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## STOCKTON OVERRIDES PUBLIC RIGHT TO VOTE ON CONTROVERSIAL WATER DEAL Citizens Vow to Reverse City Council's Decision

STOCKTON, CA. - The Stockton city council today approved a twenty-year \$600 million contract that will turn the public's water over to OMI-Thames, a subsidiary of a debt-ridden German utility giant, RWE. The Stockton water contract is the largest privatization deal of its kind in the western United States.

"Consumers are outraged, and we hope to reverse this decision," says Juliette Beck, senior organizer of Public Citizen's "Water for All" campaign. "The battle isn't over."

A coalition of public interest groups including Public Citizen, League of Women Voters and the Sierra Club opposed the project, and gathered 18,000 signatures that guaranteed the public's right to vote on the OMI-Thames contract, on March 4. But today Mayor Gary Podesta and the city council fast-tracked the OMI deal, and voted to approve the deal.

"This is a 'down to the wire' fight. We can still nullify the city council's decision in the next 30 days," says Sylvia Kothe, Chair of the Concerned Citizens Coalition. "To do this, the coalition now has to gather approximately 15,000 signatures, specifically opposing the OMI-Thames contract."

Public sentiment is strongly against privatization. Consumers fear poor service and higher rate hikes. Say Kothe, "We want to send a message to the big European water management companies: We don't want our water management in the hands of a large multinational company whose chief goal is to turn a profit."

The battle over the privatization contract has a dramatic history.

There have been recent charges of numbers manipulation and cover ups. Morris Allen, former director of the Stockton Municipal Utilities Department, said he was ordered to shred financial documents and to inflate MUD's operating budget in order to make the OMI deal appear more attractive.

Public Citizen has called attention to the environmental violations of OMI-Thames. On February 11, Public Citizen released a report on the financial woes of Thames' parent company, RWE. Public Citizen has warned repeatedly of the risks involved in long-term contracts, including loss of public oversight, erosion of local control and cost overruns.

In a related story, privatization has failed in Atlanta. In January, that city canceled its contract with United Water. The company failed to perform required maintenance, billed the city for work it didn't do, ignored customers' cries for better service, cut staff to dangerously low levels and on several occasions, delivered filthy, brown water. New Orleans, too, has voted down a privatization deal, indicating that consumers are growing more aware of the long-term risks associated with such contracts.

For more information on the dangers of water privatization see [www.citizen.org/cmep/water](http://www.citizen.org/cmep/water)

**Ralph Nader, Founder**

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