Veolia Water Ireland

I H E D A T E

Institut des hautes études de développement et d'aménagement des territoires en Europe

Water Infrastructure and management in Ireland

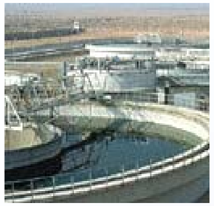
Presentation to IHEDATE
Dublin 29th March2010

VEOLIA
WATER

Veolia Environnement in Ireland

A market leader in the Republic
~ €270 million in revenues with 1,200 employees

VEOLIA WATER



- **No.1 in municipal partnerships**
  2008 revenue: €55 million — Staff: 200

VEOLIA ENVIRONMENTAL SERVICES

- **Leader in various categories of waste management.**
  2008 revenue: €75 million — Staff: 230

VEOLIA ENERGY

- **No.1 in industrial market – fast growth in municipal**
  2008 revenue: €110 million — Staff: 550

VEOLIA TRANSPORTATION

- **Leader in surface passenger transportation (Luas)**
  2008 revenue: €40 million — Staff: 220

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Company objectives

To be the country reference for water services by effectively addressing our clients' challenges

- Become the **employer of choice** for the water-services sector for skilled and ambitious staff.
- Achieve **high recognition from clients** and communities thanks to the performance and relevance of our services.
- Provide a **more comprehensive scope of services** to our clients – based on success.

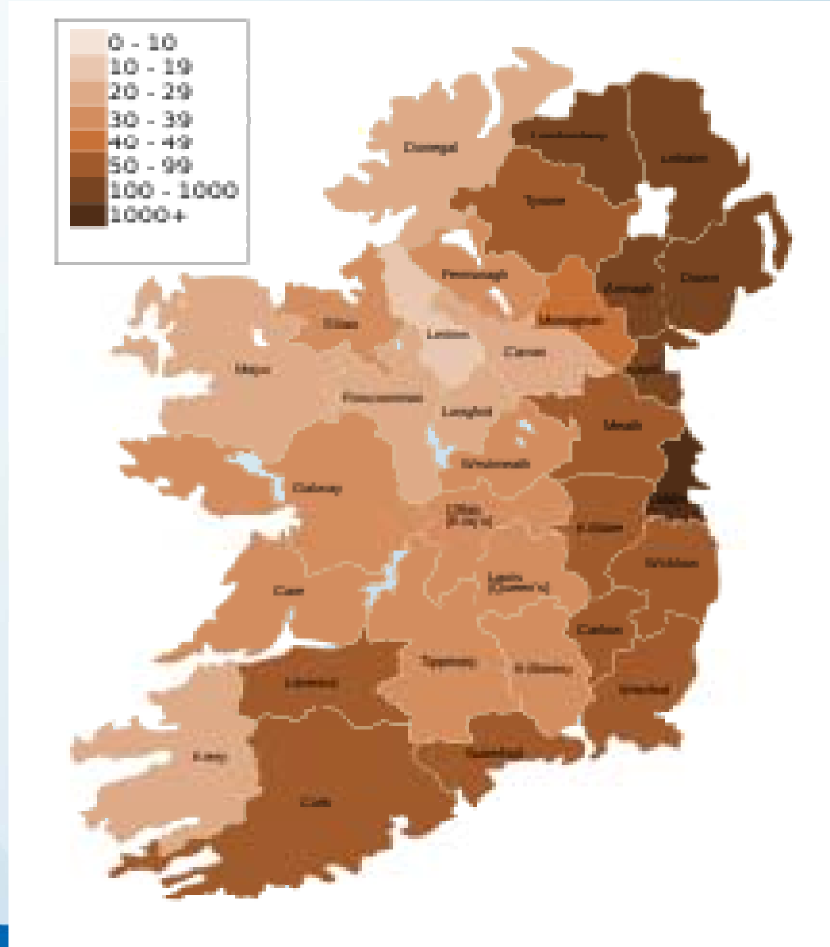
A few key facts and figures about the geography and demographics of Ireland

- 84,000 km^2 – 70,000 in the Rep. Of Ireland
- 6.2 million people – 4.4 million in RoI - (8 million before the great famine of 1850, only 4.2 M in 1970)
- One of the lowest density in Europe: 63 p/ km^2 in the RoI 128 in N.I. (France: 120)
- a population concentrated mostly in Ulster and on the eastern seaboard
- few urban centres, usually very spread out
- many small towns and villages are scattered around the country
- Ireland is both a high tech and an agricultural economy

Consequences for the water sector in the RoI

- The Irish drinking water sector, is characterised by a few large systems and many smaller, widely scattered ones
- Only 77% of households are connected to public supplies
- There are 3,258 water supplies, of which only 952 are public: 29%
- Group water sector accounts for a further 44%. These groups have been set up by the Government during the last years in order to provide quality water to rural arear
- There are still roughly 900 private water supplies (27%) which are not under the control of public authorities

Population density in Ireland



Consequences for the waste water sector in the RoI

- 68% of households are connected to a public waste water network
- Water Services Authorities (WSA) are responsible (directly or indirectly) for waste water treatment in over 480 agglomerations with a population equivalent of over 500 – subject to EPA licensing.
- EPA certificates applied for over 600 discharges for agglomerations below this size.
- Houses not connected to sewer (served by septic tanks) will shortly be subject to a new monitoring and inspection system

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Structures and Organisation

Department of Environment

- Policy formulation, legislative framework
- Capital Investment Programme

Water Services Authorities

- 34 Water Services Authorities (WSA) – city and county councils
- Responsibility for delivery of “water services”
- EPA supervisory role – WSA have supervisory role for group water sector

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Some specificities of the Irish water market

- Since 1994 households do not pay for their water consumption nor for the treatment of their waste water
- All other users are now metered and billed but payment of water charges is still low (<75%)
- Leaks in the distribution networks are very high: 43% nationwide (27% for the Dublin area, 50% for the rest of the country)
- The investment in new works is shared by the DOE – for the domestic portion – and by the WSAs for the non domestic part
- Similarly the costs of operations are borne in the same proportion
- Despite a generous precipitation regime, some Irish regions are close to serious water shortages, in particular the Dublin area
- Due to its geology, Ireland cannot rely on important aquifers and surface water constitutes the bulk of its water resources

A very substantial effort has been undertaken during the last 10 years

- Since 2000 significant capacity increases have been built to meet demographic/economic changes
- The Environment Protection Agency (EPA) has tightened its environmental compliance requirements
  - Waste water licensing
  - Drinking water – remedial action list to address deficiencies
- The Water Services Act 2007 has updated legislative base.
- The role of PPPs has been generalised through a DBO model, in order to improve the efficiency of the delivery of new works (budget and schedule) and introduce new technologies as well as more efficient management

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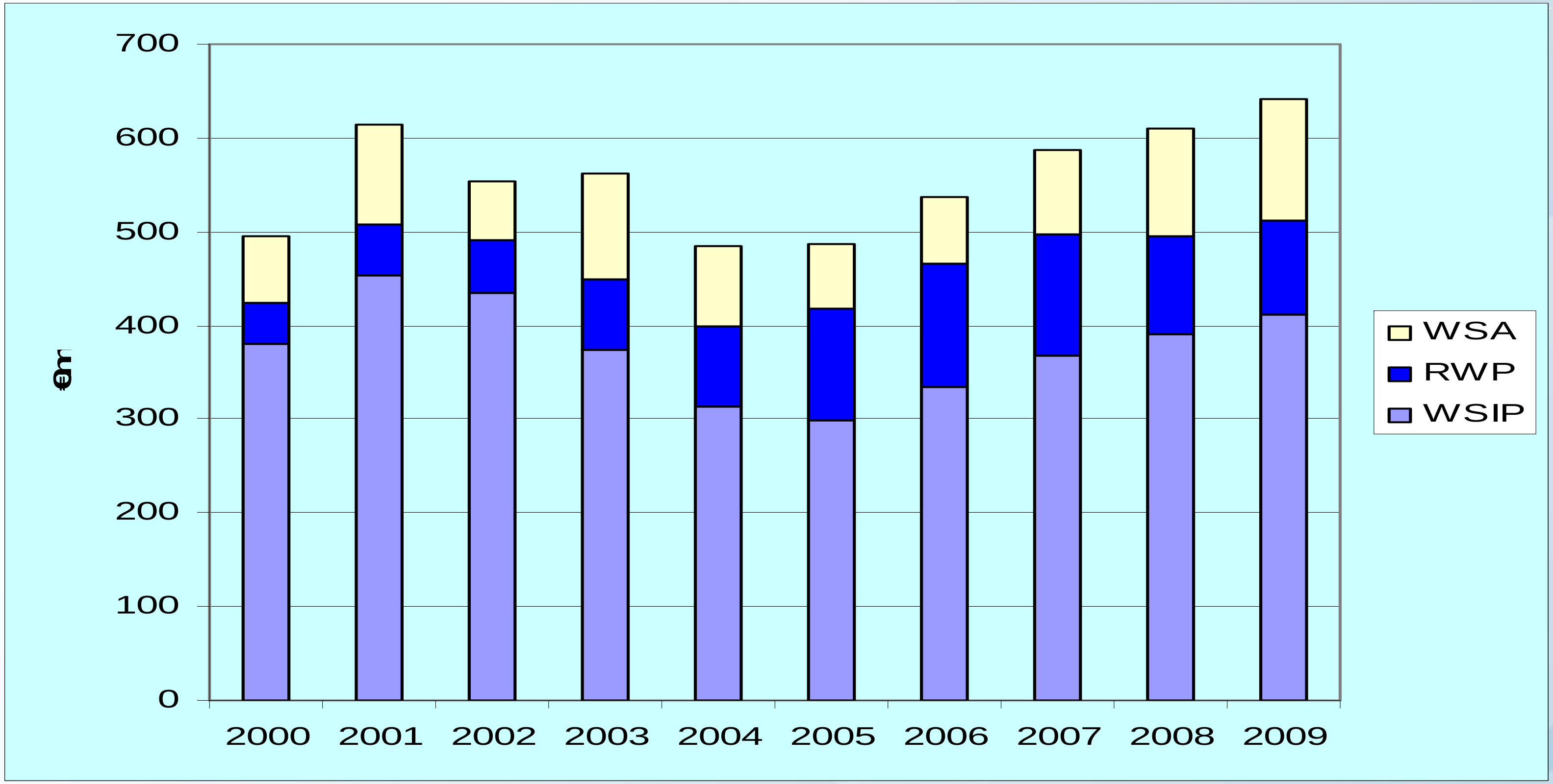
A significant investment effort

€ 5.5 Bn invested over the last 10 years



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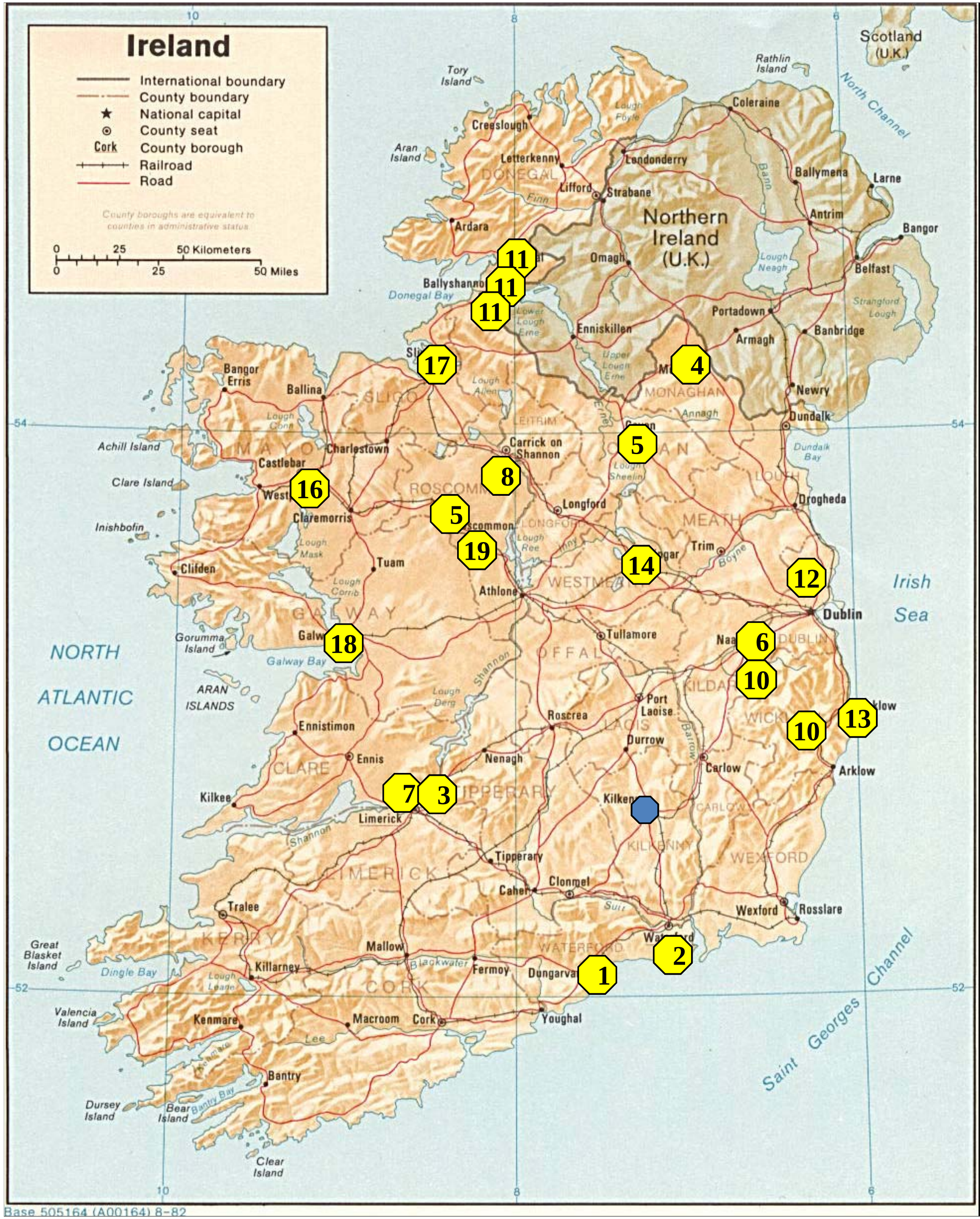
Perspectives: major changes are under way

- The implementation of the EU Water Framework Directive - aims to achieve “good status” in all natural waters by 2015 - has led to the crafting of River Basin Management Plans that will apply to the whole island of Ireland.
- Seven basins have been defined and will be managed in the future more in accordance with geographical logic – watershed - than administrative boundaries – WSA / counties or even countries.
- The country must adapt to changed economic climate decline in development levies/borrowing restrictions
  - Budget announcement on domestic water charges
  - Private financing of new works becomes necessary

Market Sectors

- Municipal Design, Build & Operate
- Municipal Service/Solutions
- Industrial Design & Build & Operate
- Industrial Service/Solutions



Map of O&M sites

- •1 Dungarvan Wastewater and Sludge Treatment Plant
- •2 Tramore Wastewater Treatment Plant
- •3 Clareville (Limerick) WTP
- •4 Monaghan Group Water Schemes
- •5 East Cavan Group Water Schemes
- •6 Osberstown Sludge Treatment Plant
- •7 Limerick Sludge Treatment Plant
- •8 Pollacat Springs Group Water Scheme
- •9 Glinsk and Creggs Group Water Scheme
- •10 Blessington & Rathdrum WWTPs
- •11 Donegal, Rossnowlagh and Ballyshannon Wastewater and Sludge Treatment Plant
- •12 Killegland (Ashbourne) WWTP
- •13 Wicklow sewage treatment plant
- •14 Mullingar sewage treatment plant
- •16 Castlebar waste water treatment plants
- • 17 Sligo County Non Domestic Water Metering
- • 18 Galway City Non Domestic Water Metering
- • 19 Roscommon County Non Domestic Water Metering

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Municipal projects

+20 contracts serving 60 communities

LEINSTER

- Wicklow
- Ashford, Co. Wicklow
- Rathnew, Co. Wicklow
- Rathdrum, Co. Wicklow
- Blessington, Co. Kildare
- Osberstown, Co. Kildare
- Mullingar, Co. Westmeath
- Ashbourne, Co. Meath

CONNACHT

- Galway
- Roscommon
- Sligo
- Castlebar, Co. Mayo

MUNSTER

- Dungarvan, Co. Waterford
- Tramore, Co. Waterford
- Clareville, Co. Limerick
- Limerick Sludge

ULSTER

- Cavan
- Monaghan
- Donegal
- Northern Irish Omega project

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VWI provides most of the services in the water cycle in Ireland

Experts in design, build, technology, operations and customer services

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Thank you
for your
interest