

Irish Water Presentation to the HSE 10/10/2017

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Overview

- Ervia/Irish Water a New Utility Group
- Irish Water Investment Plan,
- Delivering Best in Class Customer Service,
- Outage and Incident Management, Working Together,
- Changes to Non Domestic Tariff and Connection Charges



ervia

Aurora
TELECOM

Gas
Networks
Ireland

UISCE
EIREANN - IRISH
WATER

1.7m

gas, water and wholesale
broadband customers



2015 Ervia Revenue

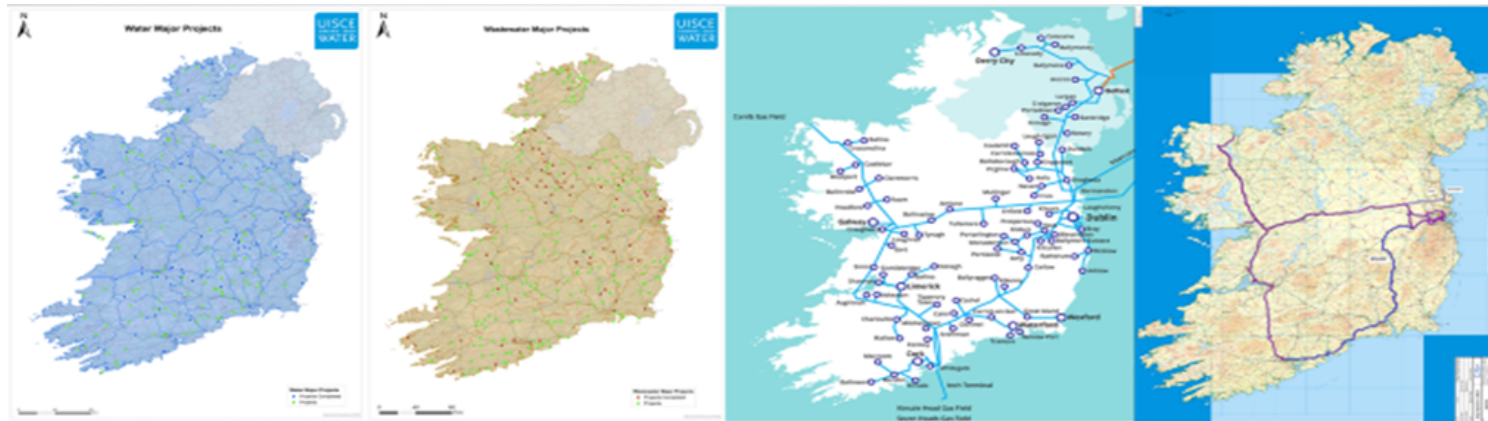
€1,342m

**Ervia – a company of real scale and
we are growing**

UISCE
EIREANN - IRISH
WATER

Ervia - we deliver vital utilities

... the coming together of three national networks ...



Water /
wastewater

Gas
transmission

Wholesale fibre
broadband

... delivering vital utilities and services to businesses and households the length and breadth of Ireland

Ireland's water services are severely stressed & don't meet the needs of a modern economy



Constrained Funding Model

- Year on year and dependent on exchequer resources



Fragmented Service Delivery

- Diseconomies of scale



Variable Operations & Maintenance

- Limited funding and lack of standards



Aging and poor quality infrastructure

- Water mains average age twice the EU Average

Our Regulatory Context

We need a multi-year multi-billion investment programme



Current estimate is we require €13bn to meet 'good' infrastructure and service standard



We must also restructure the delivery model, and take a national perspective while achieving efficiency



Irish Water balances the needs of both the EPA and CER



Our Investment Plan to 2021

We will invest €5.5bn to bring our water services to an acceptable level



Ensure clean safe drinking water



Investing for efficiency & future proofing



Protect scarce resources & the environment



Support economic and social development

Capital Investment – Indicative Breakdown

Capital Investment Plan to 2021

Drinking Water Quality	€950m
Drinking Water Capacity	€1,250m
Waste Water Quality	€1,250m
Waste Water Capacity	€700m
Infrastructure	€1,364m
Total	€5,514m

Infrastructure

25%

Waste Water Capacity

13%

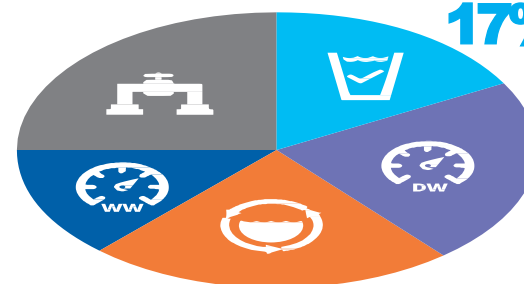
Drinking Water Quality

17%

Drinking Water Capacity

22%

Waste Water Quality **23%**



Restructure the delivery model and achieve €1.1bn in efficiencies

Irish Water National Targets

	Measure	At the start of 2014	End 2016	By 2021
Drinking Water – Quality	People at risk of water contamination	940,000	700,000	0
	People on boil water notices	23,000	4,057	0
Drinking Water – Capacity	Capacity headroom in Dublin	2%	10%	>15%
	Plants with capacity headroom <15%	49%	44%	<30%
Waste Water – Quality	Locations discharging raw sewage	44	38	0
	Cases in breach of EU Wastewater Directives	43	30	0
Waste Water – Capacity	Large plants overloaded	36	33	0
	Small plants overloaded	120	90	<60
Infrastructure	Network Leakage	49%	45%	<38%

Irish Water Customer Service

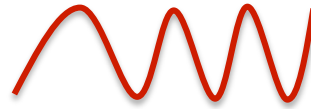
- Local Authorities have been issuing bills on behalf of Irish Water since 2014
- Business accounts have transferred from Local Authority systems to Irish Water completed Q2 2017
- Single point of contact for all customers
- Standardised levels of service
- Standard utility processes
- Customer Charter and Codes of Practice
- Deliver efficiencies – Economies of scale
- Facilitate the implementation of harmonised tariffs in the future



Business key facts and figures



31 Local Authorities



6 Transfer Waves

1 Early Adopter wave
and 5 subsequent waves



160K+

Active Customers



185K+

Connections



543K+

Bills per annum



500+ Tariffs



95% metered

5% unmetered



6 Billing Frequencies

Annual, Bi Monthly, Monthly, Third
Yearly, Half Yearly, Quarterly

Service channels

Irish Water National Contact Centre

- Single Point of Contact
- Dedicated business channels
 - Key Account Managers
 - Customer Contact Centre
 - Dedicated business line
 - www.water.ie/business
 - Online Account Management

Contact details

If you have questions about your account or water services, we are ready to help. When you contact us, please have your 10 digit Irish Water account number to hand. You will find your account number on the front of your bill. To protect your account, we can only discuss account information with the account holder or an authorised representative.

Web: www.water.ie/business
Twitter: @IWCare
Boards: www.boards.ie/irishwater
Email: business@water.ie

Irish Water
PO Box 448
South City Delivery Office
Cork City

General enquiries

9am–5.30pm, Mon–Fri
Telephone: 1850 778 778 or +353 1 707 2827

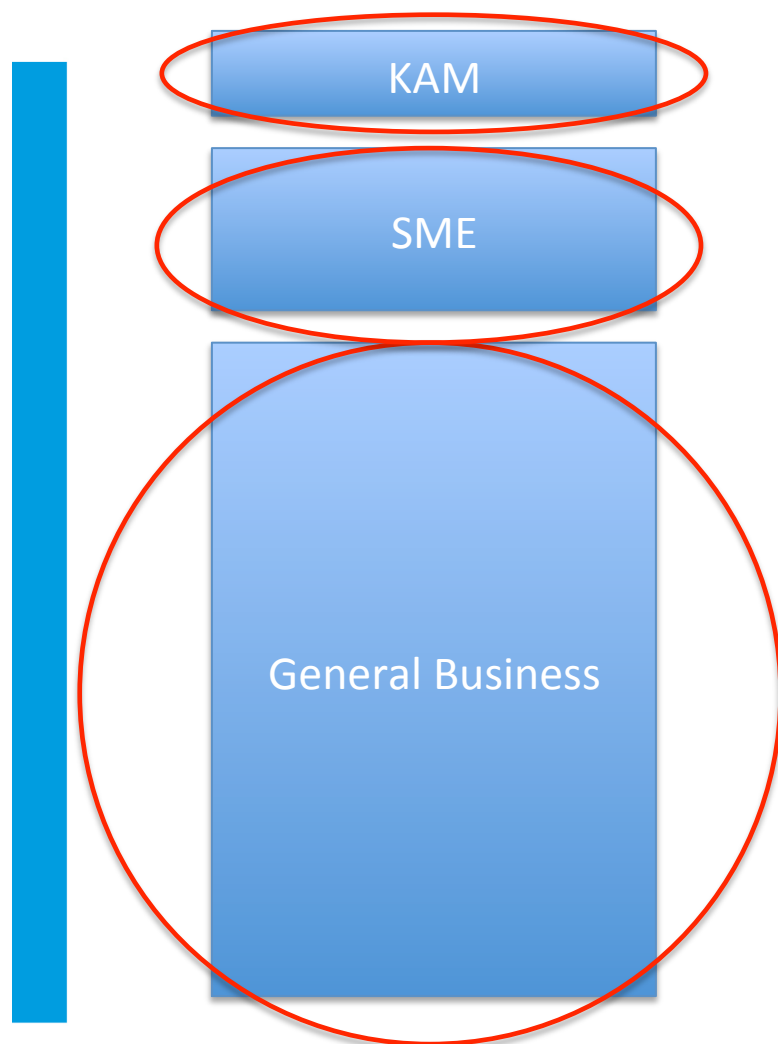
Water supply and emergencies

24 hours a day, 7 days a week

Telephone: 1850 278 278 or +353 1 707 2828

Please note that the rates charged for calls to 1850 (CallSave) numbers may vary across different service providers. Calls made using mobiles may be more expensive.

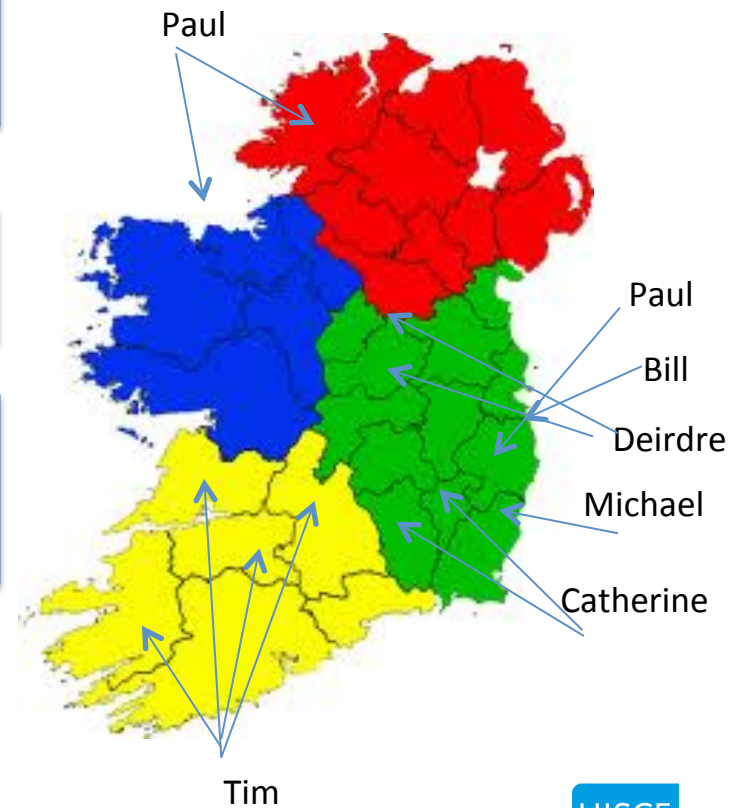
Business Customer Segmentation



Characteristics:

- **KAM Managed Accounts**
 - Top 300 key accounts
 - Regionally Managed
 - KAM Generalists focus on relationships, building IW reputation and brand – moving towards specialisation in time
 - 1-1 relationships, Face-to-face Meetings
 - Billing Queries
 - Operational/Technical and Contractual Queries
 - Value Added Services - Conservation, Leakage Detection etc.
- **SME Managed Accounts**
 - 20,000 significant Users – larger SME's
 - Contact Centre Managed
 - Proactive outbound calling
 - Specialist Billing, Collections and Operations
- **General Business**
 - Sole Traders, SME, Mixed Usage, SOHO
 - Service similar to domestic

Regional Areas



HSE Account Engagement

- HSE Groups Single and Multi-Site.
 - Conducting customer segmentation analysis to identify key locations.
 - Identifying HSE facilities circa 2600 across several local Authorities - National utility approach.
- Proposed HSE Engagement Plan
 - Organize KAM introductory meetings with the key account.
 - Establish regular KAM Meeting- e.g. Quarterly/Monthly.
 - Specific requirement meeting – to determine additional water/waste water operating requirements - this may require an end-user agreement or amendment to existing end-user agreement. i.e Discharge licencing.
 - Establish regular reporting methodology for key accounts – cost and consumption reports and issue reporting/ escalation and resolution.
 - Customer needs and demand analysis.



Key Account Management - Value added services (Phase 2)

Subsequent to the establishment of the primary functions of the key account management team the following value added services will be offered to Irish Water customers:

- Commercial intelligence, research & reporting
 - Water Usage Trends
 - Usage Benchmarking
 - Industry Benchmarking
- Advanced Services for water usage monitoring and conservation
 - Technical/engineering services – e.g. telemetry for business
 - Usage and conservation audits

Irish Water Drinking Water Regulations - Sections Of Relevance

Duties in relation to water on premises

6.

(1) A water supplier shall not be in breach of its obligations under Regulation 4(1) where non-compliance is due to the domestic distribution system in a premises, or the maintenance thereof, and that distribution system is not in the charge or control of the water supplier in its capacity as a water supplier.

(2) The owner of a premises where water is supplied for human consumption as part of a commercial or public activity (including but not limited to schools, hospitals and restaurants) shall maintain the domestic distribution system of the premises in such condition that it does not cause, contribute to, or give rise to a risk of non-compliance of that water with a parametric value specified in Table A or Table B of Part 1 of the Schedule or in Table C where there is a risk to public health.

Protection of human health

9.

(1) Where Irish Water or a local authority, in consultation with the Health Service Executive, considers that a supply of water intended for human consumption constitutes a potential danger to human health, Irish Water or the authority shall, subject to agreement with the Health Service Executive, ensure that

- (a) The supply of such water is prohibited, or the use of such water is restricted, or such other action is taken as is necessary to protect human health,
- (b) Consumers are informed promptly thereof and given the necessary advice, and
- (c) In the case of a public water supply, the Agency is informed promptly.

Public Health, a Shared Objective!

IW and HSE Engagements

- Water Quality Liaison Meetings involving IW/HSE/LAs – every 6 months.
- General WQ failures. Bulk of engagements. IW about to pilot HSE notification template – called an Initial Consultation Record.
- Consult on emerging issues. Operational Monitoring/DW Complaints/Hotspots – mainly Organoleptic issues.
- Boil Water Notices (BWN), IW take an open and communicative approach to public communications, including water quality data on water.ie – recently recognised by head of European Commission, DG Environment (unit responsible for Maritime Environment and Water Industry).
- Incidents. Event/occurrence at catchment, abstraction, treatment or network. Potential or realised risk to public health, which IW/LA/HSE, decides is of sufficient seriousness to activate the Drinking Water Incident Response Plan (DWIRP) as defined by EPA publication “ Handbook on implementation for Water Services Authorities for public water supplies”, e.g. Staleen Pipe Burst.
- Public Health, a Shared Objective! HSE collaboration with National Lead Monitoring Programme & Support for IW Infrastructural Development e.g. Vartry. Also, IW have provided assistance relating to water quality issues in HSE facilities, e.g. Renal Dialysis Unit, Tallaght Hospital/Newcastle Hospital, Co. Wicklow/Midlands Regional Hospital, Portlaoise.

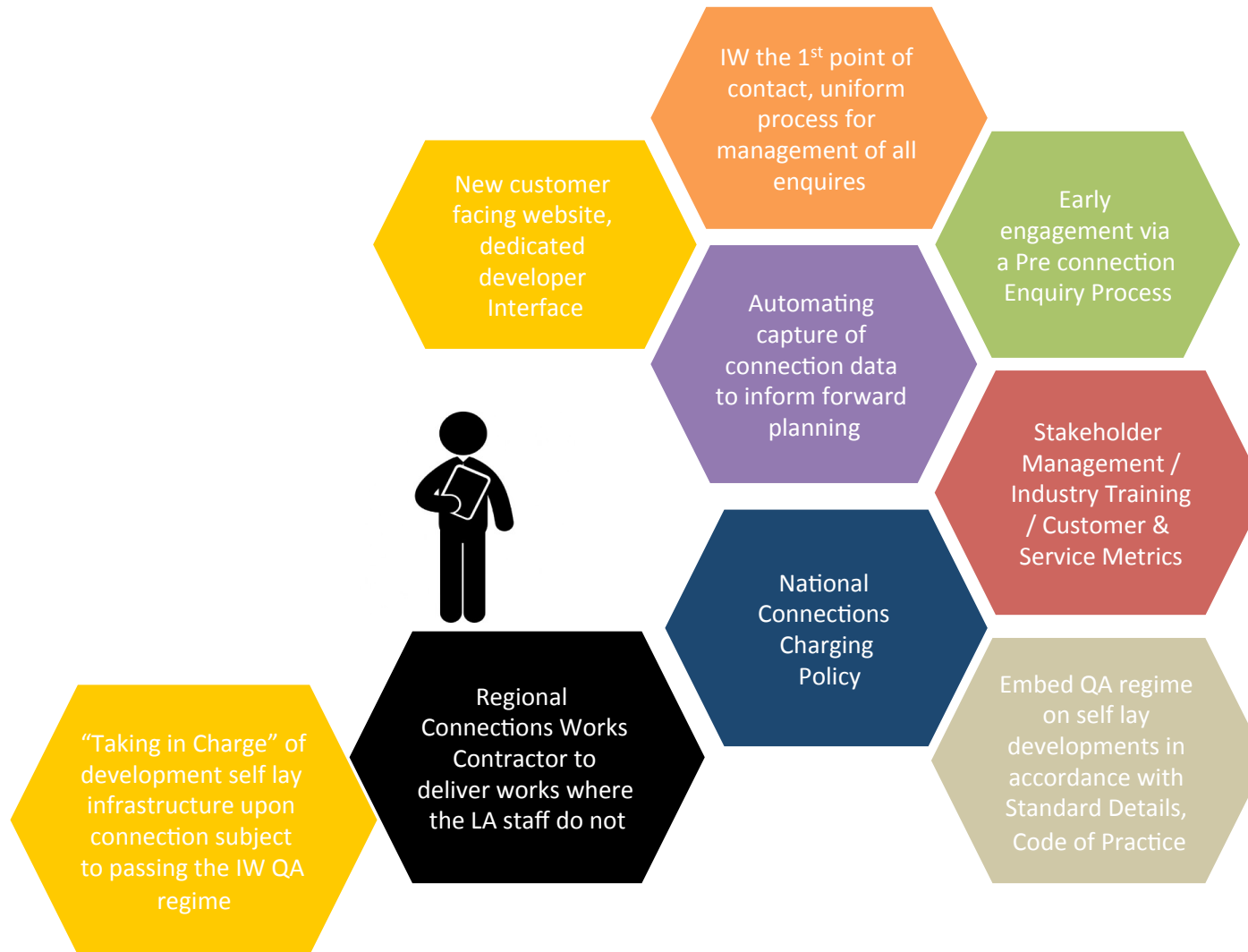
Staleen Pipe Burst Incident -

- Staleen Water Treatment Plant (WTP) population of approximately 90,000 in the Drogheda, South Louth and East Meath area affected by partial loss of supply – 45% normal production
- Provision of water to Our Lady of Lourdes Hospital - a critical priority for IW/LAs. The Drogheda Network configured to ensure a continuous supply of water be maintained to the Hospital/town centre area.
- Communicated directly with individual vulnerable customers who pre-identified themselves on the IW customer database.
- Supply issue rather than DW quality issue, nonetheless from day 1, Crisis Management Team considered it needed addressing as part of incident response.
- EPA & HSE, provided regular operational updates to representatives from both organisations throughout. Single point of contact agreed/arranged with HSE proved very beneficial!
- A comprehensive DW quality monitoring plan for the South Louth and East Meath Water Supply Area developed on the restoration of full supply at the Staleen WTP. This consisted of two main parts:
 - a) Testing of chlorine residuals at a number of points in network, to get a quick picture on the drinking water quality in the network across the supply area, which would not have been possible with microbiological testing.
 - b) Sampling for microbiological testing, pre and post disinfection at the customer tap. In total 84 samples were collected during this timeframe from approximately 50 separate properties. There were a small number of low level non-compliant samples, which on follow up investigations were explained by local factors and not representative of the drinking water quality in the network.
- HSE/EPA provided with results of monitoring as soon as received – provided reassurance that DW quality not impacted by disruption.

HSE Facilities – Things to be aware of....

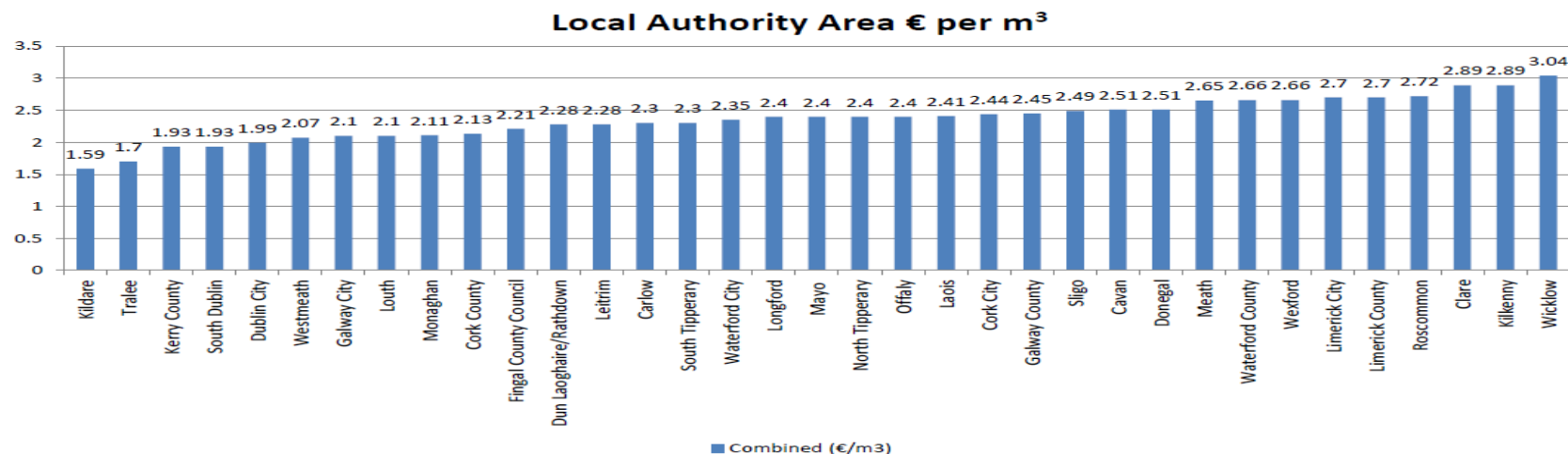
- IW always considers the weakest and most vulnerable members of our society and communities. Typically, these members of our communities are also reliant on the services & facilities provided by the HSE.
- Potential for contamination of DW as a consequence of internal plumbing arrangements and configuration.
- Typically, post-1970s constructions should be free of Lead, however, IW have encountered scenarios where contractors used internal pipe fittings in recent builds that allowed leaching of lead into drinking water – no. of public buildings affected.
- Section 6(2) of Regs provides clarification regarding the owner of a premises responsibilities. This protects receivers of commercial or public services (and benefits employees). Recent experience with Staleen disruption highlighted issues with provider of commercial activities. Supplementary supplies and Point of Use (PoU) treatments.
- Important all buildings on a compound used to supply DW are fed directly from the rising main – not tank fed. It's also important that the line into buildings provides fresh water, as infrequent/intermittent usage can impact water quality.
- IW Compliance is always happy to receive any enquiries or requests for assistance from the HSE in relation to the water quality at its facilities.

New Approach to Delivering Connections and Developer Services



Non-Domestic Tariff Framework Review Project

- 44 distinct set of charging arrangements (for each LA & Town Council who set charges in 2013)
- Approximately 182k non-domestic connections
- Each LA and Council developed its own tariff levels, categories, methodologies, applications, billing arrangements and billing cycles
- Resulted in over 500+ different tariff arrangements for water and wastewater services



Non-domestic Tariff Framework Review Project

- NDTFR project plan agreed with CER:
 - IW currently developing draft proposals on tariff design and transition options
 - CER plan envisaged public consultation on proposals in Q1 2018
 - Following CER decision on harmonised tariff design and transition arrangements IW will submit an updated Water Charge Plan which will be subject to a public consultation.
- CER provided the following principles to guide IW's proposals:
 - a) Equity and no undue discrimination;
 - b) Efficiency in the use of water services;
 - c) Cost reflectivity;
 - d) Cost recovery;
 - e) Simplicity; and
 - f) Stability.
- Key aspect of the project is how to transition customers from their existing tariff arrangements to the enduring arrangements
- Important to implement changes to customer bills in an equitable and reasonable manner
- Review of application of transitional glidepaths in other jurisdictions

Irish Water

In five years time

A better standard of water services
In 2021, Irish Water will have delivered on its objectives and proven itself as a national utility enabling Ireland to progress beyond the existing fragmented, under funded and severely stressed water network.

From 23,000 people on
boil water notices to

ZERO



Resolve risk of water
contamination by
UPGRADING

121

critical
water supply
schemes

As customers of Irish Water, it will be the norm to experience a reliable, sustainable and modern services.

Reduce
network
leakage to



LESS THAN

38%

Greatly increased water and
wastewater capacity for
economic and social
development



Implement the first ever
national lead strategy
benefitting
140,000 HOMES

**NO
WASTEWATER
DISCHARGE
WITHOUT
TREATMENT**