



**An Roinn Tithíochta,
Pleanála agus Rialtais Áitiúil**
Department of Housing,
Planning and Local Government

Framework for Multi-Annual Rural Water Programme 2019-2021

Information for Local Authorities on the Programme and Guidance for Completion of Bids for Funding.

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TABLE OF CONTENTS

| | Page |
|---|-------------|
| Background and Policy Context | 1 |
| Multi-annual Rural Water Programme 2019-2021 | 4 |
| Measure 1 | 9 |
| Measure 2 | 11 |
| Measure 3 | 16 |
| Measure 4 | 20 |
| Measure 5 | 22 |
| Measure 6 | 23 |
| Measure 7 | 27 |
| Measure 8 | 29 |

Framework for Multi-Annual Rural Water Programme 2019-2021
(Information for Local Authorities on the Multi-annual Programme and
Guidance for Completion of Bids for Funding).

Background and Policy Context

A significant number of people in Ireland rely on private water services - any water supplies or wastewater disposal systems not provided by Irish Water - for their domestic water supply and wastewater disposal needs of their household.

The domestic water supply to approximately 6% of the Irish population comes from group water schemes (circa two-thirds private and one-third public group water schemes) while nearly 10% of the population (approx. 172,000 dwellings) obtain their drinking water supply from their own private source, typically a bored well. The domestic wastewater disposal needs of nearly 30% of households (approx. 490,000 dwellings) is by treatment on-site in domestic wastewater treatment systems, of which 90% are septic tanks (Census 2016).

The Rural Water Programme, through Exchequer funding, delivers improvements to private domestic water services in areas of rural Ireland where there are no public (Irish Water) water services.

Grant assistance will be available under the Programme for capital works for:

- Group Water Schemes (GWS),
- Group Sewerage Schemes (GSS),
- Community Connections (Water and Wastewater),
- Individual Domestic Water Supplies (more commonly called private wells), and
- Domestic Waste Water Treatment Systems (more commonly called septic tanks).

The strategic objective of the Rural Water Programme is to - through various measures - improve the quality, reliability and efficiency of water services for rural dwellers where Irish Water services are not available.

The Government's vision for water services – whether publically provided by Irish Water or under the Rural Water Programme – is that they are delivered and developed in line with the needs and expectations of users, in compliance with legal obligations, in a fair and equitable way, in a cost-effective manner, and in keeping with the principles of social, economic and environmental sustainability.

In May 2018 the Government published the first **Water Services Policy Statement 2018-2025**¹ prepared as required under the Water Services Act 2017 which, among other things, is reflective of a new era of governance, oversight and accountability for the delivery of water services. The Statement identifies high level objectives and priorities for the delivery of water services over the period to 2025. It has been prepared in line with the Water Services Acts to give clear direction to strategic planning and decision making on water services in Ireland including rural water services.

A series of water services policy objectives are set in the Statement across three thematic areas: water quality, water conservation and future proofing.

Priority water **quality** objectives of particular relevance to rural water in the Statement include:

- Achieve improved compliance with public health and environmental standards (there is particular reference to the **River Basin Management Plan for Ireland 2018-2021**²), through the State providing substantial investment under the Rural Water Programme,
- Adopting forward planning and risk management approaches to minimise the impact of non-compliances with all relevant EU Directives and to safeguard against future compliance risks,
- Ensuring access to appropriately treated, safe and reliable drinking water supplies through corrective action necessary to address and, where possible, eliminate any risk to a supply listed on the Remedial Action List for Group Water Schemes (RAL_GWS),
- Taking all reasonable action necessary to ensure that water sources are protected from contamination,
- Supporting improvements to individual water supplies where no alternative supply is available.

Priority water **conservation** objectives relevant to rural water in the Statement include:

- Embedding water conservation at the heart of water policy through prioritising resource management, abstraction control, source protection, tackling leakage and encouraging behavioural change,
- Promoting water conservation and water resource management reflected in investment for leak detection and repair, network improvements, cost effective metering and awareness campaigns.

Priority **future proofing** objectives relevant to rural water in the Statement include:

¹ See at this link: <http://www.housing.gov.ie/water/water-services/minister-murphy-launches-water-services-policy-statement-2018-2025>

² See at this link: <http://www.housing.gov.ie/water/water-quality/river-basin-management-plans/river-basin-management-plan-2018-2021>

- Ensuring that rural water services investment decisions are aligned with the broad strategic aims of ***Project Ireland 2040: National Planning Framework***³.
- Improving the resilience of rural water supplies.

The implementation of a number of measures contained within the ***River Basin Management Plan for Ireland 2018-2021***, to facilitate achieving the outcomes identified in it, will require a substantial proportion of investment by the State through the Rural Water Programme over the next number of years. These measures are aimed to ensure compliance with relevant public health and environmental standards in particular.

Good quality rural water services are an essential prerequisite to the social, economic and social development and the full participation of rural communities in achieving the strategic outcomes set out in ***Project Ireland 2040: National Planning Framework*** and ***Project Ireland 2040: National Development Plan 2018-2027***⁴.

Rural water services policy has interlinked impacts that affect delivery in other key national policy areas including for the ***Realising our Rural Potential - the Action Plan for Rural Development***⁵ which build on the earlier Commission for the Economic Development of Rural Areas (CEDRA) report ***Energising Ireland's Rural Economy*** and ***Charter for Rural Ireland***⁶.

The Water Services Policy Statement should be seen as complementary to, and not separate from, the objectives of these plans and reports.

As part of Project Ireland 2040, the Government has committed to providing an additional €1 billion for a new **Rural Regeneration and Development Fund**⁷ over the period 2019 to 2027. The new Fund is intended to support the revitalisation of rural Ireland with a view to making a significant and sustainable impact on rural communities, and to address depopulation in small rural towns, villages and rural areas.

The Fund, which is administered by the **Department of Rural and Community Development**, is providing investment to support rural renewal for suitable projects in towns and villages with a population of less than 10,000, and outlying areas.

The objective of the new Fund is to support coordinated and integrated projects between Government Departments, State agencies, Local Authorities, other public bodies,

³ See at this link: <http://www.gov.ie/en/project-ireland-2040>

⁴ See at this link: <http://www.gov.ie/en/project-ireland-2040>

⁵ See at this link: <https://www.chg.gov.ie/realising-our-rural-potential-government-launches-the-action-plan-for-rural-development/>

⁶ See at this link: https://www.chg.gov.ie/app/uploads/1970/01/charter_fro_rural_ireland_january_2016-1.pdf

⁷ See at this link: <https://drcd.gov.ie/about/rural/rural-regeneration-development-fund/>

communities and, where appropriate, philanthropic funders and/or the private sector, which will have an impact on sustainable economic and social development in rural areas.

Department of Rural and Community Development guidelines indicate that the Fund will support ambitious and strategic projects which contribute to sustainable rural regeneration and development. The guidance further states that the Fund will support investments of scale which would not otherwise be delivered without the additionality provided by the Fund, and projects that are outside the scope of existing funding schemes.

It is a matter for local authorities to consider if there are rural water projects in its functional area that are outside of the scope of the Multi-annual Rural Water Programme 2019-2021 or the Irish Water's Capital Investment Plan 2017-2021 but are suitable for advancement under the Fund.

Since January 2014 approval of taking in charge is a matter for Irish Water rather than local authorities. Local authorities should ensure that, for any project/scheme that it proposes to facilitate developing under the Fund to obtain in advance of any bids the agreement in principle of Irish Water to take the scheme/project in charge.

Multi-annual Rural Water Programme 2019-2021

The purpose of this framework document is to set out the multi-annual programme for the 2019-2021 funding cycle. It should be read in conjunction with the ***Terms and Conditions for Subsidy towards the Operational Costs of Group Water Schemes***⁸.

In January 2016 the Department introduced the Multi-Annual Rural Water Programme 2016–2018 which was the first multi-annual funding framework approach for the Rural Water Programme. The multi-annual funding approach also marked transition to a scheme/project specific funding approach, from the previous block grant funding approach.

Investment in water infrastructure is critical to our environmental and economic wellbeing into the future. Accordingly, significant capital funding of €95 million has been earmarked in the National Development Plan for the period 2018 to 2021 for the multi-annual programme.

The priority objective of the programme over the years has been and continues to be addressing drinking water quality in private supplies - group water schemes and individual private wells.

The 2019-2021 funding cycle of the multi-annual programme consists of eight measures (most are further broken into sub-measures). These measures reflect the key challenges currently facing the rural water sector in respect of funding support. In particular the

⁸ See Circular L 2/18 (8 August 2018).

measures have been more expressly focused around a ‘multiple barriers’ approach, from catchment to consumers (source – treatment - distribution), to prevent the contamination of, and ensure that, drinking water is safe and meets quality parameters of the Drinking Water Regulations⁹ on a consistent long-term basis. The eight funding measures are:

- **Measure 1 - Source Protection (Group Water Scheme Sector):** This measure is aimed at protecting the raw water source of existing group water schemes thus contributing to the safety of water users through the ability of the scheme to sustainably achieve compliance with the water quality parameters of the Drinking Water Regulations on a consistent long-term basis. This is a new stand-alone measure – source protection was formerly covered under Measure 2(e) of the 2016-2018 multi-annual programme as part of the measure ‘Enhancement of existing schemes’,
- **Measure 2 - Public health compliance (Group Water Scheme Sector):** This measure is aimed at improving water quality in existing group water schemes, through upgrading of their treatment facilities, so that the schemes can sustainably achieve compliance with the parameters of the Drinking Water Regulations on a consistent long-term basis,
- **Measure 3 - Enhancement of existing schemes including water conservation (Group Water Scheme Sector):** This measure supports projects to make existing group water schemes more efficient in their operation (e.g. water conservation and network upgrades, including storage) and contributing to good water quality on a consistent sustainable long-term basis,
- **Measure 4 – New Group Water Schemes:** This measure supports social and economic development in rural towns and villages and their hinterlands by providing new group water schemes where public water supply schemes or individual/private wells are not the most viable option,
- **Measure 5 – Transition of Existing Group Water Schemes and Group Sewerage Schemes to the Public (Irish Water) Water Sector:** This measure enables existing group water schemes and existing group sewerage schemes, where they wish to do so and with the agreement of Irish Water, to transition to the public water sector (Irish Water),
- **Measure 6 - Community Connections (Water and Wastewater):** This measure facilitates the continued expansion of the coverage of piped water supplies and central wastewater collection systems by extension off the public (Irish Water) network,
- **Measure 7 - Innovation and Research:** This measure is aimed at issues in the rural water sector which, given the major transition of water services in Ireland, require new and innovative approaches and solutions,

⁹ See at this link: <http://www.irishstatutebook.ie/eli/2014/si/122/made/en/pdf> and <http://www.irishstatutebook.ie/eli/2017/si/464/made/en/pdf>

- **Measure 8 - Individual wells (more commonly known as private or household wells) and on-site wastewater treatment systems (more commonly known as septic tanks):** This measure is aimed at allowing householders that are dependent on these services to obtain funding support for their improvement.

Grant eligibility and available amounts are set out in the guidelines below for each of the measures.

Funding bids by local authorities for the new cycle should be carefully considered and framed, after consultation with potential applicant schemes/projects, under the appropriate measure in the context of the above overview and the guidelines given below for each of the measures/sub-measures.

For Measures 1, 2, 3 and 4, the consultation should address how privately sourced group water schemes (particularly, but not limited to, small schemes with less than 100 domestic connections) can be more sustainable in the long-term, through optimising their operation and management structures using amalgamation and/or rationalisation or in some circumstances their interconnection to, and taking in charge by, Irish Water if this is more sustainable and cost effective for the State in the long-term.

This optimisation is to ensure in particular that private group schemes supply water to their members that is fully compliant with the Drinking Water Regulations on a consistent long-term basis. It will also contribute to these schemes being as financially sustainable as possible in the long-term.

For bidding purposes options to be considered, by both schemes and local authorities, under the consultation include:

- ***Interconnection to, and taking in charge by, Irish Water:*** Interconnection to, and taking in charge by, Irish Water should be considered as a funding option under the multi-annual programme where a group scheme is located in close proximity geographically to a public (Irish Water) supply. Consideration of this funding option is only necessary where the nearby Irish Water supply has spare capacity or if the supply will have spare capacity available over the course of Irish Water's Capital Investment Plan 2017-2021.

The consultation on this funding option should include a preliminary assessment for bidding purposes to establish:

- the works involved in interconnecting the group scheme distribution networks to Irish Water, and

- the works required to bring the scheme distribution system to basic standard¹⁰ of Irish Water for taking in charge,
- the works required to decommission any existing infrastructure that will not be required for the interconnected scheme (the retention of unnecessary duplicate infrastructure will not be permitted on public health grounds).

For comparison purposes the cost of upgrading the existing source and water treatment plant to provide water that is compliant with the Drinking Water Regulations on a consistent long-term basis should also be estimated.

Funding under the Multi-annual Rural Water Programme will normally only be available for the solution that is the most sustainable and cost effective to the State considered on a whole life basis.

- ***Amalgamation of group water schemes:*** Amalgamation involves the physical interconnection of the water distribution networks of two or more group water schemes where they are in sufficiently close proximity and the topography is favourable for interconnection to be technically and economically viable.

The amalgamated schemes become one entity under a single management structure (typically as a Co-operative) and through this realise economies of scale and cost effectiveness. Depending on scheme circumstances amalgamation allows for the decommissioning of some assets, (e.g. water treatment plants, pumphouses, reservoirs, sources, booster pumps). Operational savings can be generated in this way.

Amalgamation has been successfully undertaken throughout the country over the past two decades and there are many examples of successful scheme amalgamations including a number of schemes now successfully operating their water treatment plants under the Design Build Operate model.

The consultation on amalgamation options should include a preliminary assessment for bidding purposes to establish:

- which of the existing water sources is most suitable from a quality and quantity perspective (or if a new source of water is necessary),
- the works involved in interconnecting their distribution networks, and
- the works required to bring participating schemes to a similar standard in terms of infrastructure in particular unaccounted for water,
- the works required to decommission any existing infrastructure that will not be required for the amalgamated scheme to operate (the retention of

¹⁰ See Circular WSP01/16 - Taking in Charge by Irish Water of Group Water Schemes, issued by Department on 5th July 2016.

unnecessary duplicate infrastructure will not be permitted on public health grounds).

Depending on circumstances and location amalgamation combined with rationalisation can realise further economies of scale based savings.

- ***Rationalisation of group water schemes:*** Rationalisation involves an integrated management arrangement of two or more group water schemes, without the physical interconnection of their water distribution networks. Rationalisation typically occurs where the distribution systems of the different schemes are not sufficiently physically close, or there is some initial impediment, for it to be technically and economically viable for them to interconnect. The rationalised schemes become one entity under a single management structure (typically as a Co-operative) and through this realise opportunities to optimise water quality, economies of scale and cost effectiveness.

Rationalisation facilitates the possibility of further realisation of economies of scale through amalgamation in the future. Pilot rationalisation projects have been undertaken during the previous funding cycle of the multi-annual programme. These pilot schemes are now successfully operating their rationalised schemes as a single entity.

The consultation on amalgamation options should include a preliminary assessment for bidding purposes to establish:

- the works required to bring participating schemes to a similar standard in terms of infrastructure in particular unaccounted for water.

Where significant potential has been identified in the preliminary assessment for either of the latter two options, a feasibility study should be undertaken by the local authority in consultation with the group water scheme(s) and the National Federation of Group Water Schemes to ascertain which options are viable, sustainable and provide the best value for money for the State.

A key component to encourage the participation of schemes in amalgamation or rationalisation projects is ensuring equity between the participating schemes in terms of network infrastructure and levels of unaccounted for water which need to be considered as part of the evaluation of any such strategy.

Local authorities should not limit consideration of amalgamation, rationalisation or taking in charge opportunities to their functional area.

A bids circular will provide the necessary templates to facilitate the setting out of local authorities' bids and funding requirements for Measures 1-7. Funding requirements are not

being sought for Measure 8 as it is demand led, having regard to available Exchequer funding under the programme and subject to any overall limit set.

In 2016, with the transition from the previous annual block grant-based funding to multi-annual funding focusing on schemes/projects, the Department established a bids evaluation panel – the Expert Panel – to assist the Department with its evaluation of bids from local authorities. In addition to expertise, the Panel brings independence, openness and transparency to the bids evaluation process which is done on a national prioritised basis.

It is intended for the 2019-2021 funding cycle to continue with the above bids evaluation approach. The Panel will make recommendations to the Department on the suitability of schemes/projects for funding based on objective criteria. The Department will consider the recommendations of the Panel and approvals will be made by the Minister.

Schemes/projects approved and started but not completed under the previous 2016-2018 multi-annual cycle will continue to be eligible for funding to proceed to completion as commitments under the 2019-2021 multi-annual cycle.

Schemes/projects approved but not started under the previous 2016-2018 multi-annual cycle will also continue to be eligible for funding to proceed to completion under the 2019-2021 multi-annual cycle subject to the local authority confirming that these schemes/projects are in a position to commence construction in the first year i.e. 2019 of the 2019-2021 multi-annual cycle. If these schemes/projects are not in a position to do so they will only be considered for funding as new applications.

Measure 1 - Source Protection (Group Water Scheme Sector)

Water resource and source protection provides the first barrier in the protection of drinking water quality.

In 2013 the Department introduced a new grant scheme (Circular L5/13 of 2 September 2013)¹¹ providing funding assistance to regulated private group water schemes to commence source-protection planning. The aim of the grant is to assist these schemes in completing Phase 1 of developing a source protection plan, i.e. carry out a professional assessment of their water source(s), including the delineation of the source catchment area or “zone of contribution”, mapping of the source catchment and an assessment of groundwater vulnerability. That first phase of assessments, which was to be completed under a five year programme, is now substantially complete – with outstanding works to be completed early in the 2019-2021 programme.

¹¹ Circular L5/13 (2 September 2013) – Grants towards Specific Source Protection Works on Named Group Water Schemes. See at this link: <https://www.housing.gov.ie/water/water-services/rural-water-programme/group-water-schemes-and-rural-water-issues>

Pilot Phase 2 source-protection projects – involving both surface water and groundwater sources - commenced in late 2018 in Counties Monaghan, Roscommon and Westmeath. These projects will identify a structure and process for group water scheme source protection planning, building on the information gathered during Phase 1. However, as these are ongoing, post project reviews are not yet available.

It is now proposed to, over the course of the 2019-2021 funding cycle and beyond and on a prioritised basis, support further source-protection work for those schemes where Phase 1 work has been completed.

Local authorities should, in preparing to make bids under this measure for the 2019-2021 funding cycle, first directly meet with, and provide comprehensive advice to participating group water schemes on how the scheme can optimise its sustainability in the long-term, in line with the process outlined above. The scheme should be advised on its most appropriate course of action to enable and ensure that the scheme supplies water to its members that is fully compliant with the water quality parameters of the Drinking Water Regulations on a consistent long-term basis.

Where the most sustainable long-term solution for a scheme is its interconnection to, and amalgamation into, another group water scheme or its interconnection to, and taking in charge by, Irish Water, then it will not be permitted to avail of source protection funding under this measure. Instead such schemes should be encouraged to avail of funding under Measure 2(b) (amalgamation/rationalisation).

The approach to Phase 2 funding in the 2019-2021 funding cycle is that any group water schemes with sources located in the Areas for Action identified under the River Basin Management Plan will initially be prioritised for completion of further source-protection measures, along with group water schemes outside of these areas that have particular source-protection issues.

Activity under Phase 2 should aim to better inform the participating group water scheme about potential hazards within their source catchment, to develop a raw water monitoring programme, to identify practical source-protection measures to be undertaken by the scheme and to create awareness within the catchment about overall Water Framework Directive objectives and the importance of protecting the drinking-water source.

The Department encourages a fully joined up approach to actions by group water schemes on the protection of their drinking water source. In this context local authorities should actively promote Section 8 of the ***River Basin Management Plan 2018-2021*** which deals with Drinking Water Protected Areas in particular ensuring that participating group water schemes are “... *actively encouraged to educate their wider membership — through the distribution of group water scheme newsletters and information leaflets — about the importance of protecting all water bodies, including the GWS source*”. Schemes should also

be advised to encourage their members to engage in better maintenance of their domestic wastewater treatment systems (septic tanks).

The evaluation of bids by the Expert Panel under Measures 1 will be based on the following criteria:

- History, or risk, of non-compliance with the standards in the Drinking Water Regulations referenced to the Phase 1 zone of contribution study (ranking based on: high risk – typically high vulnerability sources, shallow well sources and surface water sources etc.; moderate risk – typically moderate vulnerability groundwater sources, or; low risk – typically lower moderate vulnerability groundwater sources),
- Number of households/customers benefiting,
- Potential for synergies with other schemes (e.g. amalgamation/rationalisation),
- Cost of the proposal, particularly the extent to which the water quality issues within the scheme can be sustainably resolved in the most cost effective way on a whole life basis i.e. representing the most economically advantageous way of addressing the issues raised (including unit cost per house; whole life cost - funding required over a period of years),
- Project status, i.e. the development stage of the project, shovel ready or otherwise, and,
- Project benefits i.e. in informing future programme and policy development.

Schemes with sources located in the Areas for Action identified under the River Basin Management will initially be prioritised for the 2019-2021 multi annual funding cycle.

Grants Available: Grants under Measure 1 for Phase 2 source protection projects by group water schemes will be at 100% of the cost of necessary and approved works. The grant limit per house for a scheme is €9,000. This cost is a collective limit, for grant purposes, across all funding measures – it is not a limit per measure. The collective limit applies for a six year period consisting of the previous (2016-2018) and current (2019-2021) multi-annual programme cycles – grants in excess of this will only be considered in exceptional circumstances where full justification is provided. The maximum grant for outstanding source protection works under Phase 1 (i.e. work per Circular L5/13) is €2,550.

Measure 2 - Environmental and Public Health Compliance (Group Water Sector)

The focus and main aim of this funding measure is facilitating existing quality deficient group water schemes achieving full compliance with the standards – the water quality parameters - of the Drinking Water Regulations on a consistent sustainable long-term basis¹².

¹² The EPA report *Focus on Private Water Supplies 2016* highlights that water quality in private water supplies including private group water schemes lags behind that of public water supplies. See at this link: <http://www.epa.ie/pubs/reports/water/drinking/focusonprivatewatersupplies2016report.html>

The measure applies in the main to private group water schemes. For public group water schemes water quality issues generally relate to the Irish Water scheme providing the supply. Public group water schemes with water quality issues should in the first instance address any water quality issues through improvements to the operation of their distribution system or through engagement with Irish Water.

The measure is divided into three sub-measures. These are:

- a). **Water treatment improvements:** Water treatment improvements enable group water schemes to sustainably achieve compliance with the quality parameters of the Drinking Water Regulations on a consistent long-term basis,
- b). **Amalgamation/rationalisation:** Amalgamation/rationalisation of group schemes to enable them to provide a more sustainable supply of water and ensure compliance with the quality parameters of the Drinking Water Regulations on a consistent long-term basis, and,
- c). **Capital replacement costs:** Capital replacement costs apply to established 'bona fide' Design Build and Operate projects.

Local authorities should, in preparing to make its bids under sub-measure (a) or (b) for the 2019-2021 funding cycle, first directly meet with, and provide comprehensive advice to, a participating group water scheme. The scheme should be advised on its most appropriate course of action. This discussion process should address how the scheme can be sustainable in the long-term, through their operation and management structures, to enable and ensure that the scheme supplies water to its members that is fully compliant with the water quality parameters of the Drinking Water Regulations on a consistent long-term basis.

To further the main aim of sub-measure a), a Remedial Action List for Group Water Schemes (RAL-GWS) was developed during 2016/2017. The Department worked with local authorities and the National Federation of Group Water Schemes to develop the RAL-GWS for regulated private group water schemes with a history of water quality issues (failure to meet the standards set in the Drinking Water Regulations) and/or other risks, e.g. inadequate or no treatment.

The focus of the RAL-GWS is on regulated private group water schemes (information is available on their water quality from the local authority monitoring programme and details of their water treatment is also readily available) and not on public group water schemes where water quality issues generally relate to the supplying Irish Water scheme for which, in the case of quality deficiencies, there is a separate Remedial Action List for public schemes.

The RAL-GWS will continue to be the main basis for allocating scheme-based funding under Measure 2 for the 2019-2021 funding cycle to address water quality issues across regulated private group water schemes. The priority order of issues for resolution in schemes is:

- no or inadequate disinfection treatment,

- background of microbiological issues which may be coupled with absence of duty standby and alarm arrangements etc., and,
- TTHM (Trihalomethanes - Total) and other chemical related parametric value issues,
- All other issues.

Local authorities should note this in making their bids.

The goal of the Department is to have the current RAL-GWS fully resolved by the end of the 2019-2021 funding cycle through the development by the listed schemes of permanent remedial action programmes followed by their speedy completion. Schemes should be actively advised and assisted by the local authority in achieving this.

The RAL-GWS is an evolving dynamic list that changes over time. Schemes are added as new information emerges on water quality issues, viz. inadequate treatment, schemes newly identified as falling within the full remit of the Drinking Water Regulations (schemes that were previously considered to fall below the regulated threshold) or schemes removed as work is completed on schemes including those interconnected to, and taken in charge by, Irish Water or amalgamated with another scheme, etc. The Department will work to review the RAL-GWS every six months to reflect this.

In order to allow for the evolving and dynamic nature of the RAL-GWS, local authorities may bid for fully regulated schemes not on the list as long as details are provided (name of scheme, EPA Scheme Code and brief but sufficient details of the water quality issues that the scheme(s) are seeking to have resolved through capital funding).

While the RAL-GWS is focused on regulated private group water schemes only, local authorities may also bid a specific block sum for funding improvements to group water schemes that are not regulated (i.e. due to their size they fall below the threshold for full application of the Drinking Water Regulations). Brief details should be provided in the bid, where possible, outlining the name(s), size(s) of the group water scheme(s) and the water quality issues that the local authority is seeking to have resolved.

Amalgamation or taking in charge of group water schemes allows the sector to concentrate its resources on a smaller number of larger water treatment facilities. These are generally more sustainable through having more professional, effective and efficient management structures that are capable of achieving compliance with the quality standards of Drinking Water Regulations on a consistent long-term basis.

Such amalgamation or taking in charge of these water supplies has the added advantage of increasing the reliability of the water supply during prolonged periods of drought when some of the existing raw water supply sources tend to dry up or experience very low and inadequate flows.

Many smaller supplies¹³ have significant logistical challenges with providing water that consistently meets the quality standards of the Drinking Water Regulations. For these schemes, where their location permits, their interconnection to and taking in charge by Irish Water or their interconnection to and amalgamation into another group water scheme provides the most sustainable way of their members receiving water that is fully compliant with the water quality parameters of the Drinking Water Regulations on a consistent long-term basis. The Department favours the taking in charge approach where it is shown to be the most cost effective and sustainable course of action for the State on a long-term basis.

Where a local authority considers that taking-in-charge is the best and most appropriate, sustainable and value for money solution for a scheme then any bid for funding should be made under Measure 5.

Any proposals for interconnection to and taking in charge of a scheme by Irish Water is subject to spare capacity being currently available in the supplying Irish Water scheme or if not then it being available within the timeframe of carrying out the work during the 2019-2021 multi-annual funding cycle. Local authorities should not limit consideration of amalgamation, rationalisation or taking in charge opportunities to their functional area.

In order to encourage amalgamation and/or rationalisation projects equity between participating schemes in terms of their infrastructure and levels of unaccounted for water is necessary.

The amalgamation sub-measure is intended for fund interconnection mains to accomplish amalgamation, the development of new raw water sources (or upgrading of existing sources) and water treatment where justified to meet the demand needs of amalgamated schemes. There should be a balance between the need to conserve water and the desire to replace all existing water mains - funding for justified upgrading to existing water mains can be sought based on the criteria set-out under Measure 3.

Physical amalgamation or taking-in-charge by Irish Water will not be a viable option in all situations. In these instances rationalisation between group water scheme entities (Co-operatives or Limited Companies), through the opportunity for more professional management that it offers, is an opportunity for schemes to supply water to their members that is fully compliant with the Drinking Water Regulations on a consistent long-term basis.

In order to encourage rationalisation funding is available under the multi-annual programme for necessary capital works to facilitate rationalisation in a similar way to amalgamation. The current, or operational, cost associated with rationalisation is met through the annual subsidy for group water schemes (subject to its terms and conditions).

¹³ The *Terms and Conditions for Subsidy towards the Operational Costs of Group Water Schemes* makes particular provision for an additional subsidy to encourage amalgamation and rationalisation among supplies of less than 100 domestic connections .

Sub-measure (c) - Capital replacement costs of 'bona fide' Design Build and Operate projects – is demand-led and local authorities are not required to identify funding requirements for them in their bids and separate circulars and guidance applies.

The evaluation of bids by the Expert Panel under Measures 2 will be based on the following criteria:

- History, or risk, of non-compliance with the standards in the Drinking Water Regulations (ranking based on: high risk – typically microbiological parameters; moderate risk – typically chemical parameters, or; low risk – typically indicator parameters),
- Number of households/customers benefiting,
- Potential for synergies with other schemes (e.g. amalgamation/rationalisation, taking in charge),
- Cost of the proposed resolution, particularly the extent to which the water quality issues within the scheme can be sustainably resolved in the most cost effective way on a whole life basis i.e. representing the most economically advantageous way of addressing the issues raised (including unit cost per house; whole life cost - funding required over a period of years),
- Project status, i.e. the development stage of the project, shovel ready or otherwise, and,
- Project benefits, i.e. in informing future programme and policy development.

The motivation of the Department in introducing the RAL-GWS is to target capital funding under the multi-annual programme. The RAL-GWS is not a substitute for local authorities undertaking their responsibilities as the Supervisory Authority under the Drinking Water Regulations. Accordingly local authorities should proactively identify and speedily act on issues and risks on water supply processes in group water schemes based on their own monitoring.

In the course of compiling the 2016/2017 RAL-GWS a number of group water schemes were noted as having non-compliance for parameters including: Aluminium, Manganese, Coliform Bacteria, Colony Count, E. Coli etc., and yet have in place what appears to be appropriate treatment to deal with these issues. Therefore, local authorities should in the first instance, and before including such schemes in capital bids, ensure that the schemes immediately take appropriate actions to address such non-compliance with the Drinking Water Regulations. Appropriate remedial actions, depending on the particular circumstances, may include:

- process optimisation of the water treatment plant, i.e. operational improvements to the water treatment plant treatment process,
- a robust programme of regular uni-directional scouring/flushing of mains, and

- remedial works to the distribution mains such as installation of replacement or additional scour valves to fully enable their routine scouring/flushing.

These remedial actions are operation and maintenance issues with any associated costs fundable under the annual subsidy for group water schemes. Local authorities will need to satisfy themselves that adequate controls and monitoring are in place to ensure that the actions undertaken deal effectively with the non-compliance issues.

In considering proposals from group water schemes seeking funding for works to achieve compliance, authorities should have regard to *Section 6 Procedures for non-compliance with standards* of the EPA “*Handbook for private water supplies*” available on the EPA website¹⁴.

Grants available: In general, the following levels of grant aid to schemes for necessary capital works will apply:

- Water treatment facilities (irrespective of the manner of procurement, i.e. DBO or conventional) to improve water quality will be funded at 100%,
- Works to achieve amalgamation of schemes (interconnections, new sources and water treatment, and essential water conservation and network upgrading to achieve amalgamation etc.) will be at 100%,
- Capital replacement costs for existing ‘bona fide’ Design Build and Operate projects will be at 85%.

The terms of Measure 3 apply to essential network upgrading and water conservation required to achieve amalgamation and rationalisation projects (except that the funding per above will apply). Accordingly local authorities should consider and submit such proposals under Measure 3.

The cost limit for the above works for grant purposes is €9,000 per house. This is a collective limit, for grant purposes, across all funding measure – it is not a limit per measure. The collective limit applies for a six year period consisting of the previous (2016-2018) and current (2019-2021) multi-annual programme – grants in excess of this will only be considered in exceptional circumstances where full justification is provided.

Measure 3 - Enhancement of existing schemes including water conservation (Group Water Sector)

The emphasis and main aim of this funding measure is facilitating existing group water schemes to improve their operational efficiency through undertaking water conservation and network upgrade projects. Such projects contribute to the sector overall being more efficient both in terms of unaccounted for water and levels of chemicals/energy use in water treatment plants. Funding under the measure was block grant-based in the previous

¹⁴ See at this link: <http://www.epa.ie/pubs/advice/drinkingwater/privatewatersupplieshandbook/>

funding cycle but will transition to being scheme/project based in the 2019-2021 funding cycle to target priority water conservation and network upgrades.

The measure applies to both private and public group water schemes. However, for schemes, both public and private, where the most appropriate course of action is to be taken in charge by Irish Water, any bids should be made under Measure 5.

Local authorities must consider extensions to existing group water schemes as a new scheme under Measure 4 and not as a network upgrade proposal.

The measure is divided into two sub-measures. These are:

- a). **Water conservation:** Water conservation and management including metering of scheme connections,
- b). **Network Upgrades:** Network upgrades include mains upgrading, upgrading of storage etc.

Local authorities should, in preparing to make their bids under sub-measure (a) or (b) for the 2019-2021 funding cycle, first directly meet with, and provide comprehensive advice to, participating group water schemes. The scheme should be advised on its most appropriate course of action. This discussion process should address how the scheme can be sustainable in the long-term, through their operation and management structures, to enable the scheme to improve their operational efficiency through undertaking water conservation and network upgrade projects that take into consideration achieving the water quality parameters of the Drinking Water Regulations on a consistent long-term basis (e.g. reviewing their overall network and storage, if any).

Proposals for sub-measure (a) – water conservation – for network refurbishment will not be considered for grant aid unless the scheme has first undertaken a comprehensive water audit with unaccounted for water being quantified/identified on the scheme.

In considering grant applications from group water schemes local authorities should first request schemes to carry out, if not already done, a preliminary but sufficient water audit. This audit will show where the major water demand is coming from and where savings can be made etc. For smaller schemes a simple audit can be done by the scheme. Larger schemes may ultimately need to procure external specialists to do their water audits.

It is important and essential that local authorities make schemes aware that a water conservation programme is developed in three distinct stages:

- a). **Stage 1 - Put in place water management systems:** This stage includes (extent scaled to the size of the scheme): asset data collection, mapping (GIS), modelling, bulk and district metering including telemetry and pressure control.

With Stage 1 in place any existing preliminary water audits can, and should, be refined. A preliminary water audit is a basic prerequisite and a standard requirement prior to successfully implementing Stage 2.

- b). Stage 2 - Establish the basis for proper active leakage control:** This stage involves establishing the basis for the location and repair of leaks on a pro-active basis. The systems provided at Stage 1 will allow the most problematic areas to be targeted.

With Stage 2 in place the preliminary water audit can, and should, be further refined. The preliminary water audit and active leakage control are basic prerequisites and standard requirements prior to cost effectively identifying and implementing necessary Stage 3 works.

- c). Stage 3 - Undertake infrastructural renewal and rehabilitation:** A group water scheme will only be in a position to determine necessary Stage 3 mains rehabilitation works, if any, when it has implemented the water management and leakage control works under Stages 1 and 2.

The leakage control strategy implemented at Stages 1 and 2 allows the identification of areas with persistent high leakage, poor response to repair activities and a persistent level of service problems. Investment, funded through the multi-annual programme, can then be targeted on those sections yielding the best, and most value for money, return.

Much of Stage 1 and all of Stage 2 activities are operation and maintenance matters which schemes can and should fund through their annual subsidy.

Local authorities should note, in making their bids under this measure, that the priority schemes for funding of Stage 3 mains rehabilitation for the 2019-2021 funding cycle are those schemes where Stage 1 and 2 activity, as outlined above, has already been completed as it is only in these schemes that rehabilitation needs are clearly identifiable and justified. All bids for funding should be designed to meet specific leakage reduction targets.

Local authorities may consider making bids on behalf of schemes that have not yet undertaken Stage 1 and Stage 2 activity to any significant extent. Such bids are subject to the scheme(s) concerned agreeing to immediately undertake Stage 1 and Stage 2 activity. This Stage 1 and 2 activity must be completed before any funding of Stage 3 mains rehabilitation can be considered (i.e. when the need for rehabilitation works can be clearly shown).

Group water schemes receiving funding under the multi-annual programme for Stage 3 mains rehabilitation work will be required to undertake on an ongoing basis Stage 2 active leakage control activities thereafter from their operational resources (funded through the annual subsidy).

Sub-measure (b) - network upgrades – can include necessary replacement of inadequately sized water mains, upgrading of storage and any network associated pumping equipment, valves etc. In the interests of efficient use of funding, local authorities should encourage schemes to consider undertaking such work as part of any water conservation projects.

Following the approach outlined above local authorities are requested to identify network upgrade project funding needs for schemes in their areas for the 2019-2021 funding cycle on a prioritised basis.

A transitional funding approach will apply during 2019 to bridge the programme from the current block grant based approach for this measure to the multi-annual prioritised scheme based approach, having regard to existing commitments. Therefore, funding bids for 2019 for water conservation and network upgrades should prioritise existing commitments and "shovel ready" projects. This will better facilitate the prioritisation of projects/schemes at different stages of project development - planning, procurement and construction across the 2019-2021 funding cycle.

A prioritised schemes list for group water schemes will be developed for the 2019-2021 cycle to address infrastructural deficits and efficiency of operation issues in group water schemes and such a list will be effective for 2019 onwards.

The evaluation of bids by the Expert Panel under Measures 3 will be based on the following criteria:

- a) Extent of completion of Stage 1 and 2 (ranking based on: high for schemes with Stage 1 and 2 completed, medium for schemes with Stage 1 and 2 commenced, low for schemes with Stage 1 and 2 not started),
- b) Number of households/customers benefiting,
- c) Potential for synergies with other schemes (e.g. amalgamation/rationalisation),
- d) Cost (particularly unit cost) of the proposed works, including the extent to which the water quality issues within scheme can be sustainably resolved,
- e) Project status, i.e. the development stage of the project, shovel ready or otherwise, and,
- f) Project benefits i.e. in informing future programme and policy development.

Grants available: Grants, for works to address network infrastructural deficits and efficiency of operation under this measure of up to 85% of cost are available, subject to a maximum grant of €7,650 per house. This means that the effective cost limit per house for the scheme is €9,000. This cost is a collective limit, for grant purposes, across all funding measures – it is not a cost per measure. The collective limit applies for a six year period consisting of the previous (2016-2018) and current (2019-2021) multi-annual programme – grants in excess of this will only be considered in exceptional circumstances where full justification is provided.

Measure 4 – New Group Water Schemes

The aim of this funding measure is to facilitate the continued expansion of the coverage of piped water supplies to the rural population through the development of new standalone, or extensions to existing, group water schemes.

Investment under the measure supports social and economic development and living standards in rural towns and villages and their hinterlands by providing for new group water schemes in areas where a public scheme and private wells are not viable options.

Two instances arise:

- a). **Standalone Schemes:** Funding is available under this sub-measure for new group water schemes allowing for standalone schemes, including source development, water treatment that will provide a supply of water that will meet the quality standards of the Drinking Water Regulations, and water distribution mains. The new water supply sources should be subject to a full risk assessment by the local authority, or
- b). **Extensions:** Funding is available under this sub-measure to extensions to existing private or public group water schemes (which provides, or can provide, within the 2019-2021 funding cycle, a water supply that is treated to meet the water quality standards of the Drinking Water Regulations as well as having an adequate capacity to supply the new scheme through, if necessary, funding the necessary works to achieve this under the appropriate measures of the multi-annual programme),

This measure applies in areas where there are no current proposals for a public supply and where it is not viable to bring existing private individual supplies (private wells) up to standard by means of the private well grants. The preferred approach for the development of new group water schemes is, where feasible to do so, by extension to existing group water scheme.

It will be a condition of funding under this measure that new group water schemes that are extensions of existing group water schemes be amalgamated into the supplying group water scheme and become part of the existing group scheme. Bids by local authorities for new group water schemes should be for areas that meet the following needs (bid to show that proposed scheme meets these needs):

- A public scheme will not be available through Irish Water's Capital Investment Plan 2017-2021,
- The private well grants are not a viable alternative option (particularly if the groundwater in the area is, based on water quality testing, considered to be unsuited for use in private wells, e.g. the treatment required is considered to be too

complex for a domestic situation, expensive etc., and thus unlikely to be successful on a consistent long-term basis),

- The new group water scheme is the most technically feasible and economically advantageous way of addressing the water deficiencies, quality or quantity as appropriate, for the area,
- The new group water scheme is considered necessary and justifiable from the perspective of supporting social and economic development and living standards of the community concerned, and
- The local authority has identified the project as a priority project.

New group water schemes consisting of extensions to existing group water schemes i.e. extending their network to areas meeting the above criteria should be led, organised and developed by the existing scheme. It should not be developed by establishing a separate group water scheme.

Where an authority is submitting bids for more than one new group water scheme the schemes should be identified by local authorities on a prioritised basis.

The evaluation of bids by the Expert Panel under Measure 4 will be based on the following criteria:

- Extent of compliance of the proposed new scheme with the needs set out above,
- Number of households/customers benefiting,
- Potential for synergies with other schemes (e.g. connection to and amalgamation with nearby group water scheme),
- Cost (particularly unit cost) of the proposed works,
- Project status, i.e. the development stage of the project, shovel ready or otherwise, and,
- Project benefits i.e. in informing future programme and policy development.

Grants available: The following levels of grant aid will apply for new group water schemes:

- ***New Group Water Schemes:*** Grants of up to 85% of cost are available subject to a maximum grant of €7,650 per house (this means that the effective cost limit per house for the scheme is €9,000).

The effective cost limit per house for New Group Water Schemes under this measure is the **total cost of the extension project** i.e. planning and construction costs. The effective cost limit per house is not limited by the cost of works carried out on the existing scheme (and the extension project does not limit the cost of works planned on the existing scheme).

Connection charges to the existing group water scheme will not be funded as the existing scheme will already have received State funding for its existing infrastructure. Additionally,

the scheme can apply for further funding under the relevant measures of the multi-annual programme should this be required for any further necessary capital improvement works.

A supplemental grant will be payable for new group water schemes in exceptional cases which are subject to the recommendation of the Expert Panel and Departmental approval where:

- a). The costs of the scheme cannot be met from the basic grant given particular topographical conditions,
- b). There are social and economic benefits from its progression,
- c). It represents the most economically advantageous way of addressing the water quality or quantity deficiencies, and,
- d). The local authority has identified the project as a priority project.

Where a supplemental grant is warranted and approved, the combined basic and supplemental grant will be limited to 90% of the cost per house and subject to a minimum household contribution of €1,350.

Measure 5 - Transition of Existing Group Water Schemes and Existing Group Sewerage Schemes to Public (Irish Water) Sector

The emphasis and main aim of this funding measure is enabling existing group water schemes and a small number of group sewerage schemes that were not taken-in-charge upon their completion, where they wish to do so (but also including 'orphan' group water schemes) and with the agreement of Irish Water, to transition to the public water sector (Irish Water). The measure is aimed at schemes for which the best option to ensure improvement in water quality, or certainty of their operation and maintenance is their integration into the public water network managed by Irish Water.

The Commission for Regulation of Utilities in 2018 is due to complete work in agreeing an appropriate connections policy for Irish Water, which should clarify connection issues in the period from 2019 onwards. A range of options will continue to be required to address:

- a). **Quality Deficiency:** Quality deficient private group water schemes where connection to the public supply is the only technical and economical viable option to secure improvements in supply,
- b). **Wish to be Taken-in-Charge:** This sub-measure applies to publically and privately sourced group water schemes which wish to be taken in charge by connection to Irish Water, and
- c). **Orphan Schemes:** Group water schemes where there is no longer any management in place ("orphan" group water schemes).
- d). **Group Sewerage Schemes:** Group Sewerage Schemes.

Details of group water schemes proposed by local authorities as schemes for funding under the Sub-measures (a) to (c) should be clearly set out by local authorities in their funding bids. Proposed schemes/projects should be identified on a prioritised basis.

Local authorities should note that funding under Sub-measures (a) to (c) for private group water schemes is for where the group scheme is in sufficient close proximity to permit it to be technically and economically viable to be interconnected to an existing Irish Water network. The measure is not intended for the taking-in-charge of private group water schemes operating on a standalone basis.

Since January 2014 approval of taking in charge is a matter for Irish Water rather than local authorities. Therefore, local authorities must verify in their bids the agreement of Irish Water to, in principle, take-in-charge each scheme.

The evaluation of bids by the Expert Panel under Measures 5 will be based on the following criteria:

- Extent of compliance of the proposed new scheme with the needs set out above,
- Number of households/customers benefiting,
- Potential for synergies with other schemes (e.g. enabling connection of other nearby group water schemes or individual houses),
- Cost (particularly unit cost) of the proposed works,
- Project status, i.e. the development stage of the project, shovel ready or otherwise, and,
- Project benefits i.e. in informing future programme and policy development.

Grants available: In general, grants of 100% of the cost of all necessary works associated with bringing group water schemes and group sewerage schemes to the basic Irish Water standard for taking in charge are available.

Measure 6 – Community Connection (Water and Wastewater) Networks.

This is a new pilot or demonstration measure the aim of which is to facilitate the continued expansion of the coverage of piped water supplies and central wastewater collection systems. Investment under the measure supports social and economic development and living standards in rural towns and villages and their hinterlands and promotes sustained improvements in the quality of water in the rural environment.

This measure has been developed in recognition that:

- (a) There is demand for piped water supply and wastewater collection in rural areas,
- (b) Given the demands upon the public water system, Irish Water's priorities under its strategic funding plan 2019-2024 target significant investment in addressing legacy issues aligned with the water services policy statement objectives for quality and

conservation. Under, the heading of future-proofing, investment is aligned with Project 2040 which prioritises infrastructure to support housing and economic development in areas identified in Regional Spatial and Economic Strategies and the growth of identified settlements prioritised in core strategies of County and City Development Plans. Outside of this, there are limitations on Irish Water, under its regulatory model, in expanding networks in a speculative basis as this would not represent value for money and could give rise to unutilised or under-utilised assets, and

- (c) Potential value for money issues also arise for the Multi-annual Rural Water Programme funding of new water and wastewater extensions developed with the intent of seeking transfer of the extension scheme almost immediately to Irish Water.

A more strategic approach is being piloted under this measure which will, through its two sub-measures, facilitate the continued expansion of the coverage of the existing public water supply and wastewater collection systems where this is justified and is both technically and economically viable. Therefore, funding of community connection (water and wastewater) networks under Sub-measures (a) and (b) will only be viable where the connection is in sufficient close proximity to the existing Irish Water network.

The measure will provide:

- support to communities who wish to connect to the existing public water or wastewater system and are prepared to organise and develop a community project to facilitate this approach, and
- a mechanism to ensure that Irish Water takes in charge a network appropriately constructed with a viable number of connections for operational purposes.

Accordingly, reflecting the above, there will be two sub-measures that can provide:

- a). **Community Connection Water Network:** piped water supplies to the rural population through the development of community water connection networks as extensions to the existing public (Irish Water) water distribution network in areas where a private group water scheme or private wells are not viable options,
- b). **Community Connection Wastewater Network:** wastewater collection to population clusters, currently on deficient individual wastewater treatment systems (septic tanks), immediately adjacent to towns and villages through the development of community wastewater connection networks as extensions to the existing public (Irish Water) wastewater collection system.

Community connection networks under Sub-measures (a) and (b) replaces the new group public water schemes and new group sewerage schemes sub-measures in previous programmes.

It will be a condition of funding that such community connection networks are taken-in-charge by Irish Water once developed. Since January 2014 approval of taking-in-charge is a matter for Irish Water rather than local authorities.

The previous 2016-2018 programme cycle envisaged the completion of six demonstration group sewerage schemes over the course of that programme. For various planning and organisation reasons none of these demonstrations were completed (or are likely to be by the end of 2018) to enable a post completion evaluation by the Expert Panel. Therefore, pending completion of a sufficient number of the existing approved group sewerage schemes for evaluation as demonstrations by the Panel, the number of community wastewater connection schemes for the 2019-2021 cycle will be limited to a further six projects (two projects in any one year of the cycle). The six demonstration group sewerage projects approved under the 2016-2018 multi-annual programme will continue to be eligible for funding to proceed to completion under the 2019-2021 cycle.

Details of new community connection networks proposed by local authorities for funding under the Sub-measures (a) and (b) should be clearly set out by local authorities in their funding bids. Proposals should be identified on a prioritised basis.

Community water and wastewater connection networks are intended for areas that meet the following needs or requirements – each bid must show that a proposed community connection network meets these needs or requirements:

- a public water supply network or wastewater collection network will not be available through Irish Water’s Capital Investment Plan 2017-2021,
- in the case of community water connection networks the private well grant scheme is not a viable alternative option (particularly if the groundwater in the area is, based on water quality testing, considered to be unsuited for use in private wells, e.g. the treatment required is considered to be too complex or expensive for a domestic situation etc. and thus unlikely to be successful on a consistent long-term basis),
- in the case of community wastewater connection networks the expanded Domestic Waste Water Treatment Systems (septic tanks) scheme is not a viable alternative option,
- it is viable for a community connection network to be developed as an extension to the existing Irish Water network at the location proposed,
- the agreement of Irish Water is secured in principle for the community connection network and its taking-in-charge immediately upon its completion,
- the community water connection network or wastewater connection network is the most technically feasible and economically advantageous way of addressing the water deficiencies, quality or quantity as appropriate, for the area,
- in the case of a community wastewater connection network it is considered by the local authority to be necessary and justifiable in the context of the protection of

public health and the environment and is necessary to meet relevant measures of the River Basin Management Plan 2018-2021,

- the community water connection network or wastewater connection network is considered necessary and justifiable from the perspective of supporting social and economic development and living standards of the community concerned,
- the local authority has identified the community water connection network or wastewater connection network as a priority project, and
- if Irish Water would be willing to consider using its tender framework to contract the works.

The evaluation of bids by the Expert Panel under Measures 6 will be based on the following criteria:

- Extent of compliance of the proposed community connection with the needs set out above,
- Number of households/customers benefiting,
- Potential for synergies with other schemes (e.g. facilitating the connection of nearby private group water schemes to the public mains),
- Cost (unit cost) of the proposed works,
- Project status, i.e. the development stage of the project, shovel ready or otherwise, and,
- Project benefits i.e. in informing future programme and policy development.

Grants available: The following levels of grant aid will apply for community water connection networks and community wastewater connection networks:

- **Community Water Connection Networks:** Grants of up to 85% of cost are available subject to a maximum grant of €7,650 per house (this means that the effective cost limit per house for the project is €9,000),
- **Community Wastewater Connection Networks:** Grants of up to 75% of cost are available subject to a maximum grant of €6,750 per house (this means that the effective cost limit per house for the project is €9,000).

The effective cost limit per house for both Community Water Connection Networks and Community Wastewater Connection Networks projects under this measure is the **total cost of the project** i.e. planning, construction and the Irish Water connection charge that applies to water and wastewater connections to Irish Water.

The effective cost both Community Water Connection Networks and Community Wastewater Connection Networks is a collective limit, for grant purposes, across all funding measures – it is not a limit per measure. The collective cost limit applies for a six year period consisting of the previous (2016-2018) and current (2019-2021) multi-annual programme –

a supplementary grant in excess of these limits will only be considered in exceptional circumstances where full justification is provided.

A supplemental grant will only be payable for Community Water Connection Networks and Community Wastewater Networks in exceptional cases which are subject to the recommendation of the Expert Panel and Departmental approval where:

- a) the costs of the project cannot be met from the basic grant given the particular topographical conditions,
- b) there are social and economic benefits from its progression,
- c) it represents the most economically advantageous way of addressing the water quality or quantity deficiencies, and,
- d) the local authority has identified the project as a priority project.

Where a supplemental grant is warranted, and approved, the combined basic and supplemental grant will be limited to 90% of the cost per house and subject to a minimum household contributions as follows:

- **Community Water Connection Networks:** €1,350,
- **Community Wastewater Connection Networks:** €2,250.

Measure 7 - Innovation and Research

The motivation and main aim and focus of this funding measure is at issues which, given the major transformation underway in the water sector in Ireland, require new and innovative approaches.

It is important that the rural water sector can avail of emerging technologies, particularly where these could lead to lower costs, better operations and improved outcomes. Therefore, the measure is a challenge to local authorities and others involved with the rural water sector.

The measure is divided into two sub-measures. These are:

- a). Proposals for use of new technology in the group water sector, and
- b). Projects in the rural water sector to support Water Framework Directive objectives, including raising awareness.

The Department will be assisted by an Expert Panel in the initial selection, ongoing monitoring and ex-post evaluation of these **demonstration innovation and research projects**. This will determine the appropriateness of the demonstrations for inclusion in the mainstream and relationship with the current grant schemes.

Bids submitted by local authorities for consideration as innovation and research demonstration projects under Sub-measures (a) and (b) above, should clearly outline the project including its objectives and potential benefits to the rural water sector. Where a local authority is proposing more than one project under any of the sub-measures the proposed projects should be identified on a prioritised basis.

Sub-measure (a) - use of new technology in group water sector – in water treatment and distribution is intended to allow project proposals to explore novel technologies and operating arrangements designed to deliver better efficiency and economy benefits for the sector. Funding will only be given towards the use of new and innovative technology where not already used in the rural water sector and thus necessary to test before its wider availability for use in the sector. Financial support will not be available for Research and Development type projects.

Proposals could include for example the trialling of:

- new, or substantially improved, technology used in the water industry internationally but not yet used in the group water sector in Ireland,
- new technology which could have a clear advantage over current technology
- significant technology involving automation.

Project bids must involve proposals that are novel or non-routine and should represent a 'step-up' in terms of innovation. They should not be focused on routine operational changes or simply adopting known best practice.

All project proposals must have clear purpose, objectives and activities to achieve those objectives set out in a short project plan submitted with the bids to include the following details:

- the purpose of the project (problem to be solved –outlining the current situation),
- list the key objectives of the project,
- describe the proposed solution (include diagrams if possible),
- list any innovative aspects of this project that will help differentiate it from existing solutions,
- detail the activities and deliverables,
- state risks or uncertainties involved,
- set out the timeframe for delivery,
- describe the project team.

Potential projects for sub-measure (b) - projects in the rural water sector to support Water Framework Directive objectives, including raising awareness - could include for example:

- Proposals to support innovative source protection mitigating measures,
- Proposals to combat climate change.

Proposed projects must further objectives, including the achievement of relevant environmental standards and of Water Framework Directive objectives. Several Water Framework Directive related research projects are/have been initiated by other organisations, in particular the EPA, Department of Agriculture and the Marine and Irish Water. To avoid bids that are a replication of these projects local authorities are asked to engage with these organisation in advance of their applications and in particular the Local Authority Waters and Communities Office (LAWCO)¹⁵.

The bids application needs to provide a short clear, concise and compelling account of the proposal, why it is needed and the impact it is expected to achieve. The bids application must stand alone in making the case for funding, without the need for the Expert Panel to undertake further research. All bids for consideration as demonstration projects under the sub-measures (a) to (c) should state the amount of funding required for each proposed project.

The evaluation of bids by the Expert Panel under Measures 7 will be based on the following criteria:

- Extent of compliance of the proposed innovation and/or research proposal with the needs of the sector set out above,
- Potential for synergies with other funding schemes,
- Cost (unit cost) of the proposed works,
- Project status, i.e. the development stage of the project, shovel ready or otherwise, and
- Project benefits i.e. extent to which it is of benefit to the rural water sector as opposed to the wider water services sector and is potentially informing future programmes and policy development.

Grants available: Projects will be evaluated by the Expert Panel and funding allocated within the overall level of funding available for this stream of investment. Grants of up to 85% of cost are available subject to a maximum grant of €7,650 per house (this means that the effective cost limit per house for a project is €9,000). The Expert Panel will consider grants of up to 100% in exceptional cases and subject to Departmental approval.

Measure 8 - Individual wells and on-site waste water treatment systems.

As funding under this measure is demand-led, local authorities are not required to identify funding requirements for this measure in their bids and separate circulars and guidance applies. Funding for this measure will have regard to available Exchequer funding under the programme, subject to any overall limit set for the individual schemes that are covered.

¹⁵ <http://watersandcommunities.ie/>