



NATIONAL DEVELOPMENT PLAN
YOUR PLAN - YOUR FUTURE



'working with the community'

Explanatory Notes to accompany Application Form WS1

Subsidy towards the operational costs of a Group Water Scheme

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General:

- 1.1 As an integral part of a planned approach to improving the quality and reliability of Rural Water supplies, an Annual Subsidy towards the operational costs of Group Water Schemes in supplying water for domestic use will be payable by Local Authorities to groups meeting the conditions of the subsidy scheme as set out in this Memorandum.

Eligibility:

- 2.1 A group water scheme is eligible for a Subsidy where:
- it is providing a supply of water for domestic purposes that, in the opinion of the Local Authority, is satisfactory;
 - it is properly constituted (i.e. it must be a trust, co-operative or limited company);
 - it conducts its affairs properly in accordance with its constitution and the relevant legal requirements;
 - is participating in an approved Quality Assurance Scheme implemented by the National Federation of Group Water Schemes;
 - has adopted the Charter of Rights and Responsibilities for Consumers on Group Water Schemes compiled by the National Rural Water Monitoring Committee, and
 - water conservation measures are being actively implemented.
- 2.2 A Group Water Scheme is a scheme providing a private supply of water to 2 or more houses by means of a common or shared source of supply and distribution system. Houses with individual connections to a common source of supply using separate abstraction and distribution systems **do not constitute** a Group Water Scheme for the purposes of the Subsidy.
- 2.3 Where a water supply provided by a Group Water Scheme is not considered by the Local Authority to be satisfactory either in quality or quantity and the group have been asked to prepare a water improvement plan, the group will, subject to the other terms and conditions of the scheme, be eligible for a Subsidy provided that:-
- The Group undertakes to prepare and implement the agreed water improvement plan by the agreed date to remedy deficiencies in the supply to the satisfaction of the Local Authority.

Qualifying Expenditure:

- 3.1 Qualifying expenditure for the purposes of the Subsidy is non-capital expenditure incurred during a calendar/financial year, by a Group Water Scheme on the operational costs of supplying domestic water to the members of the Group. This would include expenditure on:
- (a) maintenance and repair of buildings, equipment and fittings associated with the abstraction, treatment, storage and distribution of water;
 - (b) operation and maintenance contract costs for essential water treatment and disinfection;
 - (c) electricity/energy;
 - (d) materials used in the treatment/disinfection of water;
 - (e) installation of meters for water conservation purposes;
 - (f) wages and salaries of full or part-time operatives or maintenance personnel;
 - (g) insurance (including public liability, employers liability, PRSI, property/assets);
 - (h) reasonable administrative and audit costs,
 - (i) preparation and implementation (non-capital element) of a water improvement plan;
 - (j) monitoring of water quality;
 - (k) costs associated with the implementation of the Quality Assurance Scheme;

- (l) training of personnel in the management and operation of water supply systems;
- (m) affiliation fees for membership of the National Federation of Group Water Schemes;

- 3.2 Expenditure does **not qualify** where, in the opinion of the Local Authority, it is incurred on:
- the provision and distribution of a supply of water solely for non-domestic purposes such as the supply of water to farms, commercial and industrial premises;
 - capital works, including planning and design costs, for the up-grading or extension of a scheme;
 - voluntary labour/services, or honoraria.

Depreciation of assets not eligible under subsidy scheme.

Where expenditure incurred relates to:

- water supplied for both domestic and non-domestic uses, it should be apportioned in accordance with Paragraph 7.1 for the purposes of the Subsidy;
- the supply of goods and services by Contractors, such Contractors must be registered for VAT and hold a current Form C2 or Tax Clearance Certificate issued by the Revenue Commissioners;
- the payment of a wage or salary to a person, such person must be properly registered for tax purposes.

Amount of Subsidy:

- 4.1 The amount of subsidy will be 100% of the qualifying expenditure as approved by the Local Authority, subject to a limit of:
- €50.79 for each house supplied from a Local Authority source;
 - €101.58 for each house supplied from a private source;
 - €196.81 for each house where water disinfection and/or treatment is provided under a Design, Building, Operate (D.B.O.) Contract or where the water disinfection/treatment plant is operated and maintained by a Contractor by way of a bona fide Operational and Maintenance Contract.

Payment of Subsidy:

- 5.1 An application for payment of Subsidy in respect of a calendar year should be made by a Group on Form WS1 after the end of that year. A claim must be accompanied by expenditure accounts providing details of actual costs incurred by the group in supplying water for domestic purposes to its members. Such accounts must be verified by a person who is entitled to audit the accounts of a corporate body or who may otherwise be acceptable to the Local Authority having regard to the nature and amount of the expenditure involved. The accounts should also be certified as being consistent with the Group Scheme's annual accounts and indicate that they are as agreed by the Group at their A.G.M. In claiming the Subsidy, the Group Scheme's trustees, (or, in the case of a limited company or a registered co-operative, the Group Scheme's nominated officers), must undertake to accept the Subsidy on behalf of the Group members.
- 5.2 Where the Authority is satisfied that the Group is eligible for a Subsidy and that the claim for payment is in order, it will determine the amount of Subsidy payable in respect of the year concerned. The amount by which this exceeds any payment in advance, (see Paragraph 6.1), will be paid directly into the Group's Bank Account.

Payment in Advance of Subsidy:

- 6.1 To assist in the financial management of groups, an advance of the Subsidy will be payable to a Group Scheme in May of each year. The standard advance payable to eligible Group Schemes will be:
- (a) 70% of the previous year's Subsidy subject to a maximum of €35.55 for each house supplied from a Local Authority source, or

- (b) 70% of the previous year's Subsidy subject to a maximum of €71.11 for each house supplied from a private source, or
- (c) a maximum of €126.97 per house where an Operation and Maintenance Contract is in place.

Where an advance payment exceeds the amount of the Annual Subsidy payable when finally determined at the end of the year, the amount of the excess will be deducted from the Subsidy payable in respect of the following year. An application for payment of an advance of Subsidy should be made by a Group on Form WS2.

Where an Operational Contract with a recognised service provider is in place payment may be made on a quarterly basis subject to the terms of the contract in place and to the amount of Subsidy as set out at 4.1 not being exceeded.

Apportionment of Expenditure:

7.1 Qualifying expenditure for the purposes of the Subsidy scheme is operational expenditure by a Group Water Scheme in providing a domestic water supply only to Group members. Applicants are required to provide details of the total volume of water supplied and to apportion usage between domestic and non-domestic use.

Where water supplied by a Group Scheme for non-domestic purposes is metered, expenditure should be apportioned by reference to metered usage. In cases where usage is not metered, operational expenditure may be apportioned on the basis of a standard allowance of 50,000 gallons per house per year. Groups are also permitted, as an interim measure, to apportion usage on the basis of the ratio of the number of domestic to non-domestic connections.

For the purposes of apportioning costs and the more effective application of the Polluter Pays Principle, local authorities may require that supplies of water for non-domestic purposes be metered. The standard allowance of 50,000 gallons per house for domestic may be revised in future years in the light of experience and/or new information.

7.2 Design, Build, Operate (D.B.O.), and Operation and Maintenance (O & M) Contracts for the Provision and/or operation of water treatment/disinfection facilities.

Continued compliance by privately sourced Group Water Schemes with the stringent standards of drinking water can best be assured where essential water treatment and disinfection equipment is procured by way of DBO or O & M Contracts. In cases where such contracts are in place, Local Authorities will allow the cost of the following items to be offset in full against the cost of supplying domestic water to members, subject to the Subsidy maxima as set out at 4.1.

- Annual contract fee for the operation of the treatment/disinfection equipment;
- All treatment and disinfection consumables;
- Costs associated with the implementation of measures to improve and maintain the quality of water supplied by the group including the Quality Assurance Scheme, the training of personnel, affiliation to NFGWS and protection of the source.

All other costs should be apportioned in accordance with 7.1.

Administration and Forms:

8.1 The scheme is being administered by each County Council. All issues relating to the day to day operation of the scheme, including dealing with enquiries, applications and payments, are a matter for the relevant County Council (referred to in this Memorandum as the "Local Authority").