

Jackson's water crisis: water for people, not profits

AFTER DECADES OF NEGLECT AND RACIST DISINVESTMENT IN THE CITY'S WATER SYSTEM, IT'S TIME TO PUT PEOPLE FIRST

For too long, Jackson residents have not had reliable access to water.¹ And now, after the breakdown that thrust the city into national headlines in August 2022,² public officials are poised to take action toward repairing the system for good. Like in many other communities with struggling water systems, water privatizers are swooping in to position themselves as the solution. But handing control to private, profit-seeking corporations could only make the situation worse, as it has in cities across the country.

CORPORATIONS PUT PROFIT OVER PEOPLE

Since the onset of the crisis, Mississippi state officials have seized every opportunity to try to take power from the city and the people of Jackson.³ Meanwhile, Jackson is considering a form of privatization which would place control of the public water system into the hands of a corporation. The private water industry markets these schemes, sometimes called "public-private partnerships" or "operations and management contracts," as a solution to the issues of old and decaying water systems in cash-strapped cities like Jackson. Yet corporations answer to their shareholders, not to the community, often making decisions at the expense of people's well-being. Once a city enters



Nsombi Lambricht-Haynes, executive director of One Voice Mississippi, speaks with reporters after members of the Mississippi Rapid Response Coalition issued demands to the EPA on World Water Day. Photo credit: Makini Themba

into a privatization contract, it becomes extremely difficult for the city or residents to hold these corporate decision-makers accountable.

THE PRIVATE WATER INDUSTRY'S TRACK RECORD OF ABUSE

Across the country, privatization has too often led to higher water bills, labor cuts and abuses, and other cost-cutting measures that endanger public health.⁴

- While under the management of Veolia, the world's largest water privatizer, the **Pittsburgh Water and Sewer Authority** in Pittsburgh, Pennsylvania switched the corrosion control chemical used to prevent lead contamination to a cheaper alternative without the required approval.⁵ A lead crisis soon followed, endangering residents throughout the city.⁶ Lead exposure is particularly harmful to children, damaging the brain and nervous system.⁷ And in the end, Veolia walked away with over \$11 million from its management contracts in Pittsburgh,⁸ while local officials were left to find hundreds of millions of dollars to replace pipes leaching lead.
- The **North Miami Beach City Commission** canceled its \$190 million private operations contract with private water corporation Jacobs just three years after it was signed, after the city found the anticipated cost savings under privatization weren't being realized, even while household water bills went up.⁹
- In **Bayonne, New Jersey**, a privatization deal left residents with skyrocketing rates. Some residents who are struggling to pay their rising water bills have even had liens placed on their homes, which could lead to foreclosure.¹⁰

the city has continued to dump billions of gallons of untreated or partially treated sewage into local waterways, including the Pearl River.¹³

DEMANDING PUBLIC CONTROL: COMMUNITIES WITH PUBLIC, DEMOCRATICALLY-ACCOUNTABLE WATER SYSTEMS THRIVE

There's no question that the city of Jackson needs support in fixing the water crisis and strengthening the system for the future. But rather than turn toward profit-driven corporations, we can learn from communities that have retained control of and improved their public water systems.

- Centering public input to build back stronger: In the aftermath of Pittsburgh's disastrous contract with Veolia, local experts and a large, diverse coalition of residents pushed the mayor to restructure the water system rather than re-privatize it. The newly restructured water authority centered community input in its plans, building accountability and trust that these plans were speaking to the needs of residents. In the years since, Pittsburgh has made water service more affordable,¹⁴ stopped service shut-offs during the winter,¹⁵ and developed a robust green infrastructure plan for the 21st century.¹⁶

THE DISASTROUS RESULTS OF PRIVATE WATER CONTRACTS IN JACKSON

Jackson itself has already dealt with the failures of corporate water schemes multiple times.

- In 2013, Jackson contracted with Siemens, a transnational corporation based in Germany, to upgrade its water metering and billing systems. Siemens promised millions in savings, but completely failed to deliver, leaving the city with wildly inaccurate bills, a damaged credit rating, and an estimated total negative financial impact of \$700 million.¹¹
- In 2017, **Veolia** took over the wastewater system and promised to help Jackson comply with its consent decree for environmental violations.¹² Since Veolia took over management of the wastewater system,



Volunteers delivering water to community members after water shut-offs in Jackson, Mississippi. Photo: Makani Themba

- Ensuring affordability improves utility finances: Philadelphia established an income-based payment program in response to resident concerns about water shut-offs, overwhelming water debt, and related home foreclosures.¹⁷ The Tiered Assistance Program was the first water program in the U.S. to charge households based on income level.¹⁸ The program ensures that more people can afford to pay their bills to keep their water running, giving

the city sustainable revenue to manage the system while not putting an outsized financial burden on low-income households.

With public control, federal funding, and political will, Jackson can create a safe, affordable, and reliable drinking water system not accountable to some CEO, but to the community it serves.

ENDNOTES

- 1 United States Environmental Protection Agency, "Statement by Administrator Regan on the Ongoing Water Crisis in Jackson, Mississippi," September 26, 2022, <https://www.epa.gov/newsreleases/statement-administrator-regan-ongoing-water-crisis-jackson-mississippi>.
- 2 Emma Newburger, "Mississippi Governor Declares Emergency after Jackson's Main Water Plant Fails," CNBC, August 30, 2022, <https://www.cnbc.com/2022/08/30/mississippi-governor-declares-emergency-amid-jackson-water-crisis.html>.
- 3 Ashton Pittman, "Privatization Is On The Table: Gov. Reeves Gives Jackson Water Crisis Update," Mississippi Free Press, September 5, 2022, <https://www.mississippifreepress.org/26961/privatization-is-on-the-table-gov-reeves-gives-jackson-water-crisis-update>; Makani Themba, "Apartheid American-Style," The Nation, February 16, 2023, <https://www.thenation.com/article/politics/apartheid-jackson-water-crisis/>.
- 4 "The State of Public Water in the United States" Food & Water Watch, February 2016, 9, https://foodandwaterwatch.org/wp-content/uploads/2021/03/report_state_of_public_water.pdf; "Public Water Works! Corporate Accountability, 2014, 18-19, <https://www.corporateaccountability.org/wp-content/uploads/2019/05/Public-Water-Works-2014.pdf>.
- 5 City Controller Lamb et al., "Performance Audit: Pittsburgh Water and Sewer Authority," June 2017, 60-61, https://apps.pittsburghpa.gov/co/Pittsburgh_Water_and_Sewer_Authority_June_2017.pdf.
- 6 Leana Hosea and Sharon Lerner, "From Pittsburgh to Flint, the Dire Consequences of Giving Private Companies Responsibility for Ailing Public Water Systems," The Intercept, May 20, 2018, <https://theintercept.com/2018/05/20/pittsburgh-flint-veolia-privatization-public-water-systems-lead/>.
- 7 Center for Disease Control and Prevention, "Prevent Children's Exposure to Lead," October 24, 2022, <https://www.cdc.gov/nceh/features/leadpoisoning/index.html>.
- 8 City Controller Lamb et al., 11.
- 9 Aaron Leibowitz, "This city privatized the operation of its water utility. Now it's taking it back.," Miami Herald, August 7, 2020, <https://www.miamiherald.com/news/local/community/miami-dade/north-miami/article244782002.html>.
- 10 Danielle Ivory, Ben Protes, and Griff Palmer, "In American Towns, Private Profits From Public Works," New York Times, December 24, 2016, <https://www.nytimes.com/2016/12/24/business/dealbook/private-equity-water.html>.
- 11 Jess Legum, "This Multi-Billion Dollar Corporation Exacerbated the Water Crisis in Jackson, Mississippi," Popular Information, September 6, 2022, <https://popular.info/p/this-multi-billion-dollar-corporation>.
- 12 Veolia North America, "Jackson, Mississippi Establishes Environmental Partnership with Veolia for Wastewater Operations and Maintenance Services," February 15, 2017, <https://www.veolianoorthamerica.com/media/press-releases/jackson-mississippi-establishes-environmental-partnership-veolia-wastewater>.
- 13 "Report: Jackson Dumped 6B Gallons of Partly Treated Sewage," Jackson Free Press, October 19, 2021, <https://www.jacksonfreepress.com/news/2021/oct/19/report-jackson-dumped-6b-gallons-partly-treated-se/>; Anthony Warren, "Jackson Released Nearly 20M Gallons of Raw Sewage into Town Creek in Three-Month Timespan," WLBT, August 5, 2022, <https://www.wlbt.com/2022/08/05/jackson-released-nearly-20m-gallons-raw-sewage-into-town-creek-three-month-timespan/>.
- 14 "Customer Assistance Programs," Pittsburgh Water and Sewer Authority, <https://www.pgh2o.com/residential-commercial-customers/billing-communityassistance-programs/customer-assistance-programs>; "Bill Discount Program Frequently Asked Questions," Pittsburgh Water and Sewer Authority, https://apps.pittsburghpa.gov/redtail/images/1477_Bill_Discount_Program_FINAL.pdf.
- 15 Kathleen J. Davis, "PWSA Approves Shutoff Moratorium, Plans Policy To Assist LowIncome Residents," October 26, 2017, <https://www.wesa.fm/development-transportation/2017-10-26/pwsa-approves-shutoff-moratorium-plans-policy-to-assist-low-income-residents>.
- 16 "Pittsburgh's Water Future 2030 and Beyond" (Pittsburgh Water and Sewer Authority, October 2018), 16-18, https://apps.pittsburghpa.gov/redtail/images/4200_PGH2o2030Plan.pdf.
- 17 "Public Water Works: How Public Utilities Are Advancing Solutions to Today's Water Challenges," Corporate Accountability, January 2020, 6, https://corporateaccountability.org/wp-content/uploads/2020/01/CA_PublicWaterSolutions-report.pdf.
- 18 "Water Affordability Based on Income: The Tiered Assistance Program in Philadelphia," 2, https://graham.umich.edu/media/pubs/Water-CS-Philidelphia-Tiered-Assistant-Program_0.pdf.