



# National Federation of Group Water Schemes

Society Ltd.

24 Old Cross Square, Monaghan, Co. Monaghan. Tel:047-72766 Mob:087-2300214

E-Mail: [colm@nfgws.ie](mailto:colm@nfgws.ie)

28<sup>th</sup> August 2014

**Commission for Energy Regulation**

**Public Consultation on Water Charges Plan**

**Reference: CER/14/366**

**The Exchange**

**Belgard Square North**

**Tallaght**

**Dublin 24**

**By hard-copy and e-mail to:**

1. **The Commission for Energy Regulation, REFERENCE CER/14/366.**  
[waterchargesplan@cer.ie](mailto:waterchargesplan@cer.ie).

The National Federation of Group Water Schemes (NFGWS) is the representative and developmental organisation for the Group Water Scheme (GWS) sector in Ireland. The GWS sector consists of community owned piped water supply systems which are managed on behalf of the owners/members by largely voluntary boards, with the assistance of some paid management, administrative and maintenance personnel. There are two distinct types of GWS as follows;

2. Privately sourced Group Water Schemes which source and treat their own water supply and distribute it to their members.
3. Publicly sourced Group Water Schemes which source their treated water supply in bulk from Irish Water and assume the responsibility, including the associated costs, for the onward distribution of that water supply to their members.

As privately sourced GWSs do not receive their water supply from Irish Water they are, correctly, not included in the CER consultation document. The comments and views of the NFGWS in relation to the **Water Charges Plan** consultation are therefore regarding the proposals that refer to the publicly sourced GWS sector.

The NFGWS welcomes the recognition by the CER and Irish Water of the publicly sourced GWSs, receiving a bulk supply of water and distributing this onward to their members, as a particular class of non-domestic customer of Irish Water. This is in line with previous submissions made by the NFGWS to the CER and IW. We note that, for the foreseeable future, these Group Water Schemes will continue to be dealt with on the same basis, from a tariff

perspective, as they have been up to 31<sup>st</sup> December 2013 by the Local Authorities. We assume that this will mean that these GWSs will continue to be provided with a free domestic allowance in respect of each domestic connection on the Group Water Scheme. In recent years some variation in the level of domestic allowances being provided has been introduced in some Local Authority areas. The NFGWS is strongly of the opinion that, in the interests of equality and as a token of goodwill to this sector generally, the higher domestic allowance of 227m<sup>3</sup> per household per annum be applied in all such cases until an enduring non-domestic tariff structure is agreed and introduced.

We note that the CER is in agreement with the necessity for IW to set out its long term plans regarding the charging of GWSs and we also note the CER's commitment to ensuring that the GWS sector is given due consideration by IW when designing its enduring tariff framework in due course. Once again the NFGWS welcomes this recognition and commitment on behalf of the CER. During the process of arriving at the enduring tariff framework we in the NFGWS would welcome the opportunity to meet with CER and IW officials to discuss the many aspects that concern the publicly sourced GWS sector.

Water pricing is, however, but one of many issues relating to the future relationship between this GWS sector and Irish Water that need development and clarification. The NFGWS has identified many of these issues in earlier submissions to DECLG, IW and the CER and we are firmly of the view that many of these issues need clarification well in advance of any final agreement on an enduring non-domestic tariff structure which is unlikely to happen until 2017 at the earliest.

In summary the issues identified include the following;

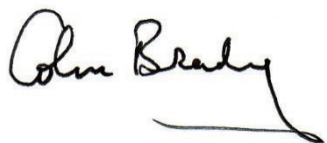
- How soon will these schemes know the method of charging and how much they will be charged for their water supply by Irish Water? This is essential information for schemes wishing to make informed decisions on their future.
- What way will these GWSs be billed in the new scenario?
  - Will they be billed by Irish Water or by the LA as part of the service level agreement arrangement?
  - How frequently will invoices be issued?
  - Currently a number of arrangements are in place;
    - LA bills the non-domestic consumers directly.
    - LA bills the non-domestic consumers on the GWS – using the services contractors – thought to have 10 year contracts.
    - LA bills the GWS on the basis of water supplied through the boundary bulk meter.
    - No bill.

- How will allowance be made for the significant additional distribution costs the GWSs incur in safely delivering the water from the bulk meter to their members' taps? These additional costs (which include expenditure on additional/supplementary treatment, pumping, network maintenance, quality assurance and monitoring, insurances, management and administration, member relations etc.) must be taken into consideration when deciding the rate per m<sup>3</sup> that will be charged.
- Who will read the bulk meter? Who will service, calibrate, repair and replace the bulk meter?
- Many of these schemes have no domestic meters in place. This will have to be addressed if the GWS is to be billed on a volume-used basis. Otherwise the GWS will have no way of fairly distributing the costs among its members.
- In many instances a number of these schemes are supplied by Irish Water through other similar schemes ("the daisy chain"). These situations need particular attention in the context of any tariff and billing arrangements and their situation in general – Some but not all may wish to be taken in charge. Some but not all may agree to amalgamate.
- In some situations the GWS shares infrastructure (eg reservoirs) with the LA/Irish Water. How will this operate in the future?
- Many of these schemes are well managed and operated with committed and dedicated management committees and paid management and maintenance personnel. They provide a valuable and essential service to their members and communities. These schemes must continue to be encouraged and supported in their endeavours. Every effort must be made to ensure that the transition to Irish Water does not impact on these schemes in a way that will leave them unsustainable as community owned and operated water supply services.
- What customer relations arrangements and protocols will operate? Publicly sourced GWSs, up until 1<sup>st</sup> January 2014, had a relationship with their Local Authority which was their water supplier, their funding conduit and their supervisory authority. This relationship is now divided between the LA and Irish Water. These relationships, and their many elements and interactions, need to be clearly defined and documented without delay. Such communication systems and protocols are particularly important in the context of incidents, emergencies, water shortages, monitoring failures, quality control issues, planned maintenance etc.
- How can the GWS be assured of the consistent quality of the water supply?

- How will the GWS be guaranteed a constant volume of supply that meets its requirements?
- Legislation continues to provide for the “Taking in Charge” of Group Water Schemes. However there is an immediate and urgent need to develop definite policies and procedures around this important element of drinking water services provision. There is a clear need to outline in detail the roles and responsibilities of the various entities (DECLG, LA, HSE, EPA, IW, CER, GWS, NFGWS) regarding this function and how they should interact in order to ensure timely and efficient take-overs when the need arises.
- Many of these schemes have formally requested to be taken in charge. This must now be fast-tracked and a system put in place to fund any necessary infrastructural upgrading.
- There appears to be many of these schemes with no (or dormant or disinterested) “trustees” or committees of management. These schemes, for all intents and purposes, have been managed and maintained by the LA. It may be necessary to consider putting in place some statutory system for the taking into public/IW ownership of such schemes.

We would appreciate your favourable consideration of this submission as part of the Public Consultation process relating to the proposed **Water Charges Plan**. We again note, with thanks, your positive consideration of previous NFGWS submissions. We are available to meet CER officials in relation to any of the issues and concerns outlined in this submission should that be considered necessary.

Yours sincerely,



---

Colm Brady, NFGWS  
National Co-ordinator

***C.C.: DECLG and Irish Water***