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EurEau feedback on policy options – DWD review

Comments on the policy options presented at the DWD Expert Group meeting on 22 January 2016

EurEau feedback on the policy options

The Drinking Water Directive has proved an excellent legislative instrument so far to ensure the provision of safe and wholesome drinking water and to enhance public health in the EU. While water is a heritage, as stated in the first preamble of the WFD, drinking water is a major success story of the EU. This has been made possible thanks to different factors: sound EU legislation, Member States implementation and water services' professional role in delivering safe and wholesome tap water 24h/day, finding innovative and sustainable solutions to local or regional problems.

EurEau welcomes the evaluation of the DWD carried out in 2015 and the impact assessment that will be conducted in 2016. We are contributing to the ongoing process by sharing comments on the six policy options (see Annex I below) presented by the ACTeon consultant at the DWD expert group on the 22 January 2016.

EurEau believes it is essential to communicate with consumers key information about drinking water that they find useful and relevant.

General comments

EurEau experts note that some of the six policy options go far beyond the current scope of the DWD. EurEau emphasises that the choice of enlarging the scope of the current directive should be approached with extreme caution.

Widening the scope of a directive whose legal basis are environment and health (art. 191) might jeopardise the clarity of the current legislation and might undermine the legal certainty for Member States and drinking water utilities.

EurEau members believe that customers' demands and needs should be given the attention they deserve, but would like to warn that the current Drinking Water Directive might not be the right legal instrument to address issues concerning the management of water services or water governance as a whole, since the current DWD establishes obligations towards Member States in terms



of health parameters to be met.

Comments on policy options

Policy Options 1 and 2

EurEau experts welcome policy options 1 and 2 and they see the two options as necessarily complementary. EurEau thinks that the two options should retain the precautionary principle by which risk management measures can be taken also in the absence of definite scientific evidence, since it is embodied in the current text of the DWD but it is not mentioned in the wording of the two policy options.

EurEau thinks that there should be a core list of parameters and also a risk - based list of parameters. EurEau welcomes the risk-based holistic approach covering catchment to tap, but would like also to raise the issue about who bears the responsibility to assess and manage the risks, since catchment areas and households' installations are not under the control of drinking water operators.

The European Commission and national authorities have an essential role to play in drafting the risk-based list of parameters, updating it regularly and ensuring adequate legal certainty for water services to operate: Member States should complete monitoring and risk assessment with parameters posing a more local risk.

In this context EurEau welcomes the study WHO (Drinking Water Parameter Cooperation Project) is conducting to provide policy-relevant advice to enable informed science-based decision making for the potential revision of Annex I of the DWD.

Policy Option 3

EurEau notes that under the current art. 13 of the DWD on "information and reporting", "adequate and up-to-date information on the quality of water intended for human consumption" should be "available to consumers".

Overall EurEau members support the use of new technologies to communicate with their customers. Many water operators already make use of their websites or social media to engage with customers. But there are many small water service providers across the EU and the use of IT or telecommunication tools is difficult due to the high costs to set them up and manage them. In these cases, information should be given at regional or national level and an appropriate lead-time should be granted.

Several EurEau members also use SMS or other telecommunication tools to alert customers in case of incidents. In some cases the agreement of the



customers is necessary to send them information because of data protection and privacy considerations, so customers need to subscribe to the operator's website.

It should be stressed that EurEau members can only reach out to their customers such as households and other institutions or entities (hotels and other public buildings) that have a connection to their network. Water services are not able to communicate with "ALL" EU citizens (nor are they able to have control on domestic installations). Informing European citizens is the prerogative of the EU institutions, of Member States and of local authorities.

In policy option 3 it is not clear who is gathering, managing and controlling data that feeds into a possible smartphone "App". In case of incidents the information provided through a smartphone app on water quality would risk to be outdated and misleading, especially if the water operator does not control the information provided through the App.

As a solution, EurEau members envisage the European Commission or the European Environmental Agency creating a web portal that would direct EU citizens to key information relevant to the consumers about drinking water. The portal would display a map of Europe and by clicking on each member state, EU citizens could see the water operator providing water services in the area of interest. By clicking of the name/logo of the water operator the citizen can be redirected to the **existing operator's webpage** where the relevant key information to consumers (see below) is displayed. This information should be regularly updated and the date of the last update should be visible.

Policy options 4 and 5

EurEau members note that the proposals of options 4 and 5 are not within the current scope of the DWD.

Some of the proposed options relate to the organisation and the performance of Services of General Interest (SGIs) that are subject to subsidiarity.

It could be envisaged to deal with policy options 4 and 5 in other EU instruments.

However, EurEau members are aware of the importance to communicate key **information that is of interest for customers** and are ready to share this information in a way that is understandable to consumers to enhance transparency in water services.

As already explained during the stakeholders' dialogues on "Benchmarking and Transparency" in September 2014 and October 2015, transparency does not correspond to benchmarking.

EurEau members are fully committed to public transparency. This empowers customers and stakeholders to improve their awareness of water matters and



express their interest, ideas and expectations. However, extensive or increased benchmarking is not the exclusive nor the ideal solution to transparency or increasing customer engagement and awareness.

Benchmarking is an essential method of measuring and providing insights on performance. It is most useful as an internal management tool for water and wastewater service providers, and has also developed as a tool for public authorities and regulators to learn best practices from each other, to continuously improve services.

Benchmarking is and should remain a management tool of the water suppliers used to improve water services' performance.

The European Commission may offer the framework, through Erasmus Plus or other transfer knowledge projects, to set up voluntary twinship projects between water companies across Europe, by which water services providers could exchange information on good practices in benchmarking.

From their surveys, operational expertise and experience, water operators know that customers are most interested in:

1. Drinking water quality (in particular odour, taste, hardness) and pressure
2. Incidents and interruption of services (how long they last) and measures taken to restore the service
3. Which water sources are used to produce drinking water
4. Prices, fees, taxes and other charges on water and how they can reduce their water bills
5. What they should do if they cannot pay their water bills
6. Leakage rates and leakage reduction measures
7. Environmental footprint, energy efficiency, renewable energy production/use, CO₂ emissions
8. Use of disinfection products

Further relevant information might be the percentage of water bills compared to households' disposable income and how many households recur to affordability mechanisms due to their inability to pay for water services.

However, it is vital to note that the information on the areas above varies greatly not only between Member States, but also even within a single country. All the factors above differ greatly due to the very different local conditions (geographical, geological, climatic) in which water services are performed (water abstraction, treatment, storage, distribution).

Therefore, making comparisons between very different situations on the above factors would be misleading. For example it would not make sense to compare



CO₂-emissions of a utility providing drinking water in the Austrian Alps where they do not need to pump water and that of a water utility providing drinking water in Malta through desalinisation.

Customers' satisfaction could also be a useful information to give to the consumers. In many cases it is already measured by EurEau members, but again it is done differently in every country, which is a reflection of the cultural differences and diversity between Member States. Some members conduct surveys for instance, others have specific indicators, that differ from country to country, as part of their benchmarking exercise.

Consumers' satisfaction, however, is also part of the WHO Water Safety Planning, so the take-up of the latter should bring about the measurement of the first.

In some countries (at company level in the UK and at national level in Norway) consumers boards proved to be successful, but their success depends on the scale of the operators (it works if there are few big operators in the country, while it would be challenging if there are thousands of small utilities) as well as on the management model chosen by the Member State.

A guidance document by the European Commission explaining the different regulatory models of water services across the EU might be envisaged.

By classifying the currently existing regulatory models of water services, it should be easier to understand in which model consumers' boards might play a role and in which model their function is already carried out by democratically elected politicians that are accountable to citizens through local elections.

Policy option 6

EurEau thinks that the human right to water and sanitation should be recognised in the European legislation.

However, it should be understood that access to water and sanitation services does not necessarily mean connection to the network for all EU citizens, since in many cases this would turn out to be extremely costly for Member States and ultimately for customers.

EurEau believes that to pursue this goal, regional and social policy instruments, complementary to water policy instruments, should be implemented and local solutions are the most effective.

In order to realise the human right to water and sanitation, given the five UN dimensions attached to it (availability, accessibility, acceptability, affordability and safety) three important considerations should be duly taken into account and further elaborated in this policy option 6:



1. the preferential use of water resources for the production of drinking water when it comes to water allocation between different uses
2. the effective protection of water resources from diffuse and point pollution
3. the better implementation of the polluter pays principle
4. the effective implementation of art.9 of the WFD on cost recovery. EurEau supports the cost recovery principle and recognises that the inclusion of environmental and resource costs in the water tariff is a sound objective. However, in the same time, it is indispensable to better apply the polluter pays principle (see point 2), otherwise, this approach could lead, in some cases, to a significant increase in the price of water services. The polluter pays and the user pays principles are essential notions of the WFD. Where a charging mechanism for abstraction or diffuse pollution omits environmental or resource costs, this enhances the risk that other water consumers will have to cover this cost, which is detrimental to the polluter pays principle. Charging the users of the urban water services is practically and politically easier than other categories of users. That is why in many member states water service operators' costs include costs that should not be borne by their customers but by other water users and polluters. Transfer of these costs (cost reflectivity) would help to mitigate some of the price increases for water customers that could arise from charging environmental and resource costs under article 9 of the WFD. The mechanisms ensuring adequate contribution of different water users should be set up at Member States level so as to reflect local water resource issues. When abstraction charges are applied, the degree of consumptiveness of the different uses should be taken into account. In average more than 75% of the resources abstracted for urban water services are returned to water bodies downstream.



Annex I

Policy Options 1-6 presented at the DWD Expert Group on 22 January 2016

1. Core WHO list of parameters with common (strict) threshold values

Common regulation of quality standard limit values for core parameters posing high risks for human health (from WHO).

2. Holistic Risk-Based Assessment (includes emerging contaminants.

The risk-based policy holistic approach covering catchment to tap with a regulatory framework based on proven principles of the WHO. All parameters are selected using risk based approach (including parameters for emerging contaminants after examination for their potential effect on human health.

3. SMART Drinking Water information to all EU citizens.

The establishment of smart water information to provide a wide range of up-to-date information to ALL consumers linked to water quality, reliability and continuity (including water label or excellence label, which can be accessed from smart phone). (to develop in more detail the level of aggregation of information)

4. Responsible Drinking water consumers (governance, information) for decision making.

The establishment and delivery of smart water information to ALL consumers which can enhance their role in water management (include establishment of consumer boards, and types of information that consumers need to make more responsible decisions, i.e. leakages, investments, water tariffs and pricing).

5. Enhancing performance & resource efficiency of drinking water services.

This option proposes to develop a wider performance system for monitoring the performance of water service operators as key to enhance efficiency and the performance of drinking water service operators, including regular national benchmarking between water service providers. Performance will address a range of management and efficiency issues: delivery of safe drinking water quality, water resource management (in terms of quality and quantity) and its efficiency, conveyance efficiency, water savings, energy efficiency and emissions of CO₂/GHG, satisfaction of final consumers, timeliness and adequacy of responses to problems, etc. Drinking water operators will be responsible for implementing actions that will enhance their overall performance and footprint including in terms of application of measures such as water reuse, water saving, rain-water harvesting, etc.

6. Access to safe drinking water and sanitation to all. This option extends the current obligation to provide human right to safe drinking water and sanitation to all citizens, expanding the drinking water quality standards of the current Drinking Water Directive to all small communities and any person living in Europe (including Roman populations, migrants.).