

NI Water Infrastructure Plans and Funding

Mid Ulster District Council

25 November 2020

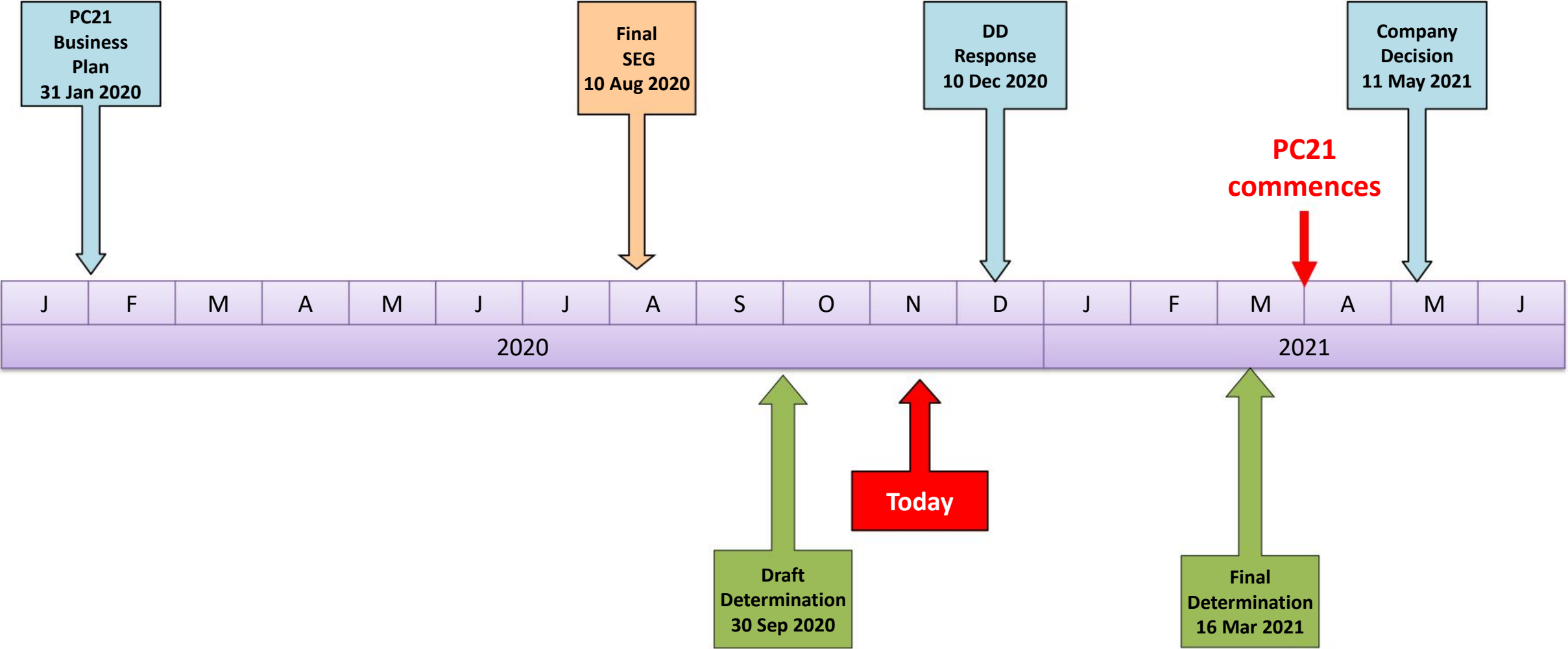
Dr Stephen Blockwell, Head of Investment Management, NI Water

David McCullough, Head of Wastewater, NI Water

ELECTED REPRESENTATIVE HOTLINE: 0345 300 6461



PC21 Key Milestones



NI Water's Funding Model

NI Water is a Government Owned Company (GoCo) and Non-Departmental Public Body (NDPB) within DfI

NDPB status means **NI Water can only spend within its Public Expenditure (PE) budgetary envelope** – this is an important difference versus GB Water Companies.

NI Water is not permitted to hold surplus cash reserves – **all costs must be met from existing public expenditure budgets within NI Water or the Department for Infrastructure (DfI).**

NI Water is successful – in top 5 of NI's top 100 companies – but **accounting profits provide no additional spending power to NI Water.**



Capital Funding is Not Keeping Pace with NI's Needs



PC21 Draft Determination

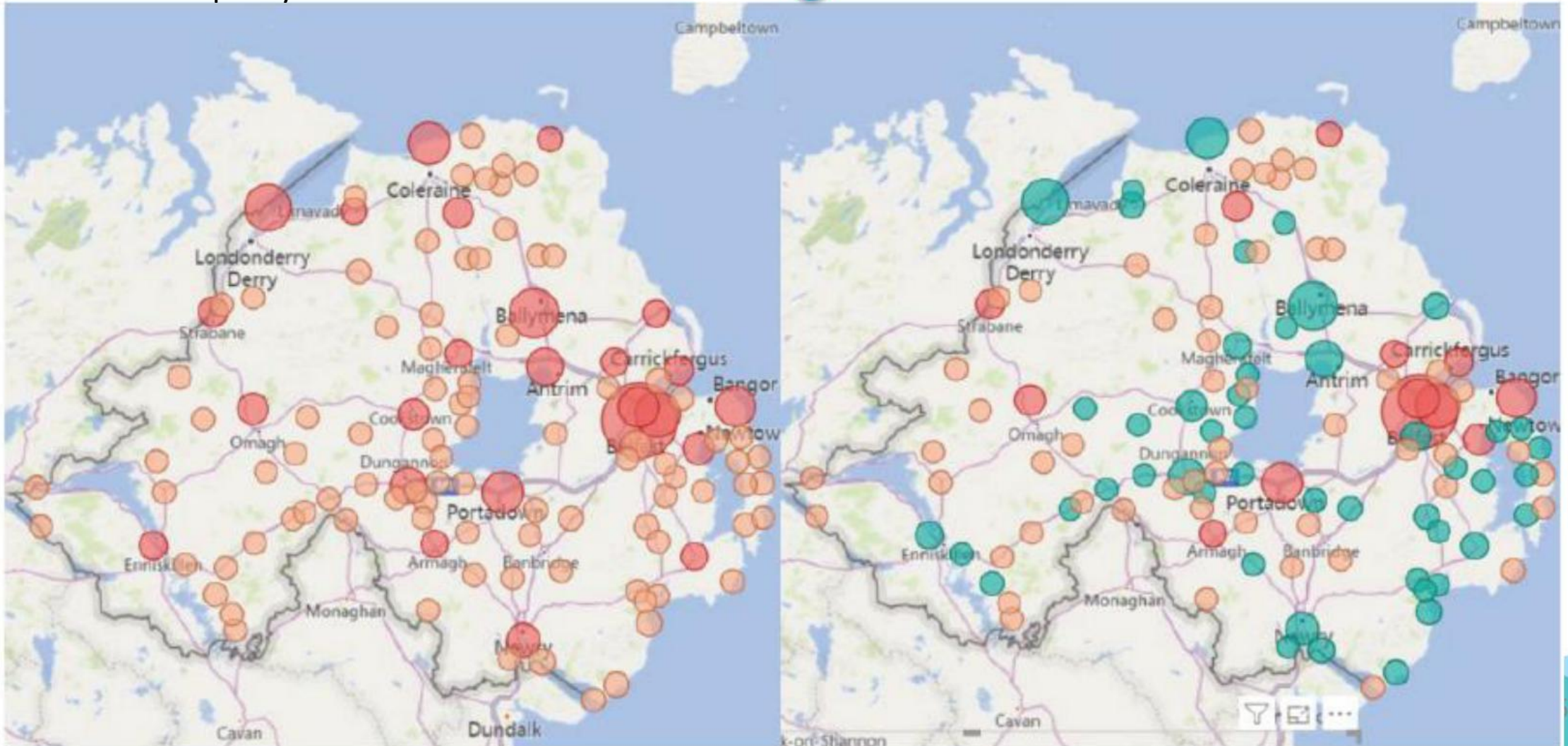
There are three strategic and linked issues which will define the development of water and sewerage services over the medium to longer term:

- 1. Development constraints** - During PC21, NI Water will begin to address a lack of capacity in sewerage networks and wastewater treatment works.
- 2. Increasing capital investment** - The outputs NI Water plans to deliver in PC21 will require an increase of 74% compared to PC15. Without this investment, our society will have to choose between environmental protection and economic development.
- 3. Long term tariff stability** - We will continue to engage with both NI Water and Department for Infrastructure (DfI) on long-term sustainable funding issues

PC21 - Starting to Address Economic Constraints

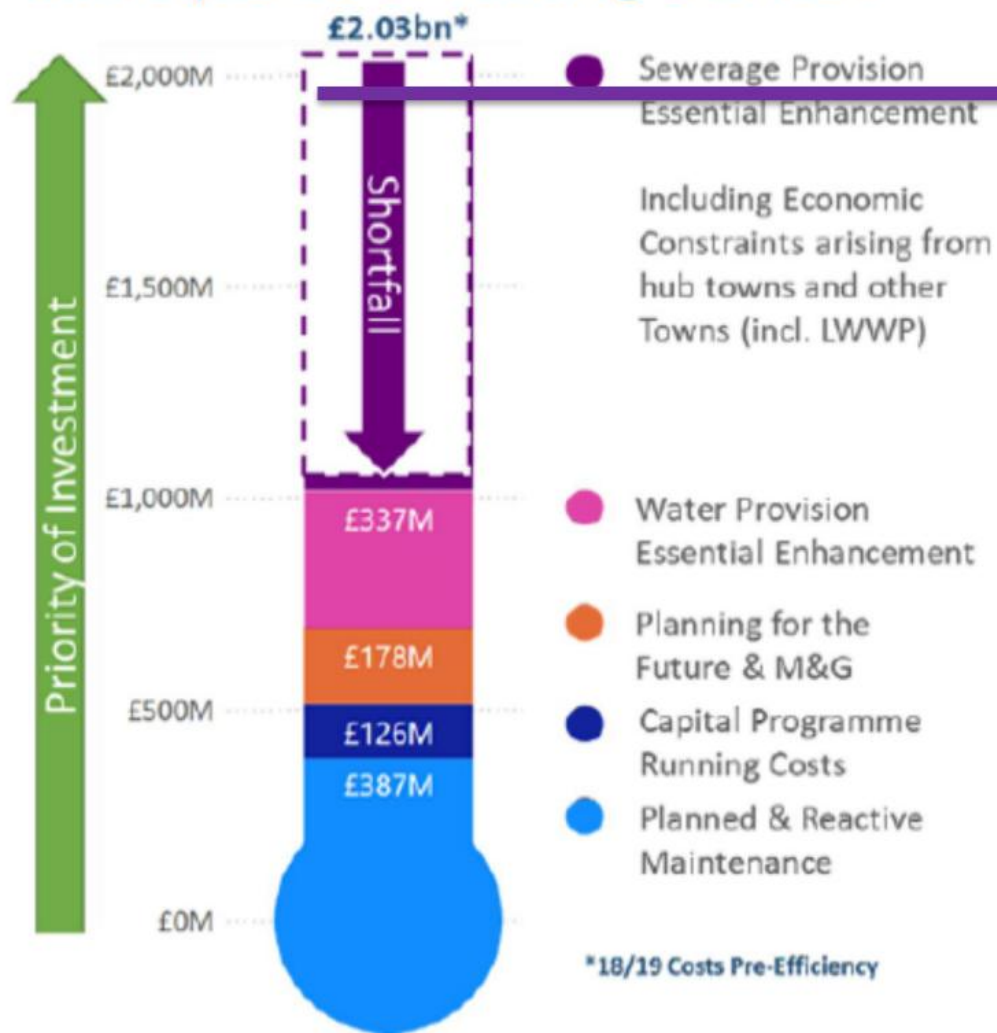
Wastewater capacity issues

● PC21 Wastewater investment



Prioritisation & Funding Shortfalls

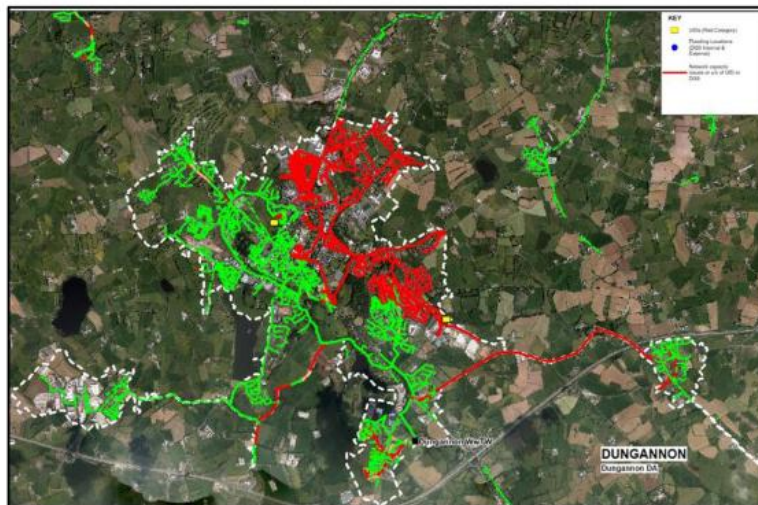
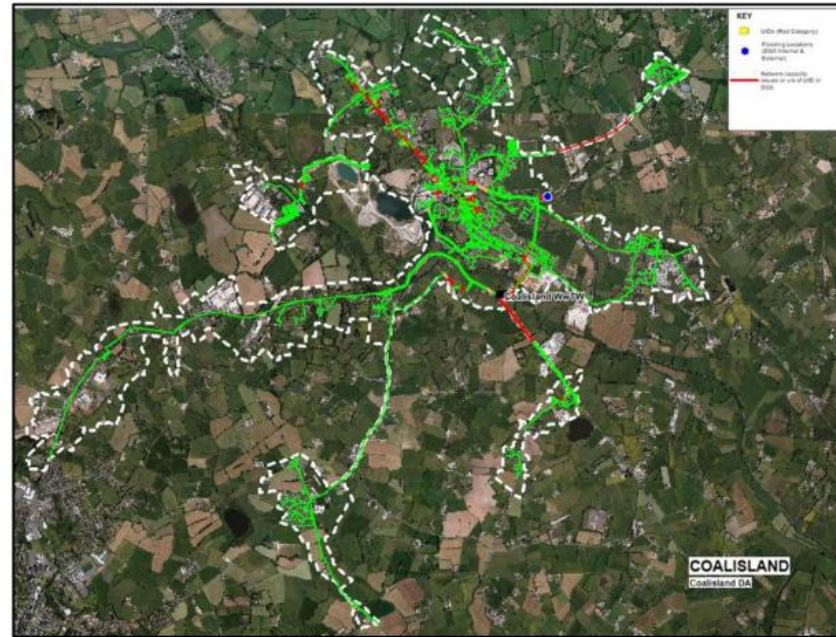
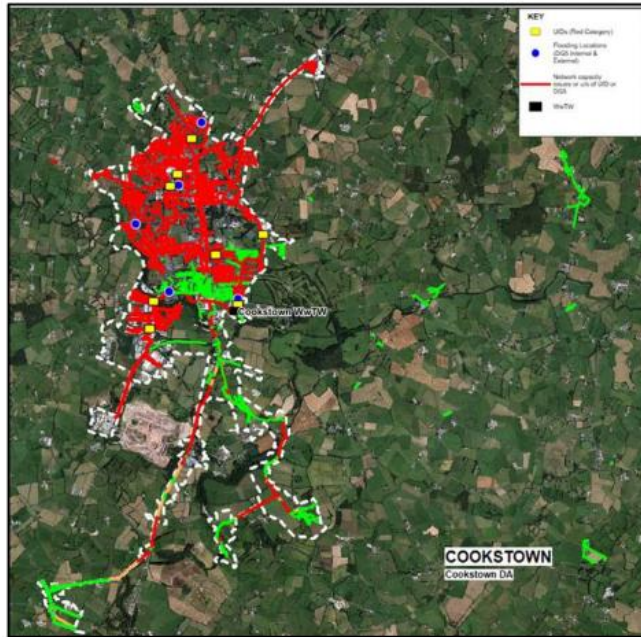
Consequence of Funding Shortfall



First £50m Shortfall means that 21 Wastewater projects will not be addressed



Pre Development Enquiry Process

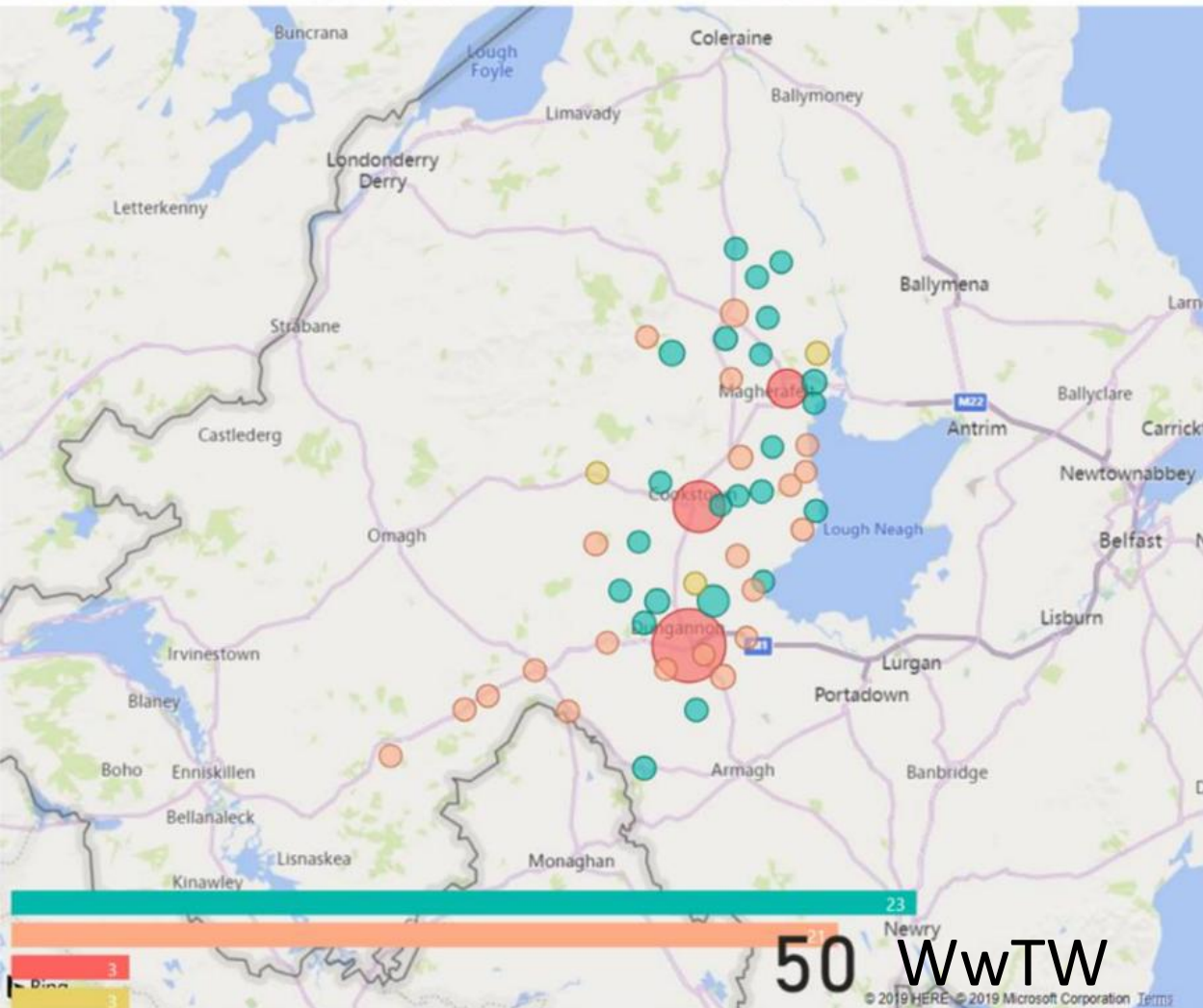


Development in parts of our towns and cities may be restricted due to **Sewer Capacity** issues.

A **Pre Development Enquiry** will provide developers with a view of sewer and water availability for potential sites.

Mid Ulster District Council: Wastewater Capacity and PC15 Investment

Status ● Economic Constraint Zone ● Has Capacity ● Nearing Capacity ● Serious Development Restriction



PC15 WwTW upgrades:

- Dungannon WwTW capital works = £9m
- Dungannon WwTW Phase 2 = £2.4m
- Donaghmore WwTW Upgrade = £0.6m

PC15 WwPS Upgrade:

- Coalisland WwPS Replacement = £0.5m

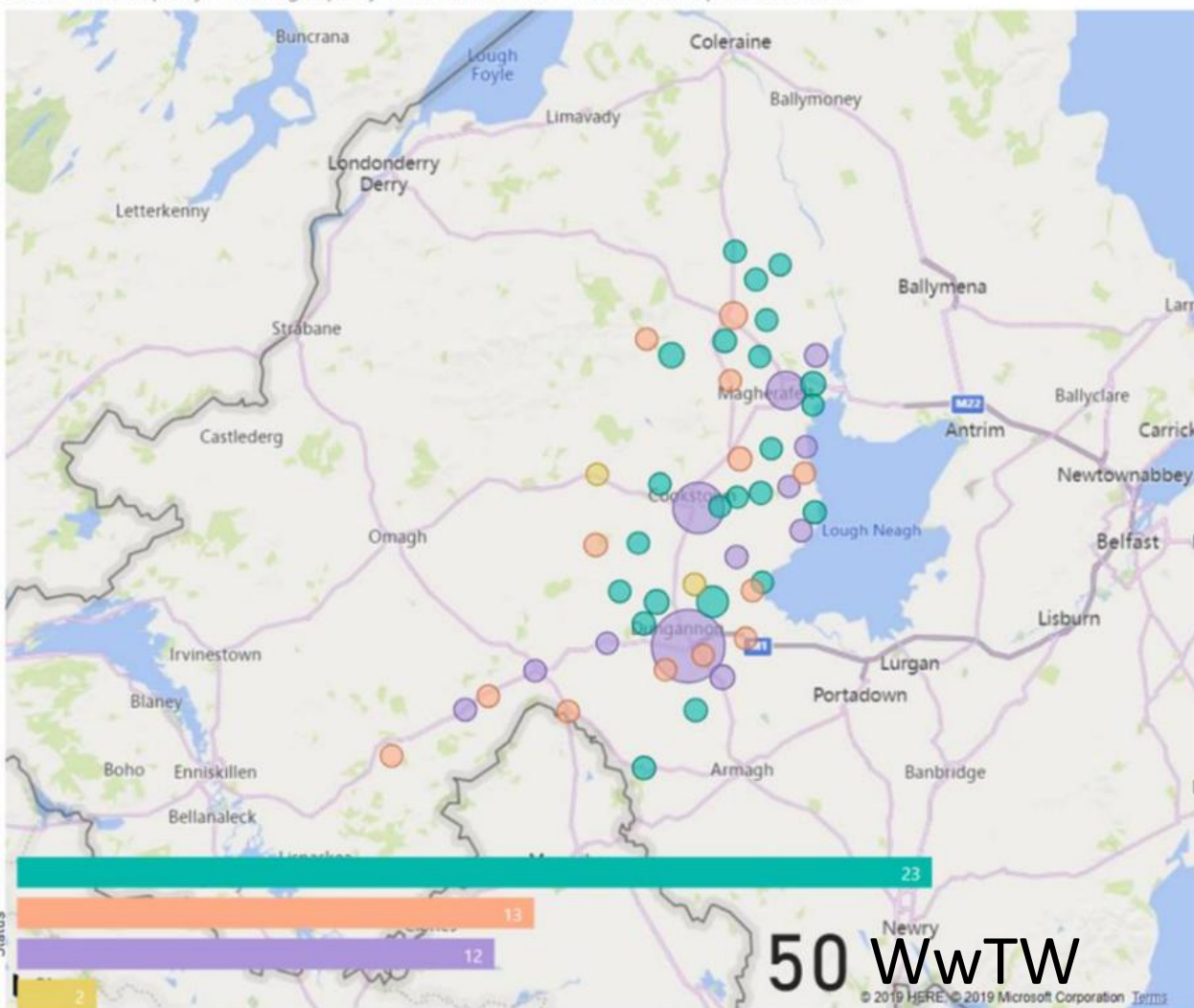
PC15 Feasibility Studies:

- Derrycrin WwTW
- Ballyronan WwTW
- Killygonlan (Mullanahoe) WwTW

Mid Ulster District Council's Ambitions

Mid Ulster District Council – PC21 Investments

Status ● Has Capacity ● Nearing Capacity ● PC21 Investment ● Serious Development Restriction



(PC21 Business Plan WwTW Investment Analysis)

PC21 WwTW upgrades include:

- Dungannon WwTW = ca £30m
- Moy WwTW = ca £6m
- Killygonlan WwTW = ca £4m
- Bellaghy WwTW = ca £4m
- Stewartstown WwTW = ca £3.5m
- Ballyronan WwTW = ca £3m
- Ballygawley WwTW = ca £2.5m
- Pomeroy WwTW = ca £2.5m
- Derrycrin WwTW = ca £2.1m
- Cabbragh WwTW = ca £2m
- Clougher WwTW = ca £1m

PC21 Sewer Network upgrades include:

- Dungannon drainage area = ca £19m
- Cookstown drainage area = ca £17 £m
- Maghera drainage area = ca £1m
- Moy: Keenaghan WwPS = ca £1m

Supporting Future Economy and Environment

- **Significant long term investment is needed for wastewater and water infrastructure.**
 - **It will take more than a decade needed to address sewer and wastewater issues.**
 - **NI Executive sets NI Water's level of investment.**
 - **The Utility Regulator's draft determination on our PC21 plan calls out the need to address capacity issues and for significantly increased and sustainable investment.**
 - **Without sustained, adequate investment our society will to have to choose between environmental protection and economic development.**
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