



Mr. Darragh O'Brien T.D.
Minister for Housing Planning and Local Government
Housing, Planning and Local Government
Custom House,
Dublin 1, D01 W6X0.

28 September 2020

RE: - Water Advisory Body Quarterly Report No. 2 of 2020

Dear Minister,

Please find the above attached which will be published on the Water Advisory Body (WAB) website tomorrow, 29 September 2020 and has been produced in accordance with Section 44 (1) (b) of the Water Services Act, 2017. In addition, some of the comments in this correspondence and the Foreword to the report are in accordance with Section 44 (1) (b) of the same Act – Advice to the Minister.

In submitting the report, the following are of note: -

- The report seeks to address in so far as possible the performance of Irish Water in the implementation of its Strategic Funding Plan 2019-2024;
- It is based on information that has been published; and
- It seeks to present the information using plain, jargon free, language, as far as practicable.

I will draw your attention to the Foreword in the report, which sets out key concerns of the WAB with regards to Irish Water since the establishment of the WAB. The Foreword goes into detail on various topics and a summary of each is set out below.

Covid-19 Pandemic

From our discussions with Irish Water, the WAB notes that the operational response required to manage the system throughout the current pandemic has put pressure on Irish Water's costs. Of particular concern to the WAB are the delays arising to Irish Water's capital expenditure programme. With many projects suspended as a result of the pandemic, the concern would be that this will have an impact on Irish Water's delivery timescales and associated costs. The WAB notes that this will have a knock on impact on Irish Water's performance in terms of protecting water quality, and to have adequate and compliant treatment of wastewater. By their own estimation the financial impact to Irish Water's capital programme will exceed €110m in 2020.

While the WAB is not in a position to comment directly on the detail, we are concerned that adequate financial remedies are identified to allow Irish Water to deliver its capital programme and improve the overall compliance of the water and wastewater systems. Whereas this is largely a matter for government there is also at the same time an onus on Irish Water to ensure it manages its capital programme to minimise the impacts to cost and timing.

Drought

During the Covid-19 crisis, Ireland also experienced a prolonged spell of dry weather. At the same time Irish Water experienced increases in residential water consumption; partly due to the necessary response at household and business levels to Covid-19. Ultimately, this required the imposition of a hosepipe ban between 9th June to 8th July 2020. The WAB is very supportive of Irish Water's conservation efforts, the hosepipe ban and each individual's role in conserving water so we can all benefit from a secure water supply.

It is however particularly difficult to sustain a water conservation message during this period; nevertheless, we acknowledge it is necessary and the WAB encourages Irish Water to clearly and continually communicate with customers on the need for water conservation and the rationale for hosepipe bans as the need for them arises.

Key Themes

From our observations of the key performance indicators and our meetings with Irish Water, the Department and others, a number of key themes are emerging that are worth noting.

Firstly, the WAB is conscious that Irish Water's status as a single public utility, separate from Ervia/Gas Networks Ireland, is under consideration. At the same time Irish Water's programme of work to bring all of its activities and functions together as a single organisation (known as the Water Industry Operating Framework) is not yet concluded. The Body would note that Irish Water's performance in delivery of its business plan, including delivery of a significant and sustained programme of capital investment, and its capacity to be fully accountable for its performance, will benefit from clear and early resolution of both these matters.

In addition, some key areas of concern have emerged as being critically important in terms of Irish Water demonstrating clear progress to address known deficiencies in the water and waste water systems, but also to demonstrate to the EU, the Oireachtas and the public that concrete progress is being made. These are:-

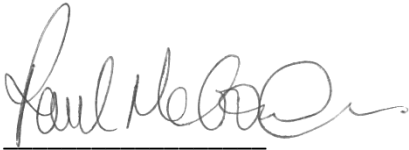
- The need for Irish Water to address **non-compliance of wastewater treatment systems** with EU directives. This sits alongside the need to address capacity issues in certain parts of the wastewater system; [notably the Ringsend Wastewater treatment plant].
- **Leakage** is a key metric that Irish Water must address consistently and progressively. This is important to demonstrate to the public that concrete actions are being taken to address the serious capacity issues in the provision of water. By addressing leakage, it is the Body's view that the public will have more confidence in the need for the investment required to address critical water supply capacity issues, particularly in the eastern/Dublin region. All of this work needs to be linked to effective and clear communication around the continuous need for water conservation regardless of when the sun shines. The concurrent impact of Covid-19 and the recent drought have given a stark reminder of Ireland's water capacity challenges.
- Finally, while there is a clear need for Irish Water to demonstrate it is delivering outputs and outcomes that benefit customers, the environment and society, it is also clear that it requires significant and sustained **financing to deliver its capital investment programme**. The Body is aware that events such as Covid-19 and other uncertainties create financial impacts. Unlike other utilities, Irish Water largely depends on exchequer financing for the funding of its operations and capital investment programme. The certainty and year-to-year flexibility of that funding will have a significant impact on the delivery of these desired outcomes.

Further to the above, the report contains eleven metrics which measure the performance of Irish Water. I have included summary findings at **Appendix 1** relating to each of the metrics.

The report, along with other information about the Water Advisory Body, can be found on the website, www.wateradvisorybody.ie.

As set out in my letter to you, dated 13 August 2020, the WAB would welcome the opportunity to meet you and update you on its work to date and for the future and is available to do so at your convenience.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul McGowan', written over a horizontal line.

Paul McGowan,
Chair, Water Advisory Body.

Appendix 1 – Summary of eleven metrics

1. Leakage – Irish Water need to focus on this in the future. Irish Water acknowledges that leakage from its “water supply networks is at unacceptable levels and well above international norms”. The reduction in unaccounted for water from 2018 to 2019 is as a result of a combination of Irish Water being able to categorise water use and Irish Water’s leakage reduction activities. The figure for 2019 gives a better indication of the amount of water lost to leaks.
2. First Fix Scheme – This performance indicator shows a continued and disappointing drop off in the number of leak repairs completed under the scheme since mid-2016. This coincides with the suspension and eventual abolition of domestic water charges. The introduction of the excess usage charge will encourage customers to avail of the scheme and it is expected that a higher number of leak repairs will be achieved in the future.
3. Remedial Action List (Water) – Irish Water is required to have an action plan in place to remediate drinking water supplies. Future WAB reports will monitor the progress of Irish Water in meeting targets it has set to remediate the 53 water supplies on the list. The WAB will also monitor any new drinking water supplies put on the list in any quarter.
4. Priority Urban Area List (Wastewater) - The WAB notes the Environmental Protection Agency’s view that Ireland is not addressing the deficiencies in its waste water treatment infrastructure at a fast enough pace.
5. Lead service connections replaced – Under normal circumstance the WAB expects to see the continued replacement of lead services as set out in Irish Water’s Lead in Drinking Water Mitigation Plan.
6. Mains replacement rate (for water mains) – In 2018 and 2019, Irish Water’s mains replacement rate has increased from once every 155 and 189 years respectively compared to 2017 where the rate of once every 301 years was noted.
7. Overall compliance with microbiological indicators for drinking water - In general, the WAB notes that compliance with the microbiological standards is high.
8. Boil Water Notices - When Irish Water took charge of water supplies in 2014 it set a target to eliminate all boil water notices that were in place at that time. This target was achieved and while no specific future targets have been set, Irish Water is working to continue reducing the number of people affected by boil water notices. The WAB notes with concern the trends for long term boil water notices highlighted by the Environmental Protection Agency and will continue to monitor Irish Water’s progress in ensuring that boil water notices remain in place for as short a time period as is feasible.
9. Compliance of Urban Waste Water Treatment (UWWT); Plants with Environmental Protection Agency discharge licenses - Overall, compliance for urban waste water treatment is very low but there has been an increase in the percentage of urban areas meeting their license standards. Over half of the 75% non-compliance can be attributed to one waste water treatment plant – the plant at Ringsend, Dublin. The WAB is concerned that Irish Water has repeatedly extended the timeframe to provide treatment for many of the towns and villages that receive no waste water treatment and that 33 areas will continue discharging untreated wastewater after 2021.
10. Ease of Contact – The KPI has not been updated in this report.
11. Irish Water Customer Complaints Management – The KPI has not been updated in this report.