



Framework for Multi-Annual Rural Water Programme 2019-2021

MEASURE 2

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 basis¹.

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:

¹ 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>

- 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 supplies² 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

² 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 .

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).

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 website³.

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.

³ See at this link: <http://www.epa.ie/pubs/advice/drinkingwater/privatewatersupplieshandbook/>