate big-dollar campaigns on both sides of the issue.

"It's going to cost us at least \$30,000 to do a referendum," Kothe said. "Plus, we've got attorneys fees to pay. And that's in addition to our public-education campaign."

Labor unions opposed to privatizing Stockton's municipal operations have been the biggest donors to Concerned Citizens' efforts, although Kothe said her group would rely on many smaller donors and volunteer work for any referendum campaign.

OMI-Thames representatives have already been meeting with a variety of civic groups in Stockton for the past year, said Jane Walter, OMI's regional vice president.

"We want to have the community understand the facts about the partnership and the process and the benefits," Walter said.

And if the city is faced with a referendum or special election on privatization, "We'll support the city in picking the best solution," she said.

Jane Kelly, California director of the consumer-advocacy group Public Citizen, said private utilities such as OMI-Thames have too much at stake in the expanding public-contracts market not to wage a high-profile campaign to win the Stockton contract. "If they start to lose at the community level, that could be a real blow," Kelly said. "I think it would send ripples through the entire sector."

Even if a public vote on privatization does not materialize, the city is likely to face at least one lawsuit if council members do approve a contract. The union representing Stockton's water utilities workers has challenged the legality of the city's actions. A coalition of civic and environmental groups, including the League of Women Voters and the Sierra Club, also has questioned whether the city has met state legal requirements for environmental reviews of a new wastewater system.

* To reach reporter Cheryl Miller, phone **546-8252** or e-mail **cmiller@recordnet.com**