

**MINISTRY OF  
ADMINISTRATION  
AND INTERNAL AFFAIRS**



**INSTITUTE FOR HOUSING AND  
URBAN DEVELOPMENT STUDIES**



**CENTRAL UNIT FOR PUBLIC  
ADMINISTRATION REFORM**

**Matra Project no. RO5871**

Building Operational Capacity for a Decentralized Government in Romania

**WATER DELIVERY DECENTRALIZATION STRATEGY**

Pilot city: Suceava

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## **Chapter 1: Existing decentralization/deconcentration, features and trends**

### **1.1. The context of decentralization/deconcentration in Romania**

#### **1.1.1. General overview**

One of the foundations of a democratic and efficient public administration is the consolidation of the administrative and financial decentralization process. This foundation is consecrated by the Government of Romania within the Government Programme for 2005-2008 and within the Romanian Government Strategy for the acceleration of the Public Administration Reform<sup>1</sup> in respect of reaching European standards and values regarding transparency, predictability, responsibility, adaptability and efficiency.

These documents establish that the decentralization/deconcentration process incorporate principles<sup>2</sup> regarding the responsibilities transfer, the financial system of the decentralised services and the decision competence transfer. The most important principles take into consideration:

- consistent allocation of rights and responsibilities;
- clear definition of service outputs and standards;
- creation of clear and stable regulations that encourage local strategies;
- consideration of the citizen as “the consumer” of public services;
- acceptance of competition as a means for increasing the efficiency and effectiveness of service delivery.
- revenue allocation should be adequate to decentralized responsibilities;
- a financing mechanism that can secure the funding for the minimal service standard established by the central government;
- local autonomy regarding the financial management.
- decisional autonomy secured on own resources and responsibilities;
- transparency of the decision-making process based on the citizens access to the public information and their participation to the decision-making process.

#### **1.1.2. Objectives and priorities**

In order to establish in a realistic mode the objectives and priorities for the continuation of the decentralization/deconcentration process, a diagnostic-analysis on public administration sector has been developed by Romanian specialists with help from foreign specialists regarding 3 domains of the public administration reform: the reform of the public function, the continuation of the decentralization process and establish public politics<sup>3</sup>, on which basis solutions were proposed for the rebalance of the identified deficiencies within the local public administration system in Romania.

Government Programme for 2005-2008 and the Romanian Government Strategy for the acceleration of the Public Administration Reform stress the decentralization of the public

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<sup>1</sup> Government Decision no.699/2004 the Romanian Government Strategy for the acceleration of the Public Administration Reform 2004-2006

<sup>2</sup> idem

<sup>3</sup> Government Decision no.699/2004 the Romanian Government Strategy for the acceleration of the Public Administration Reform 2004-2006

services in order to deliver quality services and to meet citizens needs. In this respect, the following priorities<sup>4</sup> were stressed:

- separation of the public utilities from the public services;
- introduction of the quality standards by the competent public authority in order to evaluate and monitor the public services;
- developing and applying of the Public Services Carta in which will be published quality standards for the services and evaluation methodologies;
- liberalization of the public utilities market, as well as the elimination from the legislation of all the institutional barriers that are impeding investments in public utilities and their privatization;
- limitation of the area of the deconcentrated public services.

The continuation of the decentralization/deconcentration process will ensure an improved management of the public services and of their quality. In this respect, there should be established, in a coherent way, the allocation of the responsibilities, the allocation of the financial resources and respect of the rights and obligations which are related to the services delivery.

Raising the standards of the services delivered to the citizens represents a desiderate of the present politics of the Romanian Government as well as an obligation, in respect of a real approach to the citizens needs. The growth of the services and public utilities efficiency must respond to the top demands of the population.

This has already begun through Phare project RO 01.05.01.01 "Supporting the development and the improvement of the municipalities services management" in which it is stressed the improvement of the standards of the communal husbandry public services, especially of the water supply and sewage services and environment protection by respecting the EU directives regarding environment. In this project, there are 108 performance indicators for the heating, water and sewage, sanitation and public transport operators.

### **1.1.3. Immediate actions**

In the context of decentralization/deconcentration in Romania, we can identify the following categories of immediate actions to be taken:

- setting up the mechanisms necessary for the coordination of the implementation of the Reform Strategy<sup>5</sup>, as well as the new measures that can be found in the Government Programme 2005-2008;
- setting up an indicator system for the measurement of the performances of the decentralization process;
- setting up an operating Inter-ministry Technical Committee<sup>6</sup> and specific working groups which will elaborate sectorial strategies;
- setting up clear responsibilities and collaboration relations for the national and local implementation bodies;
- setting up a standard system for the measurement of the decentralized services performances;
- strengthening the local public authorities capacity in managing the decentralized services.

### **1.1.4. Performance indicators for the decentralization/deconcentration water supply services in Romania**

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<sup>4</sup> Project Decision no.24/2004 regarding the trust given to the Government, chapter 12

<sup>5</sup> Government Decision no.699/2004 the Romanian Government Strategy for the acceleration of the Public Administration Reform 2004-2006

<sup>6</sup> Government Decision no.2201/2004 regarding the functioning and the attributes of the Inter-ministry Technical Committee and working groups which are organized according to the Framework Law no. 339/2004 regarding decentralization

The Government Programme 2005-2008 sets up that the decentralization of the public services must take into consideration the developing of an evaluation and quality and performances monitoring for the public services, system which is based on using performance indicators. Performance indicators are useful for the application of the benchmarking system.

## **1.2. The stage of the decentralization/deconcentration of the water supply services in Romania**

### **1.2.1. Institutional and legal aspects**

In the last decade, Romania has made important steps within administrative and financial plan, through creating and implementing the legal and institutional framework. Beginning with 2004, normative acts have been adopted, that stress as a main objective the consolidation of the decentralization/deconcentration process in Romania:

- Government Decision no.699/2004 regarding the Romanian Government Strategy for the acceleration of the Public Administration Reform 2004-2006;
- Framework Law no. 339/2004 regarding decentralization;
- Law no.340/2004 regarding the institution of the prefect;
- Government Decision no.2201/2004 regarding the functioning and the attributes of the Inter-ministry Technical Committee and working groups which are organized according to the Framework Law no. 339/2004 regarding decentralization.

These normative acts sets up the principles and the basis regulation which govern the public administration reform as well as the decentralization/deconcentration process in Romania; also, these acts regulates the institutional frame which is necessary for a good running of the process:

- Inter-ministry Technical Committee;
- Inter-ministry Working Groups for decentralization, which operate within Health Ministry, Administration and Interior Ministry, Education Ministry, Transportation, Constructions and Tourism Ministry, Public Finance Ministry, Environment and Water Ministry;
- Technical County Committee for decentralization.

The water supply public service was decentralized also before 1990, because there was no ministry to coordinate this activity. At county level, here were companies that deliver all the activities considered to be of local husbandry as: centralized heating, centralized water supply and sewage, sanitation and housing which weren't private propriety but state owned. The owners of the assets of these activities were county companies also state owned. The administrators of these companies were nominated by political decision-makers. The tariffs included components for operating and maintenance. Investments were made with state founds.

After 1990, these services have remained decentralized, but the major changes within Romanian society and the tendency to be in line with the occidental society organization, sat a pattern on general management of these problems of major importance. According to the present legislation, the infrastructure of the water supply public service belongs to the public domain, which owner is local public authority. The responsibility over running the public service, as well as the investments, belongs to the local public authority. The service can be administrated "directly" (a department within the City Hall) or "indirectly". In the case of indirect management, the assets that belong to the water supply public system are given for administration to a company. The functioning of the water supply service is made on a specific legal basis under the monitoring of:

- National Authority for Regulation of Communal Public Services, which is a national regulator through deconcentrated regional departments;
- Health Ministry, through County Public Health Departments.

### **1.2.2. The consistency of the decentralized/deconcentrated services within the national decentralization strategy (objectives and priorities)**

The decentralization process is governed by the principles of efficacy, efficiency and quantification of the results, in 3 directions:

- strengthening the local autonomy;
- administrative decentralization;
- financial decentralization, based on an action plan with several steps which permits the evaluation of the efficiency of the decentralization measures.

The decentralization/deconcentration process will ensure the improvement of the public services management and their quality improvement. For this a more coherent allocation of the responsibilities, financial resources and rights related to the offered services has to be established.

As adequate responses to the identified weaknesses of the Romanian Public Administration system, in the domain of decentralization and deconcentration of public services, the following priorities can be identified:

- clarification of competencies of different levels and units of the public administration;
- strengthening of financial autonomy;
- improvement of the system of decentralized and deconcentrated service delivery;
- creation of instruments, capacity and procedures for implementation.

### **1.2.3. The existing performance indicators used for the services delivery**

Government Decision no.1591/18.12.2002 concerning the approval of Frame-Regulation for the organization and functioning of the water and sewage public service establish the performance indicators for the good functioning of the water services. These indicators ensure the conditions to be met by the water supply and sewage services, regarding: quantity and quality continuity, permanent adaptation to the citizens demands, elimination of any kind of discrimination regarding the access to the water and sewage services and respect of the specific regulation of water and environment protection (**Annex no.1**).

Yearly, the operator of the public water supply presents to the Local Council a report, which contains the results and the technical performance indicators established by the contract existing between the City Hall and the water operator (S.C. ACET S.A). These indicators give an image about the company's activity and about the results of the drinking water supply system. These indicators, which are presented in **Annex no.2**, establish the consumers satisfaction (water quality, supply continuity, average time to solve a malfunction) and also technical and economical relevant aspects within the operator activity.



## **Chapter 2: The analysis of the water supply service delivery in Suceava City**

### **2.1. General aspects of the service**

#### **2.1.1. Definition and scope of the service**

Government Ordinance no.32/2002 regarding the organization and function of the public service for water and sewage, approved by Law no.634/2002, modified and completed by Government Ordinance no.35/2003 defines the water supply service as an activity of public utility and of economic general interest, functioning under the local public administration authority and having as main scope the delivery of drinking water for all citizens.

Water supply public service has as main components: catchment activity, treatment of the raw water, transport and distribution of the drinking and industrial water to the consumers.

#### **2.1.2. Target customers**

According to the Government Ordinance no.32/2002 regarding the organization and functioning of the public service for water and sewage, approved by Law no.634/2002, modified and completed by Government Ordinance no.35/2003, the main categories of consumers are:

- businesses;
- public institutions;
- households (houses and owner associations).

#### **2.1.3. Main aspects concerning the service delivery in Romania**

In Romania, 2910 municipalities own centralized water supply systems: 263 urban municipalities and 2647 rural municipalities (17%).

Water distribution networks have a total length of 38328 km, covering a 70% from the total length of the streets in urban municipalities.

The present capacity of centralized drinking water supply systems for municipalities is 120 m<sup>3</sup>/s, meaning 48 m<sup>3</sup>/s from underground sources and 72 m<sup>3</sup>/s from surface sources, including Danube.

During the last 10 years, we can observe an obvious decrease of quantity of water provided, due to decrease of the number of industrial activities and of the households consume.

Heterogeneous spread of water sources, insufficient level of flows regularization on main watercourse, rivers' significant pollution, can lead to serious consequences, such as the impossibility of providing water for the cities without enough water sources, especially during the summer (on drought times) or during the winter (when low temperatures occur). In these cities, drinking water supply is interrupted and flows are drastically decreased.

The accessibility of drinking water supply system – from a total of 22.4 million inhabitants, 14.7 million (65%) inhabitants benefit from drinking water public supply service (11.3 million from urban environment-92% and 3.4 million from rural environment-33%).

#### **2.1.4. Main aspects concerning the service delivery in Suceava City**

The drinking water system of Suceava City has the following main characteristics:

- provides drinking water for 86,7% of the city's population;
- provides drinking water 24 hours/day;
  - drinking water has physical-chemical and bacteriological characteristics according to the present legislation;
- covers 93% of the total streets' length;



- metering level is 90% for businesses and only 47% for households.

## 2.2. Institutional analysis of the service delivery

### 2.2.1. Legal framework

Water supply activity is delivered according to the present legislation which is established at central level (**Annex no.3**) and also at local level, through legal documents issued by the local public authority:

- Local Council Decision no.45/11.06.1998 regarding the foundation of S.C. ACET S.A. Suceava;
- Local Council Decision no.379/17.12.2004 regarding the approval of the Functioning Regulation of the Water Supply Public Service in Suceava City;
- Local Council Decision no.323/30.11.2004 regarding the approval of the last tariff;
- Local Council Decision no.179/30.07.2004 regarding the nomination of the Shareholders.

According to the Law no.207/1997 regarding the approval of the Government Urgent Ordinance no.30/1997 regarding the reorganization of the “autonomic companies”, according to the Law no.31/1990 regarding businesses and according to the Local Council Decision no.112/1997 regarding the reorganization of RAUCL Suceava, beginning with 01.07.1998 S.C. ACET S.A. Suceava was funded, with a juridical statute, by reorganizing RAUCL Suceava.

The initial social capital of S.C. ACET S.A. consists of the active and the passive assets of RAUCL which is related to its activity and it is owned by the Suceava municipality as the single shareholder.

S.C. ACET S.A. is managed by the Shareholders, which are nominated by the Local Council and is administrated by the Administration Council. The Local Council representatives were nominated through Local Council Decision no.179/2004 and the representatives in the Administration Council were nominated by the Shareholders.

### 2.2.2. Stakeholders analysis

Taking into account the fact that providing drinking water is a service which has as clients most of the inhabitants and companies in a city, and the fact that water is a key element in human life, to ensure this service means to respect a lot of rules, regulations and standards, and many authorities to verify this activity.

This is the reason why when we talk about the drinking water operator, we have to consider a lot of institutions playing different roles in planning, controlling, informing consumers and making decisions in the area where the drinking water service operator works.

Analyzing the institutions that affect the activity of the drinking water service operator S.C. ACET S.A., we can distinguish two kinds of institutions:

1. **Central authorities**, including the deconcentrated services and their subordinate or coordinate institutions:

**a) The Ministry of Administration and Interior:** ensures the realization of the Government Programme and through the Communal Husbandry Services Department analyses the current legal situation in the communal public services and formulates proposals for improvement.

**b) The National Authority for Regulation of Communal Public Services:** its purpose is to establish the regulatory frame for monitoring and control at a central level of all the activities included in public management and acts towards all the operators of public services, whatever their organizational, administration or property form.

**c) The Ministry of Health:** applies the strategy and the politics of the Government towards the health of the population and is responsible for the sanitary reform. It has among its attributions the monitoring of the drinking water quality. At county level, this attribution is made through deconcentrated service within Public Health County Departments.

**c1). County Department of Public Health:** monitors the quality of drinking water and has reporting, sanctioning and informing attributions.

**d) The Ministry of Environment and Water Management:**

**d1). Regional Environment Protection Agencies:** its scope is to realize environment planning at every level of developing region, to issue regulating acts in the environment protection field, to assist and to elaborate projects and programs of environment protection at regional level financed with intern or extern founds.

**d2). County Environment Protection Agency** applies the laws regarding to the operative system of integrated monitoring in the environment domain and disposes the legal measures in order to protect, ameliorate and repair the quality of the environment where it was damaged.

**d3). National Administration Romanian Waters:** is the single operator for the specific public services in managing and capitalizing the surface and underground water resources. The main role of this company is to apply the national policy and strategy in managing the quality and quantity of the water resources and the national program of implementing the regulations of the legislation accorded with the European Union.

**d4). Water Management System Suceava:** approves, authorizes and controls water using and the workings built on water or related to water.

**e) The Prefect:** is the representative of the Government at local level and conducts the activity of the deconcentrated public services of the ministries and of the other public central authorities, which are organized at local level.

**2. Local authorities:**

**a) Local Council:** has exclusive competence in setting up, organizing, coordinating and controlling the public services of communal husbandry.

**b) The Mayor:** is the chief of the local public administration and of the special body of the local public administration authority, his main responsibility being to discharge the Local Council Decisions and to manage the public services.

**c) County Council:** is the authority of local public administration at the county level constituted to coordinate the activity of communal and city councils, in order to ensure the county concern public services.

**3. Consumers:**

- 900 bussinesses and households:

- 77.800 persons living in flats grouped in 101 owners associations;
- 9.600 persons living in 3.600 houses.

The attributions of each category above are presented in **Annex no.4**.

**2.2.3. Decision making in the service delivery**

- **S.C. ACET S.A.** – according the Lease Contract signed with the City Hall, it takes decisions regarding the operational functioning of the service, in order to assure continuity and quality of the service;

- **Local Council** – according to the Law no.326/2001 of the communal husbandry public services, it takes decisions regarding rehabilitation programs, loans contracting and guarantees, approval of the service's functioning regulations and approval of the service's price;

- **The Mayor** – as the financial coordinator, seeks that Local Council Decisions are followed.

**2.2.4. Communication with customers**

For the present time, all the information concerning the functioning of the water public service, in terms of continuity and quality, is transmitted to the consumers through the Dispatch Office of S.C. ACET S.A. which is opened 24 hours a day. Communication is made:

- through telephone and fax directly to the City Hall, Public Health Department, public institutions and companies with a large water consume;
- through mass-media means to the population.

### 2.3 Financial analysis – Sources of finance

The current tariff of the drinking water in Suceava City (the same for households and for businesses) is 0.35 Euro/m<sup>3</sup>, including VAT (11,668 ROL/m<sup>3</sup>).

The current tariff of the drinking water in Suceava City includes components of operating (57.82%), maintenance (5%) and human resources (37.38%).

The financing of new investments is made by: resources from the Local Council budget, government funds from the County Council, co-financing and through tariff.

### 2.4 Operational analysis

Suceava County lies in the north-eastern part of Romania, having a population of 718,000 inhabitants and a surface of 8,553 km<sup>2</sup>. The hydrographic network consists of rivers, streams, lakes, swamps and important underground water resources. All rivers that run through the Suceava County flow into Siret River.

Suceava City is the most important city in the county, having a population of 105,000 inhabitants.

Drinking water public supply system represents all the constructions and afferent lands, technological installations, operational equipment and specific endowments, through which the drinking water supply public service is delivered. The drinking water supply public system has, in general, the following components:

- catchments,
- supplies,
- raw water treatment plants,
- pumping stations,
- storage tanks for drinking water,
- distribution networks,
- connections to the delimitation point.

The drinking water supply system of Suceava City has the following technical characteristics:

- provides drinking water for 86,7% of the city's population;
- covers 93% of the total streets' length;
- as the city of Suceava stretches over several hills and valleys, the elevation between the inferior and the superior level is 110 m;
- the pumping stations and the network are old (a lot of components has the life time expired), oversized in relation to current consumption and energy inefficient;
- damaged dam at the WTP Berchișești creates significant flood risk;
- the degraded condition of the water distribution network (whose main components are between 18 and 90 years old) leads to estimated losses of 47%;
- leaking water mains and pipes increase the landslide risk in inhabited areas;
- metering level is 90% for businesses and only 47% for households;

The technical description of the drinking water supply system is presented in **Annex no.5**.

### 2.5. Human resources analysis

#### 2.5.1. Existing human resources for operating and maintenance of the service

The total number of personnel that work at S.C. ACET S.A. is 524, divided as follows:

- management personnel = 19,
- operating personnel = 245,
- maintenance personnel = 247.

A total of 505 employees have over 10 years of work at S.C. ACET S.A.

### **2.5.2. Existing capacity for developing the service**

Existing human resources require adequate training in order to operate with automatic modern systems.

### **2.5.3. Existing training programs in the service area**

Measures plan regarding training of the personnel will be made in the same time with the introduction of the new technologies.

## Chapter 3: Problems and issues

### 3.1. Problems and issues encountered within the decentralization process

#### 3.1.1. Strong points and opportunities at national level

According to the revised Constitution adopted in 2003, "Local public administration is based on the principles of decentralization, local autonomy and deconcentration of public services" (art.122/1).

During the last decade, Romania has made important steps in the field of decentralization, but in the absence of a national strategy for decentralization, a coherent framework could not be created. Within this process three cycles could be identified.

In the first cycle (1991-1994),<sup>7</sup> important changes were initiated in the structure of local services and the financing of local authorities.

In the second cycle (1998-2000), further steps were made in the direction of administrative and financial decentralization. The Law on Local Public Finance<sup>8</sup> considerably increased not only the local budgets, but also the local expenditures.

During the third cycle (2001 to present), new laws established new rules for some local authorities<sup>9</sup>, especially regarding the public utility services. In July 2003, a new law regarding the local public finances abrogated the first one. This new normative act is already in accordance with the Law regarding the public finance no. 500/2002 and is in harmony with the Regulations no.1605/2002 of the European Council.

In July 2004 was adopted the Frame-Law no.339/2004 regarding decentralization that establishes the principles and the main directions on which the decentralization process is going on in Romania. Through the normative act which regulates the functioning and the attributions of the Inter-ministry Technical Committee and of the working groups which are organized according to the Frame-Law no.339/2004 regarding decentralization (Government Decision no.2201/2004) it is also established a working group within public utilities which will meet the competence transfer from central level to local level issue.

#### 3.1.2. Weak points and threats at national level

In the decentralization/deconcentration process the following weak points and threats<sup>10</sup> were identified:

- lack of consensus on goals of decentralization, leading to an inconsistent implementation process;
- the process of decentralization and deconcentration of public services is incomplete: competencies of different levels of government have not been adequately clarified and have not been matched with corresponding transfers of property and fiscal resources;
- local autonomy is limited by the constraints on local decision-making capacity to approve and control activities;
- weak capacities of the staff to carry out the competencies transferred (insufficient staff, insufficient financial resources, insufficiently trained staff);
- low implication of the decision makers within public administration within the decentralization/deconcentration process.

<sup>7</sup> Law no.69/1991 regarding local public administration, Government Ordinance no.15/1992 regarding local taxes, Law no.27/1994 regarding local taxes

<sup>8</sup> Amendments to the Law no.69/1991 and to the Law no.189/1998 regarding the local public finances

<sup>9</sup> Law no 215/2001 regarding the local public administration

<sup>10</sup> Government Decision no.699/2004 the Romanian Government Strategy for the acceleration of the Public Administration Reform 2004-2006

## 3.2. Problems and issues related to the service

### 3.2.1. Strong points and opportunities at local level

#### **Strong points:**

- sufficient water reserves, big flows of the existing water sources (capacity to transport a very large amount of water);
- the treatment plants are at a relatively short distance from the center of the city;
- delivering of the drinking water is continuous (24 hours per day, 7 days per week);
- the metering status of the consumers is at over 70%;
- qualified personnel in providing drinking water supply service;
- openness of the local and county public administration authorities to attract funds for the modernization of the infrastructure in the water sector;
- location of the city of Suceava in a favorable geographic area (less dry periods of time during the year);
- water supply public system in Suceava City assures drinking water at the quality parameters required by the present legislation;
- increase of the population confidence regarding the service that is being delivered by the water service operator;
- support from the government through legislative and economic measures for the development of the drinking water supply service (both from the quantitative and qualitative point of view);
- the usage at a reduced scale of chemicals in agriculture and therefore less pollution of underground water sources;
- the existence of non-governmental organizations with interests in the field of services provided to the citizens.

#### **Opportunities:**

- the possibility to obtain grants/co-financing from the European Union for the rehabilitation of the drinking water supply system;
- harmonization of the water and environment legislation with the European Union directives (useful in preparing the ground for possible foreign investors);
- the economic growth of the area with direct implication in the increase of the number of consumers;
- the development of the IT society through the convergence of all the communication channels into one integrated system (with powerful impact on the data transfer needed for the performance indicators);
- increased interest on the part of the local authorities for promoting public/private partnerships for the protection of the environment.

### 3.2.2. Weak points and threats at local level

#### **Weak points:**

- operating with obsolete networks and installations;
- oversized installations that lead to high specific costs;
- lack of an evaluation and quality comparing system (with similar services in other areas of the country);
- lack of measurement instruments at the level of the existing end users (the rest 30% that are not metered) and of automatic equipment for real time monitoring and control of the technological process;



- high cost of the materials needed for current and capital repairs;
- difficulties in reducing technological consumption and water losses;
- poor promoting of the investments in infrastructure;
- an elevation between the inferior and the superior levels in Suceava City of 110 meters that creates difficulties in delivering the service to all consumers;
- low financing in the research and development fields;
- very low cooperation between the academic sector, the research and development institutes and the water operators that has as a result poor transfer of technologies and innovations to the water sector.

**Threats:**

- the delay in receiving the payment for the delivered service;
- decrease in the consumption of drinking water;
- in the winter season, the large amounts of snow are an important obstacle in dealing with unforeseen/foreseen interventions in the water supply system;
- polluting the environment by the water leaking;
- poor securing of the installations;
- negative external interference like power supply failures;
- migration of youth from the city of Suceava towards other cities inside or outside the country where they can find more easily a job.

### **3.3. Main areas of problems**

#### **3.3.1 Decision making problems**

- lack of a performance indicators system to analyze drinking water supply service;
- lack of economic and demographic evolution prognosis of the local area;
- lack of short term plans and lack of strategies concerning the evolution of the drinking water supply system.

#### **3.3.2. Managerial problems**

- lack of means for the evaluation of the customer's satisfaction;
- partial measurement of the sold quantity of water;
- lack of equipment to detect water losses.

#### **3.3.3. Financial problems**

- limited financial capacity of the Local Council to invest in infrastructure;
- lack of funds to develop systems for the quality control of the water service (communication between departments, communication with another institutions and authorities involved in the drinking water supply service).

#### **3.3.4. Technical problems**

- water losses that generate high specific costs;
- advance damaged components of the drinking water supply service;
- high energetic consume;
- excessive breaks number in the drinking water supply service and a very long time needed to ensure current and capital repairs.





### 3.3.5. Human resources problems

- operating with obsolete networks and installations;
- lack of modern equipments that reduces the physical and intellectual work;
- lack of short or long term plans regarding the training of the personnel, as a consequence of the lack of strategies regarding the evolution of the drinking water supply system..

### 3.4. Specific problems to be addressed

#### 3.4.1. List of problems

- lack of adequate measurement performance indicators and of a benchmark system to ensure a realistic decision making process;
- lack of managerial experience to work with such systems;
- lack of permanent and organized communication with the consumers.

#### 3.4.2. List of organizations responsible to act

List of problems	Organizations responsible	Measures taken to solve the problems
- lack of adequate measurement performance indicators and of a benchmark system to ensure a realistic decision making process	- Water service operator	- analyze the performance indicators system impact
	- Local Council	- approval of the performance indicators list
	- Ministry of Administration and Interior	- law initiative
- lack of managerial experience to work with such systems	- Water service operator	- training programs in the domain of performance indicators benchmarking
	- Professional organizations	- experience exchange with another water operators from EU
	- Training institutions	- training programs in the domain of performance indicators benchmarking
- lack of organized and permanent communication with consumers	- Water service operator	- programs for the evaluation of the customer's satisfaction
	- Local Council	- consumers awareness campaign concerning capitalizing water resources

## Chapter 4: Strategy formulation

### 4.1. Objectives of the strategy

#### 4.1.1. Overall objective

The efficient delivery of the water supply service is one of the assumed priorities through Government Programme 2004-2008 “the reform of the basic public services and of the public utilities of local interest”. “The goal is to achieve European standards and values of transparency, predictability, accountability, adaptability and efficiency. Romania recognizes that this is a great challenge”<sup>11</sup>.

In line with this goal the project overall objective is the following: Suceava City Hall, as the owner of the system, and S.C. ACET S.A. Suceava, as the operator of the system, should collaborate in order to deliver drinking water to the customers in line with EU performance indicators.

#### 4.1.2. Specific objectives

The general and specific objectives, developed within the action plan presented in the chapter 5 of the strategy document, encompasses three areas:

1. Monitoring and evaluation of the performance indicators,
2. Human resources development,
3. Communication with customers.

These areas are specifically developed according to the following tables:

Table 1

<b>General objective 1</b>	Deliver drinking water in line with EU performance indicators
<b>Specific objective 1.1</b>	Start using the performance indicators of the service proposed by the project by the end of 2005
<b>Specific objective 1.2</b>	Initiate the process of monitoring system implementation, and prepare to measure progress, evaluate success and invest in future improvements

Table 2

<b>General objective 2</b>	Develop capacity of the water service operator to work according to the new approved performance indicators
<b>Specific objective 2.1</b>	Develop professional skills related to management issues encountered in the efficient organization of service delivery
<b>Specific objective 2.2</b>	Modernizing the water service operator as a result of impact generated by new performance indicators and benchmarks systems

Table 3

<b>General objective no 3</b>	Improve communication between water service operator and local customers
<b>Specific objective 3.1</b>	Elaborate the work plan to respond to the local consumer needs

<sup>11</sup> Government Decision no.699/2004 the Romanian Government Strategy for the acceleration of the Public Administration Reform 2004-2006, page no.3

#### 4.1.3. Strategy beneficiaries

These are the following:

##### 1. The consumers:

- 77.800 persons living in flats grouped in 101 owners associations,
- 9.600 persons living in 3.600 houses,
- 900 companies.

After the implementation of the strategy, consumers will benefit by the improvement of the service and by transparency.

##### 2. The water service operator:

The implementation of the strategy will bring the following benefits for the water service operator:

- knowledge and analysis of the current situation of the service;
- orientation of the service towards consumers demands;
- possibility of adopting good practice models by introducing and using benchmarking systems;
- improving the quality of the service by using performance indicators.

##### 3. The authorities:

The local administration authority (Local Council and Mayor) could evaluate the service in order to improve decision-making process. Like wise, it could evaluate the efficiency of the water service operator.

County Council, Prefecture, National Authority for Regulation of the Communal Services and the ministries, through deconcentrated institutions, will collect information about the functioning of the water supply public service in Suceava City.

#### 4.1.4. Expected results in line with the announced objectives

The expected results are the following:

General objective no. 1		General objective no. 2		General objective no. 3
Specific objective 1.1	Specific objective 1.2	Specific objective 2.1	Specific objective 2.2	Specific objective 3.1
<b>Results</b>				
Reports on technical, /technological, financial, human resource capacity to implement the list of performance indicators	Proper operating procedures to operate the benchmarks system at the local level	Management staff trained in short term training courses  Acquisition of relevant managerial/specific sector bibliography	Establish of a 12 months work plan based on the results of specific objective 1.1  Development of a Management Information System at the water service operator level, supply hard/soft components and trained staff	The consumer responses incorporate in the operational and maintenance year plan
List of performance indicators feasible at local level	The benchmarks system is operational	Research projects implemented in partnership with educational/training organizations to strengthen competence of water service operator in operating with unpredicted situations	Establish of twining program between local water service operator and other similar operators from the EU	“Customer’s day” for communication with owners associations and businesses
City Council approves the list of performance indicators and empower the mayor to act as executive authority	Establish method for data collection in place			Organize training for the owner association’s representatives, to increase their knowledge/skills in operational maintaining the drinking water supply system
The government decision on using of the performance indicator system				“on-line channel” functional for all parties interested in the water delivery system

## **Chapter 5: Strategy implementation**

### **5.1. Institutional and financial aspects**

#### **5.1.1. Organizations involved and shared responsibilities**

- Local Council and City Hall will support S.C. ACET S.A. by ensuring financial resources in implementing the approved performance indicators and benchmark system;
- The Central Unit for Public Administration Reform, within the Ministry of Public Administration and Interior, will support the law proposals regarding introducing the approved performance indicators at national level and will ensure the monitoring of the strategy implementation, within the decentralization/deconcentration process.

#### **5.1.2. Necessary resources**

The necessary resources can be divided into:

- legal resources: Government Decision proposal in order to apply the performance indicators system;
- human resources: trained personnel;
- institutional resources: an eligible institution for operating with the benchmarking system;
- financial resources: for logistics, for data base, for personnel training.

### **5.2. Performance indicators**

#### **5.2.1. Approach and use of indicators**

Performance indicators are widely used as tools in many sectors of industry around the world, and their potential in water industry is unquestionable. To achieve its goals, the water service operator needs to strive for high degrees of efficiency and effectiveness. Efficiency means the situation in which the resources of the operator are optimally utilized to produce the service. Effectiveness means the situation in which declared objectives (specifically and realistically defined) are achieved.

A performance indicator is a quantitative measurement of a particular aspect of the operator's performance or standard of service. It assists in a monitoring and evaluation of the efficiency and effectiveness of the operator, thus simplifying an otherwise complex evaluation.

Performance indicators are divided into six categories according to the organizational structure of the water operator: water indicators, personnel indicators, physical indicators, operational indicators, quality of the service indicators and financial indicators.

The interpretation of an operator's performance cannot be assessed without taking its own context into account, as well as the most relevant characteristics of the system and of the region. The context information is organized as follows: operator profile, system profile and region profile.

The operator profile outlines the framework of the organizations. The system profile focuses mainly on the water volumes managed, on the physical assets, on the technological means used and on the customers. The region profile will be relevant for comparing between operators because it allows for a better understanding of the demographic, economic, geographical and environmental context.

For the water supply service the indicators proposed to be part of this system are presented in **Annex no.6**.

## 5.2.2. Benchmarks

Public services must be evaluated by the decision-makers and by the consumers.

For a realistic assess of a water service operator activity it is necessary to compare with other similar operators.

Benchmarking is a tool for measuring and comparing the performance of a product. A service is a tool to strengthen the efficiency and the effectiveness of an organization.

This measurement is essential; it means that the first step is to identify a performance indicators system applicable to other organizations. The following step is to approach comparative companies like benchmarking partners.

The benchmarking process includes the study of the performances of other organizations and learning from the good practice model. The results are new targets for each water operator. The implementation of a benchmarking system increases the possibilities of improvement, but also a very important step is to account the feedback.

For the public services the benchmarking must be transparent, consumers access to information must be assured.

After the implementation, the benchmarking process becomes a cyclic process characterized by the follow phases:

- collecting data
- analyze and report
- define improvements
- implement improvements
- feedback

The profits from benchmarking are:

- transparency
- support for weak points
- input for improvements
- knowledge from other
- knowledge about organizations
- improvement information

As every good thing, the benchmarking system has some pitfalls too:

- lack of support
- limited possibilities
- needs intensive labor
- needs continuity
- needs a big volume of data and information

In order to create and sustain a benchmark system the most important role belongs to the performance indicators system established.

## 5.2.3. Performance indicators for institutions

**For water supply service operator:**

- facilitates better quality and in time responses from managers;
- allows easier monitoring of the effects of management decisions;
- provides key information that supports an active approach of the management;
- highlights strengths and weaknesses of departments, identifying the need corrective measures to improve productivity, procedures and routines;
- assists to the implementation of a quality management regime, as a way of emphasizing all-round quality and efficiency throughout organization;
- facilitates the implementation of benchmarking routines, both internally, for comparing the performance at different locations or systems, and externally, for comparing with other similar operators, thus promoting performance improvements;



- provides technical basis for auditing the organization's workings and predicts the effect of any recommendations made as a result of the audit.

**For national or regional institutions:**

- provides a common basis for comparing the performance of water service operator and for identifying possible corrective measures;
- supports the formulation of policies for water sector, within the integrated management of water resources, including resources allocations, investments, and development of new regulating tools.

**For regulatory institutions:**

- provides key monitoring tools to safeguard consumer interests in a monopoly service supplier situation and monitor compliance with contracted goals.

**For financing institutions:**

- assistance in assessing investment priorities and project selection.

**For consumers:**

- provides the means of translating complex processes into simple – to – understand and of transmitting the evaluation of the quality service provided.

### 5.3. Public debate of the strategy

Increasing the quality of the drinking water supply service is one of the most important goals of the local authorities. In this respect, a new and improved performance indicators system, together with the related benchmarking system, represents new tools within a modern management of water public service.

The institutions and organizations that will work together to obtain a performance indicators system are S.C. ACET S.A., City Hall, Local Council, owner associations and businesses.

**S.C. ACET S.A.** is the operator of the drinking water supply service in Suceava City.

The assets of the drinking water supply system are propriety of the Suceava municipality, which is represented by the **Local Council** and the **City Hall**. The municipality is also the owner of S.C. ACET S.A.

**Local Council** has competence in setting up, organizing, coordination and the control of the public services, and in creating, managing and exploiting the assets in the public property of the Suceava Municipality. The Local Council keeps its prerogatives in adopting policies and strategies for the development of the service.

**City Hall** is an institution, which has as leader the **Mayor**; he is the chief of the local public administration and of the executive personnel, his main responsibility being to discharge the decisions of the Local Council and to manage the public services.

Matra project water team will make the first step. According to the International Water Association Performance Indicators, water team will establish a list of performance indicators to be applicable at local level in the pilot city.

Next, water team will hold a meeting with S.C. ACET S.A. top managers in order to present the benefits of this new list of performance indicators.

S.C. ACET S.A. will analyze this proposal in meetings held with all the managing and support personnel, will ask additional information if necessary and will modify/complete the performance indicators system.

In the mean time, Matra project water team will address to the City Hall the same proposal. During a meeting held with the City Hall representatives, water team will present the benefits of this new list of performance indicators.

City Hall will hold a meeting with Local Council representatives regarding the proposal. Together they will analyze the list of performance indicators and will ask for additional information if necessary.

Further, City Hall must ask for consumers acceptance. This will be made in the first stage through questionnaires, which will be filled in with responsibility by ordinary people coming to the City Hall. Another stage will consist in a large meeting with the business representatives, especially with the major consumers. Also, an important stage is to hold a meeting between City

Hall representatives and owner associations representatives. Non the less, local non-governmental associations will be consulted.

Also, people can be informed about this new performance indicators system and ask for their opinion using convenient means (newspapers, radio, TV, Internet, fliers).

Public debate are made:

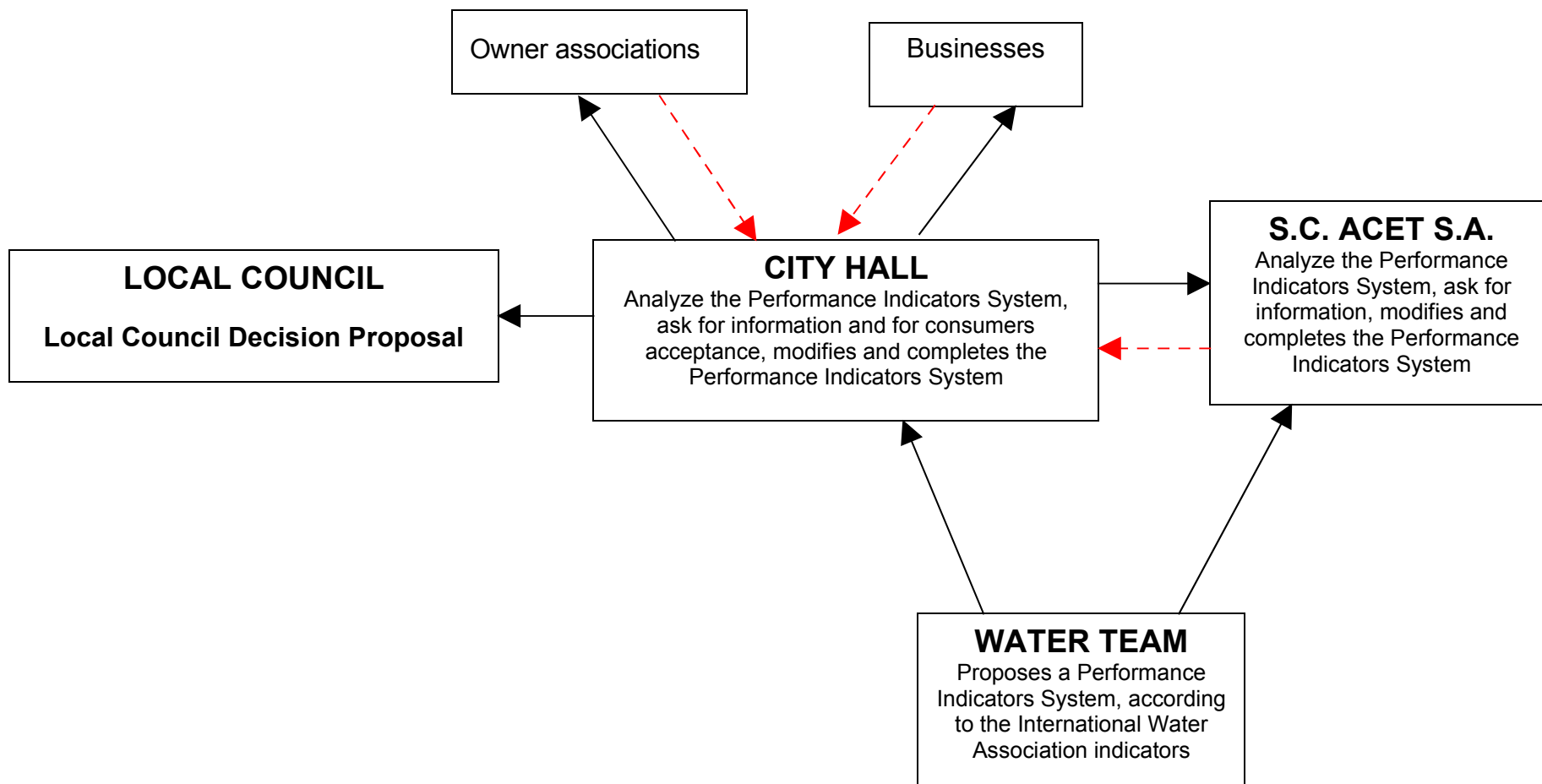
- to ensure a large information at the local level;
- to ensure a permanent communication with the main stakeholders and to take into consideration all opinions related to the water service issues;
- to ensure the participative character in the elaboration and implementation of the strategy;
- to ensure a large commitment on the strategy implementation, to have the support of the main beneficiaries during the process.

After these public debates, City Hall will have a clear point of view on the citizens' wishes concerning a modern drinking water service.

City Hall will hold a meeting with S.C. ACET S.A. representatives and together will finalize the performance indicators system. This final list will be forwarded to the Local Council and, in the end, a Local Council Decision proposal will be issued.

This is the most important thing to achieve at local level.

The scheme with the institutions and organizations involved in the public debate is presented below:



*Scheme of the institutions and organizations involved in public debate*

### Chapter 6: Action plan

<b>General objective 1:</b>	Deliver drinking water in line with EU performance indicators				
<b>Specific objective 1.1</b>	Start using the performance indicators of the service proposed by the project by the end of 2005				
Activity	Results	Indicator for evaluation	Risk involved	Organizations involved	Deadline
<u>Activity 1:</u> The water service operator analyses the impact of implementation of the performance indicators on the internal management and executive staff	Reports on technical, /technological, financial, human resource capacity to implement the list of performance indicators	Council of Administration of the water service operator decides on the list of performance indicators to be used for 2006-2010, and on the work plan for improvement of the capacity of the water service operator to manage the indicators system	No risk involved	ACET	09.2004-03.2005
<u>Activity 2:</u> Services Committee within the Local Council will analyse the performance indicators system proposal	List of performance indicators feasible at local level	Services Committee Report	No risk involved	Services Committee	05.2005

<p><u>Activity 3:</u> Local council debates by commissions, on the list of performance indicators to be accepted</p>	<p>City Council approves the list of performance indicators and empower the mayor to act as executive authority</p>	<p>Local Council decision issued and signed</p>	<p>No risk involved</p>	<p>Local Council</p>	<p>06.2005</p>
<p><u>Activity 4:</u> Ministry of Administration and Interior proposes legislative initiative based on the decisions of the local authorities</p>	<p>The government decision on using of the performance indicator system</p>	<p>Issued in the National Gazette</p>	<p>Possible delay in finishing the government decision, caused by various institutions involved in approving the decision</p>	<p>Ministry of Administration and Interior, Ministry of Justice, Ministry of Industry, Ministry of Finance</p>	<p>12.2005</p>

<b>General objective 1</b>	Deliver drinking water in line with EU performance indicators				
<b>Specific objective 1.2</b>	Initiate the process of monitoring system implementation, and prepare to measure progress, evaluate success and invest in future improvements				
Activity	Results	Indicator for evaluation	Risk involved	Organizations involved	Deadline
<u>Activity 1:</u> Assess from technical, and institutional point of view viable possibilities to implement the system at the Prefecture level	Proper operating procedures to operate the benchmarks system at the local level	Prefecture is ready to implement the system and clear procedure to operate the system is established	Delay due to the Prefecture to take over new responsibilities	Ministry of Administration and Interior, Prefecture Suceava	06. 2005
<u>Activity 2:</u> Set up technical and financial resources to take over the responsibility to operate the benchmarks system	The benchmarks system is operational	Project proposal ready to be financed in the PHARE project to develop existing capacity in the field of IT and human resource	Capacity to develop a clear project proposal	City Halls in Suceava county	11.2004
<u>Activity 3:</u> Start evaluating the results	Establish method for data collection in place	Benchmarks system is operational in the pilot cities	Not enough financial resources for benchmarks system implementation	Pilot cities, Prefecture, Ministry of Administration and Interior, Romanian Local Authorities Federation	09. 2005

<b>General objective 2</b>	Develop capacity of the water service operator to work according to the new approved performance indicators				
<b>Specific objective 2.1</b>	Develop professional skills related to management issues encountered in the efficient organization of service delivery				
Activity	Results	Indicator for evaluation	Risk involved	Organizations involved	Time table
<u>Activity 1:</u> Build capacity on organizational structures to sub-contract, to procure the materials, to price the services, to satisfy the consumer	Management staff trained in short term training courses  Acquisition of relevant managerial/specific sector bibliography	Number of participants trained	The capacity of training organization to implement training programs in the requested domain	Public organizations for administration training	09.2004 - 11.2005
<u>Activity 2:</u> Build capacity on good practice model operational in EU countries	Research projects implemented in partnership with educational/training organizations to strengthen competence of water service operator in operating with unpredicted situations	Number of programs implemented in partnership with educational/training organizations	The capacity of educational/training organization to implement training programs in the requested domain	Public organizations for administration educational/training	09.2004 - 11.2005



<b>General objective 2</b>	Develop capacity of the water service operator to work according to the new approved performance indicators				
<b>Specific objective 2.2</b>	Modernizing the water service operator as a result of impact generated by new performance indicators and benchmarks systems				
Activity	Results	Indicator for evaluation	Risk involved	Organizations involved	Time table
<u>Activity 1:</u> Produce an efficiency improvement program and a medium term financing program, all supported with a Management Information System	Establish of a 12 months work plan based on the results of specific objective 1.1  Development of a Management Information System at the water service operator level, supply hard/soft components and trained staff	Work plan approved by the Council of Administration of the water service operator	The co-ordination with the specific objective 2.1	National Institute of Administration, City Hall, ACET	05.2005 – 10.2005
<u>Activity 2:</u> Modernize the business operation of water operator needed to sustain operating maintenance, to adapt to new technologies and to improve quality	Establish of twining program between local water service operator and other similar operators from the EU	Number of twining programs established	Not enough information available provided by the City Hall to the water operator	City Hall, ACET	05.2005 – on going

<b>General objective no 3</b>	Improve communication between water service operator and local customers				
<b>Specific objective 3.1</b>	Elaborate the work plan to respond to the local consumer needs				
Activity	Results	Indicator for evaluation	Risk involved	Organizations involved	Time table
<u>Activity 1:</u> Design questionnaires to assess the consumer's satisfaction degree	The consumer responses incorporate in the operational and maintenance year plan	Number of questioners sent and received back from the customers	No risk	ACET	09.2004 – 12.2004
<u>Activity 2:</u> Identify forms for being permanently in touch with the customers	“Customer’s day” for communication with owners associations and businesses	Number of meetings organized	No risk	ACET, City Hall	09.2004 – on going
<u>Activity 3</u> Increase the level of awareness of the customers in understanding the economic and environmental impact of a good maintenance system	Organize training for the owner association's representatives, to increase their knowledge/skills in operational maintaining the drinking water supply system	Number of training courses done	No risk	ACET, City Hall	09.2004 – on going
<u>Activity 4:</u> Operate at the large scale with various customers	“on-line channel” functional for all parties interested in the water delivery system	On line connection	Limited financial resources	ACET	09.2005 – on going

**Annex no.1 – Performance indicators established by the Government Decision no.1591/18.12.2002 concerning the approval of Frame-Regulation for the organization and function of the water and sewage public service**

**1. Performance indicators**

**1.1. Service connections**

- a. Number of service connections by type of service and by type of consumers
- b. Number of service connections with an approval time of 15/30/60 days

**1.2. Service Contracts**

- a. Number of service contracts by type of consumers/total number of registered requests
- b. Number of service contracts registered in less than 15 days
- c. Number of operator's contract modifications/number of consumer's contract modifications
- d. Number of contract modifications solved in 3-5 days
- e. Number of solicitations to reduce technical parameters/number of solicitations to increase technical parameters
- f. Number of solicitations to reduce water quality parameters of the contract/number of solicitations to increase water quality parameters of the contract

**1.3. Metering**

- a. Annual number of meter settings/number of requested meter settings, by type of delivered water
- b. Annual number of meter settings/number of consumers without meters
- c. Annual number of complaints regarding meter precision by type of delivered water and by type of consumers
- d. Percentage of justified complaints
- e. Percentage of meter settings solved in less than 10 days
- f. Quantity of billed water/quantity of distributed water
- g. Number of complaints regarding distributed water parameters
- h. Annual number of complaints coming from the Environment protection Agency

**1.4. Invoicing and accounting**

- a. Number of complaints regarding invoicing
- b. Number of complaints solved in 10 days
- c. Number of justified complaints
- d. Total amount of cashed invoices/total amount of emitted invoices

**1.5. Water breaks**

**1.5.1. Accidental breaks**

- a. Number of not-programmed announced breaks by type of consumers
- b. Number of consumers affected by the not-programmed announced breaks by type of consumers
- c. Average time of the accidental breaks by type of consumers
- d. Number of accidental breaks by type of consumers
- e. Number of consumers affected by the accidental breaks by type of consumers

**1.5.2. Programmed breaks**

- a. Number of programmed breaks
- b. Number of consumers affected by the programmed breaks by type of consumers
- c. Average time of the programmed breaks by type of consumers
- d. Number of programmed breaks with exceeded time

**1.5.3. Water breaks due to the consumers**

- a. Number of consumers with water delivery breaks due to a not paid invoice (by type of consumers and by type of services)

- b. Number of broken contracts due to not paid water delivery (by type of consumers and by type of services)
- c. Number of water breaks due to contractual offenses (by type of consumers, by type of services and by contractual clauses)
- d. Number of reconnected consumers in less than 3 days

**1.6. Quality of the delivered services**

- a. Number of complaints regarding the quality parameters of the delivered water (by type of consumers, by type of delivered water and claimed parameters)
- b. Number of complaints due to the operator's faults
- c. Total amount of compensations paid by the operator for the contractual offenses/total amount of the invoices (by type of consumers and by type of services)
- d. Number of complaints regarding the functioning assurance degree.

**1.7. Responses to the consumer's written complaints**

- a. Number of written complaints, others than the previous, to which the operator must answer
- b. Percentage of written complaints with a response in less than 30 days

**2. Guaranteed performance indicators**

**2.1. Performance indicators guaranteed by the service license**

- a. Number of written complaints regarding the operator's offense to the license obligations
- b. Number of license offenses caused by the operator to result from the inspections of the National Authority of Regulation the Public Communal Services and the given solution to each offense

**2.2. Performance indicators which attracts penalties from contractual offenses**

- a. Number of consumers who received compensations from the operator due to the damages of the consumer's installations or due to sicknesses caused by improper drinking water
- b. Total amount of compensations paid by the operator due to the damages of the consumer's installations or due to sicknesses caused by improper drinking water
- c. Number of requests to reduce the value of the invoice
- d. Number of solved requests to reduce the value of the invoice
- e. Total amount of reduced invoices

**Annex no.2 – Performance indicators of S.C. ACET S.A. presented on the technical yearly report to the City Hall**

1. Water delivery continuity
2. Average time for solving water breaks
3. Drinking water quality
4. Raw water intake
5. Sold water (drinking and industrial)
6. Technological water consume
7. Number of consumers (houses, owners associations and businesses)
8. Metering (houses, apartment buildings and businesses)
9. Number of accidental breaks
10. Repair and maintenance costs
11. Investments

### Annex no.3 – Legal framework

- **Law no.215/2001** regarding local public administration;
- **Law no.326/2001** regarding the communal husbandry public services, that establishes the unitary juridical framework on the creation, organization, monitoring and control of the communal husbandry public services in counties, cities and communes;
  - **Government Ordinance no.32/2002** regarding the organization and function of the public service for water and sewage;
    - **Law no.213/1998** regarding the public property and its judicial system;
  - **Law no.311/2004** to modify and complete Law no.458/2002 regarding the drinking water quality;
  - **Government Decision no.373/2002** regarding the organization and function of the National Authority for Regulation of Communal Public Services;
  - **Law no.1591/2002** concerning the approval of Frame-Regulation for the organization and function of the water and sewage public service;
  - **Order no.140/2003** of the Ministry for Public Administration regarding the approval of the Frame-Regulation concerning the licenses of the communal public services as well as conditions for suspending, retiring and modification of these licenses;
    - **Law no.219/1998** regarding the delegation (indirect management) regime;
  - **Government Ordinance no.34/2004** concerning the modifications and completion to some legal dispositions regarding the communal public services;
  - **Government Decision no.1353/2003** regarding the approval of the Frame-Contract for the delegation in the water and sewage public services;
    - **Government Ordinance no.71/2002** regarding the organization and functioning of the public services for the management of the public and private domain of local interest;
    - **Law no.404/2003** for the approval of the Government Urgent Ordinance no.107/2002 regarding the Romanian Waters National Administration;
    - **Law no.310/2004** to modify and complete Law no.107/1996 of the waters;
    - **Law no.316/2004** to modify and complete Law no.98/1994 regarding the legal normative of the public health;
    - **Government Decision no.2201/2004** regarding the functioning and the attributions of the Inter-ministry Technical Ministry and of the working groups;
    - **Government Decision no.974/2004** regarding the authorization procedure for the drinking water supply;
    - **Government Urgent Ordinance no.63/2002** regarding the organization and functioning of the Ministry of Administration and Interior;
    - **Order no.1069/2003** of the Ministry of Agriculture regarding the approval of the methodology of the specific activities of water husbandry;
    - **Order no.147/2004** of NARCS for the approval of the sanctions on the communal husbandry regulations.

## Annex no.4 – Authorities and institutions

### 1. Central authorities and institutions

**a. The Ministry of Administration and Interior** ensures “the realization of the Government Programme and of the administration strategies, the elaboration and application of the institutional reform programs by the ministries and by the other central public administration authorities”<sup>12</sup>. M.A.I. is the institution which coordinates the reform process of the public service and continuing the decentralization process.

“Together with local public administration authorities elaborates and monitors strategies, supports urban infrastructure and communal husbandry developing programs and supports realization of public-private partnership projects”<sup>13</sup>.

Through the Communal Husbandry Services Department and Local Investments Department within the ministry, supports the local authorities in their action to attract external investment, analyses the current legal situation in the communal public services and formulates proposals for improvement.

**b. The National Authority for Regulation of Communal Public Services** is a public institution at national level. It is organized and is functioning under the coordination of the Prime Minister, heaving as purpose to establish the regulatory frame for monitoring and control at a central level of all the activities included in public management<sup>14</sup>. This institution acts towards all the operators of public services, whatever their organizational, administration or property form. It elaborates and controls the implementation, as well as the complying at national level of the regulations system. This public institution is elaborating and controlling the implementation of the national regulatory system regarding the organization, coordination and functioning of the communal husbandry public services in conditions of efficiency, free competition and transparency towards consumers needs according to the European standards.

This institution is coordinating a number of 8 Territorial Agencies, one for each development region. The scope of these deconcentrated agencies is to fulfil the tasks of the National Authority at regional level.

Suceava County is included into the Development Region 1 North-East, where the Botoşani Territorial Agency represents the interests of the National Agency, and concerning the water operators develop the following activities<sup>15</sup>:

- monitoring of the water operators activities in territory, as well as the modernization, reorganizing and restructuring programs, performance indicators, prices and tariffs, investments;
- controls and verifies the water operators,
- identifies and keeps records of water operators,
- offers consulting regarding the organization and functioning of the public services, standards, normative and technical prescriptions,
  - verifies and corrects the documentation in order to accord licenses and authorizations,
  - supervises the way the auctions were handled for the delegation of the management of the public service,
  - organizes, collects, processes and synthesizes the data referring to public services, their infrastructure and the activity of the operators,
  - elaborates proposals to improve the regulatory framework in public services.

<sup>12</sup> art.1, paragraph 2 from the Government Urgent Ordinance no.63/2003 regarding the organization and functioning of the Ministry of Administration and Interior

<sup>13</sup> art.14, paragraph 1)a)8) from the Government Urgent Ordinance no.63/2003 regarding the organization and functioning of the Ministry of Administration and Interior

<sup>14</sup> art.1, paragraph no.1 from the Government Decision no. 373/2002 concerning the organizing and functioning of the National Authority for Regulation of Communal Public Services

<sup>15</sup> art.36 from the organizing and functioning Regulation of the NARCS: [www.anrsc.ro/ROF\\_aprobat\\_2005.pdf](http://www.anrsc.ro/ROF_aprobat_2005.pdf)



**c. The Ministry of Health**, as a special body of the central public administration, applies the strategy and the politics of the Government towards the health of the population and is responsible for the sanitary reform<sup>16</sup>. It has among its attributions the monitoring of the drinking water quality. At county level, this attribution is made through deconcentrated service within Public Health County Departments.

**c1.** In Suceava County acts the **County Department of Public Health Suceava**, which has two sets of attributions:

- monitoring attributions:
  - monitors the quality of drinking water
  - analyses when and why the values of the measured parameters are improper
- reporting, sanctioning and informing attributions:
  - orders to the proper institutions to take as urgent as possible the measures to re-establish the quality of drinking water,
  - orders to the proper institutions to forbid or restrict the use of drinking water, if the drinking water represents a danger for human health, and informs the consumers about this issue,
  - provides the information of the drinking water quality, announces the consumers if necessary.

**d. The Ministry of Environment and Water Management** has competences of complex management of the hydrographical basins and of using of water resources. It elaborates research, studies, prognosis and strategies for the quantity and quality husbandry<sup>17</sup>.

This ministry is represented in the territory by subordinated institutions: 8 regional environment protection agencies and 34 county environment protection agencies.

**d1. Regional Environment Protection Agencies:** its scope is to manage and support the elaboration and implementation of the regional development politics from an environmental point of view, to realize environment planning at every level of developing region, to issue regulating acts in the environment protection field, to assist and to elaborate projects and programs of environment protection at regional level financed with intern or extern founds.

Regional Environment Protection Agencies are established in every developing region of the country according to the Law no.151/1998 regarding the regional development in Romania.

**d2. County Environment Protection Agency** applies the laws regarding to the operative system of integrated monitoring in the environment domain and disposes the legal measures in order to protect, ameliorate and repair the quality of the environment where it was damaged. It organizes the system and controls the way laws are applied and the regulations are respected concerning the environment issues in general and the waters and aquatic ecosystems in particular. Also, the Environment Protection Agency organizes and applies the legal dispositions concerning the authorization of the economical and social activities with an impact on the environment, and elaborates and publishes periodic reports on the status of the environment at territorial level.

This institution interferes with the water operator by applying the authorization procedures and it makes sure that the technologies used by the water operator and by others companies have a reduced negative impact on the environment and on the quality of life.

**d3. National Administration Romanian Waters** is a public institution within the authority of The Ministry of Environment and Water Management. It is the single operator for the specific public services in managing and capitalizing the surface and underground water resources. That means that this authority is charging the operators for the consumed raw water.

The main role of this company is to apply the national policy and strategy in managing the quality and quantity of the water resources and the national program of implementing the regulations of the legislation accorded with the European Union directives in long-term water resources management.

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<sup>16</sup> art.2, paragraph 1 from the Government Decision no.743/2003 regarding organization and functioning of the Ministry of Health

<sup>17</sup> art.14, II, from Government Decision no.408/2004 regarding the organization and functioning of the Ministry of Environment and Water Management



It can propose to The Ministry of Environment and Water Management specific regulations in water management issues.

In territory, the National Administration Romanian Waters has 11 water departments, organized on hydrographic basins, which deal with specific problems occurred at the level of each hydrographic basin.

**d4.** Suceava county is under the jurisdiction of the Siret Water Department, which organizes at county level the **Water Management System Suceava**.

**Water Management System Suceava** plays a major role in:

- knowledge, preserving, utilizing, rationalizing, restoring and capitalizing of the water resources,
- approval, authorization and control of water uses, of the working built on water or related to water,
- monitoring of the hydrological, hydro geological and quality of water status, and in elaborating diagnosis and prognosis.

**f. The Prefect** is “the representative of the Government at local level”<sup>18</sup> and “conducts the activity of the deconcentrated public services of the ministries and of the other public central authorities, which are organized at local level”<sup>19</sup>.

This institution watches how local authorities collaborate with the government public deconcentrated services in order to solve the community problems. It participates to studies and analysis of durable development, and to the plan of county concern investments.

Being the representative of the Government and together with the local and county public administration authorities, the prefect establishes the priorities on the county development<sup>20</sup>. Also, the prefect plays a major role in analyzing the service situation on a wide point of view and that is why he can propose to the ministries to act in order to improve the activity of the deconcentrated public services<sup>21</sup>.

## 2. Local authorities

**a) Suceava Local Council** has initiative and decides, according to the law, in all the matters of local interest, except the problems that are transferred by law to other local or central public authorities.

This authority of the local public administration has exclusive competence in setting up, organizing, coordinating and controlling the public services of communal husbandry, and in creating, managing and exploiting the assets in the public property of the infrastructure of the Suceava Municipality<sup>22</sup>. It decided to lease the drinking water supply public service of local interest to the public owned company S.C. ACET S.A. It is the owner of the company, members of the Shareholders are local councilors, and the infrastructure belongs to the public domain of the municipality, being administered by the Local Council. Local Council has to approve any change in the tariffs of S.C. ACET S.A. and approves the technical-economical documentation of local interest investments.

The public service is provided in the form of indirect management, as the City Council leased, based on a contract, the management of the service and the exploit of public systems. The City Council keeps its prerogatives in adopting policies and strategies for the development of the service. It controls and surveys<sup>23</sup>:

- if the operators respect and fulfil the obligations mentioned in the contract,
- the quality of the service,

<sup>18</sup> art.1, paragraph 1, from the Law no.340/2004 regarding the Prefect Institution

<sup>19</sup> art.3 from the Law no.340/2004 regarding the Prefect Institution

<sup>20</sup> art.24) 1) e) from the Law no.340/2004 regarding the Prefect Institution

<sup>21</sup> art.137, paragraph 3, from the Law no.215/2001 regarding the Local Public Administration

<sup>22</sup> art. 2, paragraph 1, from the Law no.326/2001 on the public services of local management

<sup>23</sup> art.18, paragraph 3, from the Law no.326/2001 on the public services of local management

- the parameters of the service,
- the manner of management, exploit, preserve and keeping functional, development and modernizing of the public systems infrastructure,
- the manner of setting the tariffs.

Although the water operator finances his current expenses from its own budget (by charging the users for the service performed and by special taxes), there are situations in which it can receive, in addition, budgetary funds from the Government or even from the local budget. The City Council can contract or guarantee loans for financing the investments programs in order to spread, to develop, to rehabilitate, to modernize and improve technologies in the service infrastructure.

**b) The Mayor** is “the chief of the local public administration and of the special body of the local public administration authority”<sup>24</sup>, his main responsibility being to discharge the Local Council Decisions and to manage the public services.

**c) Suceava County Council** is the authority of local public administration at the county level constituted to coordinate the activity of communal and city councils, in order to ensure the county concern public services<sup>25</sup>. Taking into account the fact that the drinking water service is considered a county concern public service, Suceava County Council has the following attributions towards this service:

- adopts strategies, prognoses and programs on economical and social development of the county or of some areas of the county, on the basis of suggestions coming from local councils (cities and communal councils), takes measures, including financial ones;
- coordinates the activity of the communal and city councils through which public county concern services are provided;
- decides, according to law, the association with the local councils, to reach mutual interest objectives, and in this respect can create together with the local councils public institutions, companies and public services.

Suceava County Council is actively involved in the developing public services within the county, like heating and hot water supply services, as well as the drinking water supply service.

In this respect, together with other local councils within the county, Suceava County Council is involved in a SAMTID Programme to create a single operator for the drinking water supply service for some of the cities and towns within the Suceava County, in order to rehabilitate the systems of collecting, transport and distribution of the drinking water in these areas.

### 3. Consumers and other stakeholders

The water operator provides the drinking water service to most of companies and inhabitants from Suceava City.

In terms of figures, the clients of the operator are:

- 77.800 persons living in flats grouped in 99 owners associations,
- 9.600 persons living in 3.600 houses,
- 900 companies.

Most of these clients are represented, in the contractual relationship with S.C. ACET S.A. by Owners Associations, constituted in order to deal with the problems of the owners.

Also, there are some associations of the public local authorities, which intervene in the process. The Romanian Association of the Municipalities, the National Union of the County Councils and the Romanian Federation of Local Authorities can take decisions in order to accomplish the principles of autonomy and decentralization of public services.

<sup>24</sup> art.66, paragraph 1, from the Law no.215/2001 regarding the Local Public Administration

<sup>25</sup> art.101, paragraph 1, from the Law no.215/2001 regarding the Local Public Administration

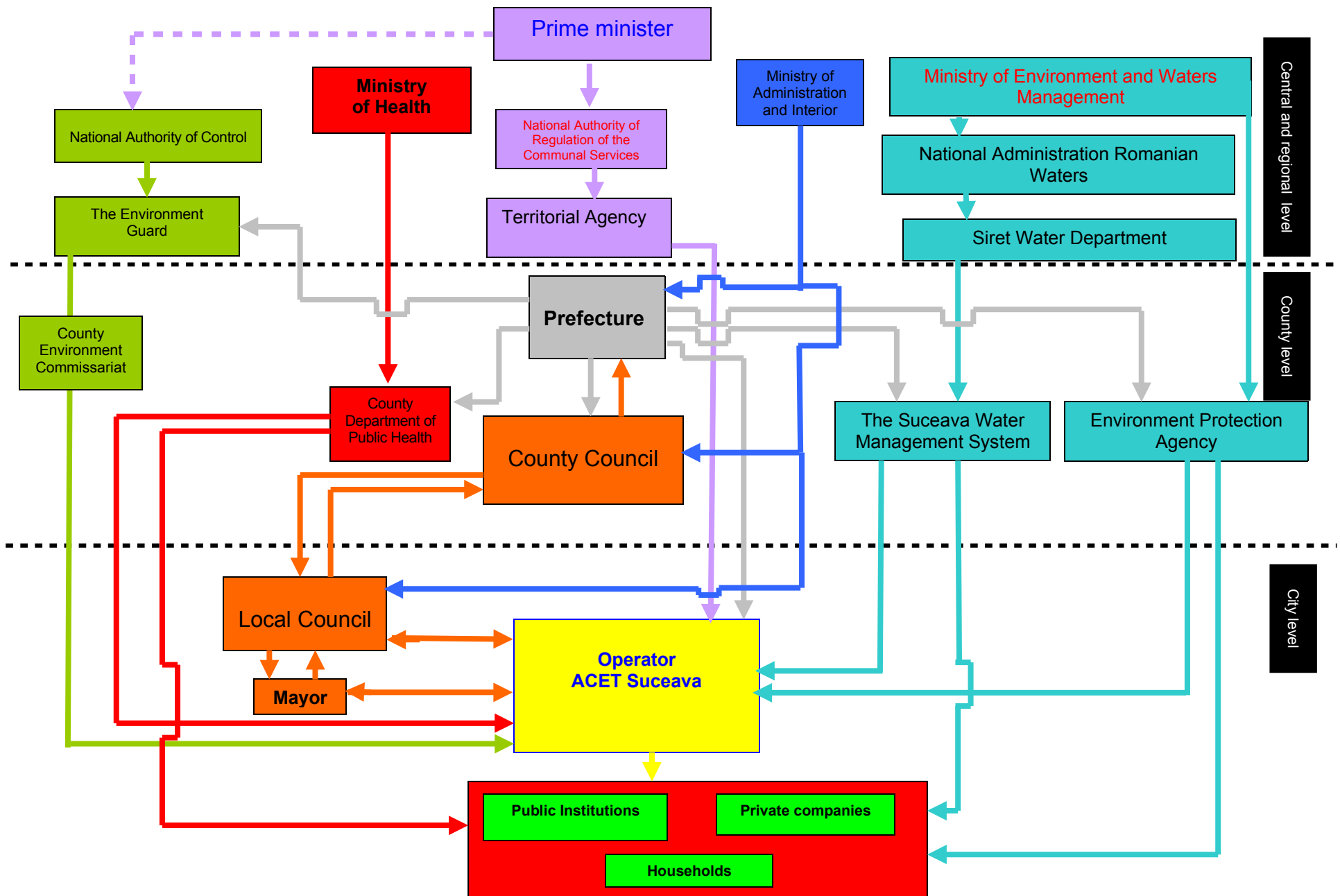
Another important association it is the non-governmental organization called Romanian Water Association, a professional organization for the operators of drinking water services. This association is a member of International Water Association. The objective of the Romanian Water Association<sup>26</sup> is to represent, to promote, to defend and to sustain: the interests of the owners of the water, sewage and infrastructure operators in their relationships with the authorities and the unions; the professional interests of their members; professional perfection in the domain of water, sewage and wastewater treatment; strengthening of the authority and of the prestige of its members; the action to modernize and develop this activity sector at an international and UE standard level; raising the quality of life by ensuring good quality water and by defending the quality of the environment.

In the figure below are analyzed all the institutions presented above, grouped by three levels, on the competence area criterion: central and regional level, county level and city level.

Because of the specific activity of other non-governmental organizations involved, these were not included in this scheme, their relationships with the operator and stakeholders being more informal.

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<sup>26</sup> Article no.5 from Romanian Water Association Statute published on [www.ara.ro](http://www.ara.ro)



## Annex no.5 – Technical description of the drinking water supply system in Suceava City

### Suceava City has three water sources:

**Berchișești** - underground water source, situated at 26 km distance from town, with a capacity of 785 l/s. This water source assures approx. 60% of the water consume in Suceava. The quality of the water is very good.

**Dragomirna** – surface water source from accumulation artificial lake, situated at 8 km distance from town, with a capacity of 2390 l/s; water is pumped by the raw water supplier from the Suceava river into the accumulation Dragomirna lake.

**Mihoveni** – surface water source, situated at 5 km distance from town, with an installed capacity of 320 l/s.

The situation of the **water sources** by kind, capacity and type of treatment is presented in table no. 1.

Table no. 1 **Water sources in Suceava City**

	<b>DRAGOMIRNA</b>	<b>MIHOVENI</b>	<b>BERCHIȘEȘTI</b>
Kind	Surface source	Surface source	Underground source
Capacity	2390 l/sec	320 l/sec	785 l/sec
Treatment	Filtration Disinfection	Sedimentation Filtration	Disinfection

The **transportation mains** are constructed most of them from concrete and steel, having different diameters and lengths, as follows:

Table no. 2 **Transportation mains in Suceava City**

<b>DN (mm)</b>	<b>Length (km)</b>	<b>Kind</b>
600	26	Concrete + steel
800	26	Concrete + steel
600	5	Steel
800	3,4	Concrete + steel
500	1,5	Steel
1200	5,5	Concrete
1200	5,5	Concrete + steel

The storage tanks are located in Sfântu Ilie, Șcheia, Zamca, Burdujeni, zones that are near the city, and have different capacities, as shown in table no. 3

Table no. 3 **Storage tanks for drinking water in Suceava City**

<b>Location</b>	<b>Kind</b>	<b>Capacity (mc)</b>
Sfântu Ilie	Underground	10.000
Sfântu Ilie	Underground	10.000
Sfântu Ilie	Underground	10.000
Sfântu Ilie	Tower	1.000
Șcheia	Underground	1.000
Șcheia	Underground	1.000
Zamca	Underground	2.000
Zamca	Underground	600
Zamca	Tower	500
Burdujeni	Underground	1.000
Burdujeni	Underground	1.000
Burdujeni	Underground	5.000

The **pumping stations** are located in Mihoveni, Zamca, Dragomirna, Șcheia, Burdujeni, Sfântu Ilie and have the following characteristics:

Table no. 4 **Pumping stations for the drinking water service in Suceava City**

Location	Destination	Total power (KW)	Maxim flow (mc/h)	Pressure (mH <sub>2</sub> O)
Mihoveni – SP1	Pumping	177	1695	18
Mihoveni – SP2	Pumping	1080	2592	75
Zamca 1	Re - Pumping	320	872	86
Zamca 2	Re – Pumping	148	800	40
Șcheia	Re - Pumping	250	472	50
Dragomirna	Re – Pumping	2060	10.800	27
Burdujeni	Re – Pumping	600	2.010	70
Sfântu Ilie	Re – Pumping	103	348	40

The drinking water **distribution network** has a total length of 183 km, with diameters between  $\phi 50$  and  $\phi 600$  and having between 92 and 19 years old. The distribution network contains pipes made of: steel, cast iron, PVC, concrete-asbestos, concrete that have the following ages:

Table no. 5 Distribution system

Length	Age
37 km	92 years
16 km	36 years
40 km	34 years
39 km	33years
31 km	19 years

Six laboratories shown in the following table monitor water quality:

Table no.6 **Drinking water laboratories**

Location	Laboratory kind	Functions
Berchișești	Physical – chemical	<ul style="list-style-type: none"> <li>• Control and management treatment</li> <li>• Quality monitoring</li> </ul>
Mihoveni	Physical – chemical	<ul style="list-style-type: none"> <li>• Control and management treatment</li> <li>• Quality monitoring</li> </ul>
Mihoveni	Bacteriological	<ul style="list-style-type: none"> <li>• Quality monitoring</li> </ul>
Dragomirna	Physical – chemical	<ul style="list-style-type: none"> <li>• Control and management treatment</li> <li>• Quality monitoring</li> </ul>
Sfântu Ilie	Physical – chemical	<ul style="list-style-type: none"> <li>• Quality monitoring</li> </ul>
Burdujeni	Physical – chemical	<ul style="list-style-type: none"> <li>• Control and management treatment</li> <li>• Quality monitoring</li> </ul>

The total number of personnel involved in water activity is 209.

## **Annex no.6 – Proposal of performance indicators system for drinking water public supply service**

### **DEVELOPMENT OF THE PERFORMANCE INDICATORS SYSTEM**

Development criteria = SMART criteria

A performance indicator must be:

- Specific
- Measurable
- Applicable
- Realistic
- Time reported

For the purpose of correct interpretation of the performance indicators there are necessary some information regarding the **context** in which the service is running.

The service **context** is related with information regarding **the profile of the operator, the profile of the system, the regional profile.**

## 1. THE CONTEXT IN WHICH THE PUBLIC WATER SUPPLY IS RUNNING

### 1.1. WATER OPERATOR PROFILE

<b>DATA</b> (unit)	<b>CONCEPT</b>
<b>Water operator identification</b>	Name, contact person, address, telephone, fax, e-mail
<b>Geographical scope</b> <ul style="list-style-type: none"> <li>• region (yes/no)</li> <li>• local (yes/no)</li> </ul>	Scope of activity of the organization as a whole. One single choice is to be replied as “yes”. When “yes”, specify designation of the supplied area
<b>Type of activity</b> Water supply and: <ul style="list-style-type: none"> <li><input type="checkbox"/> no other activity</li> <li><input type="checkbox"/> wastewater</li> <li><input type="checkbox"/> electricity</li> <li><input type="checkbox"/> gas</li> <li><input type="checkbox"/> district heating</li> <li><input type="checkbox"/> other (specify)</li> </ul>	
<b>Type of assets ownership</b> <ul style="list-style-type: none"> <li>• public (yes/no)</li> <li>• private (yes/no)</li> <li>• mixed (yes/no)</li> </ul>	
<b>Type of operations</b> <ul style="list-style-type: none"> <li>• public (yes/no)</li> <li>• private (yes/no)</li> <li>• mixed (yes/no)</li> </ul>	
<b>Number of water supply systems</b> (No.)	Number of independent water supply systems managed by the operator
<b>Total personnel</b> (No.)	Total number of operator employees dealing with water supply (full time equivalent)

### 1.2. WATER SUPPLY PUBLIC SYSTEM PROFILE

#### 1.2.1. Service data

<b>DATA</b> (unit)	<b>CONCEPT</b>
<b>System identification</b>	<b>Name, contact person (if applicable), address, telephone, fax, e-mail</b>
<b>The system contains:</b> <ul style="list-style-type: none"> <li>- cathment</li> <li>- treatment</li> <li>- transportation</li> <li>- storage</li> <li>- distribution</li> </ul>	
<b>Population</b> (persons)	Resident population within the supply area
<b>Population served</b> (persons)	Size of resident population directly supplied by the operator (excluding those supplied through other sources) within the supply area.



<b>Peak population served</b> (persons)	Maximum number of resident and non – resident persons directly supplied by the water operator within the supply area.
<b>Number of registered customers</b> (customers)	Total number of registered customers
<b>residential</b> (customers)	Number of registered residential customers
<b>non–residential</b> (customers)	Number of registered non – residential customers
<b>Supply area</b> (km <sup>2</sup> )	Area that can or is intended to be served by the distribution network
<b>Type of supply</b> <b>full-time supply</b> (yes/no) <b>intermittent supply</b> (yes/no)	(One single choice can be replied as “yes”)

### 1.2.2. Service pressure

• minimum (kPa)	Minimum target service pressure at any delivery point of the network
• average (kPa)	Average service pressure at the network delivery points
• maximum (kPa)	Maximum target service pressure at any delivery point of the network

### 1.2.3. Physical assets

#### 1.2.3.1. Water resources

<b>Yearly abstraction capacity</b> (m <sup>3</sup> /year)	Maximum yearly allowance of water abstraction for water supply, based on availability of raw water resources under normal climatic conditions (the value used in abstraction license if any)
<b>Daily abstraction capacity</b> (m <sup>3</sup> /year)	Maximum daily allowance of water abstraction for water supply, based on availability of raw water resources under normal climatic conditions (the value used in abstraction license if any)
<b>Abstraction capacity</b> (m <sup>3</sup> /hour) (l/sec)	Maximum allowance of water abstraction for water supply, based on availability of raw water resources under normal climatic conditions (the value used in abstraction license if any)
<b>Protection area</b> (yes/no)	
<b>Protection area</b> (km <sup>2</sup> )	If “yes”, total area with land use constraints specifically determined for water quality protection of drinking water resources

#### 1.2.3.2. Treatment plants

<b>Number</b> (no.)	Number of treatment plants
<b>Level of treatment</b>	
<b>no treatment</b> (m <sup>3</sup> /day)	Water delivered to users without any treatment
<b>disinfection only</b> (m <sup>3</sup> /day)	Water delivered to users with disinfections only

<b>conventional treatment</b> (m <sup>3</sup> /day)	Water delivered to users from conventional treatment plants
<b>advanced treatment</b> (m <sup>3</sup> /day)	Water delivered to users from advanced treatment plants

### 1.2.3.3. Pumping stations

<b>number</b> (no.)	Number of pumping stations of the transmission and distribution system (customer pumping systems excluded)
<b>total installed power</b> (kW)	Total nominal power of the transmission and distribution system (customer pumping excluded)

### 1.2.3.4. Storage tanks

<b>number</b> (no.)	Number of storage tanks (customer storage excluded)
<b>total capacity</b> (m <sup>3</sup> )	Volume of storage tanks (customer storage excluded)

### 1.2.3.5. Service reservoirs

<b>number</b> (no.)	Number of service reservoirs (customer storage excluded)
<b>total capacity</b> (m <sup>3</sup> )	Volume of service reservoirs (customer storage excluded)

### 1.2.3.6. Distribution network

<b>Mains length</b> (km)	Distribution mains length (service connections excluded)
<b>Mains materials</b>	
<b>ductile iron</b> (%)	Length of ductile iron mains/total mains length x 100
<b>pressure iron</b> (%)	Length of pressure iron mains/total mains length x 100
<b>steel</b> (%)	Length of steel mains/total mains length x 100
<b>asbestos</b> (%)	Length of asbestos cement/total mains length x 100
<b>polyethylene</b> (%)	Length of polyethylene mains/total mains length x 100
<b>polyvinyl chlorine</b> (%)	Length of polyvinyl chlorine mains/total mains length x 100
<b>concrete</b> (%)	Length of concrete mains/total mains length x 100
<b>others</b> (%)	Length of other materials mains/total mains length x 100
<b>Mains diameters</b>	
<b>Dia ≤ 100/110 mm</b> (%)	Length of mains with internal/external diameter ≤ 100/110 mm / total mains length x 100
<b>100/110 &lt; Dia &lt; 300/315 mm</b> (%)	Length of mains with 100/110 mm < internal/external diameter < 300/315 mm / total mains length x 100
<b>Dia ≥ 300/315 mm</b> (%)	Length of mains with internal/external diameter ≥ 300/315 mm / total mains length x 100

<b>Mains age</b>	
<b>With age less than 30 years old</b> (%)	Length of mains with age less than 30 years old / total mains length x 100
<b>With age between 30 and 40 years old</b> (%)	Length of mains with age between 30 and 40 years old / total mains length x 100
<b>With age between 40 and 50 years old</b> (%)	Length of mains with age between 40 and 50 years old / total mains length x 100
<b>With age more than 50 years old</b> (%)	Length of mains with age more than 50 years old / total mains length x 100
<b>System flow meters</b>	
<b>Number of flow meters</b> (No.)	Number of flow meters permanently or temporarily installed in the distribution system
<b>Service connections</b>	
<b>Total number of service connections</b> (No.)	Number of service connections
<b>Service connection density</b> (No./km)	Number of service connections / total mains length

#### 1.2.3.7. Automatic monitoring and control

<b>pumping</b> (%)	Number of pumping stations with automatic control units / total number of pumping stations x 100
<b>treatment</b> (yes/no)	Routine use of automatic procedures to control treatment units
<b>automatic monitoring and control</b> (yes/no)	Routine use of a automatic monitoring and control facility
<b>integrated control</b> (%)	Number of integrated stations / total number of stations x 100

### 1.3. Region profile of the water supply system

#### 1.3.1. Environment (these statistics relate to the area of service)

##### 1.3.1.1. Yearly rainfall (average for the past 30 years)

<b>average</b> (mm/year)	Yearly average rainfall (average for the past 30 years)
<b>maximum</b> (mm/year)	Yearly maximum rainfall assessed as the annual maxima of the last 30 years
<b>minimum</b> (mm/year)	Yearly minimum rainfall assessed as the annual minima of the last 30 years

##### 1.3.1.2. Air temperature (average for the past 30 years)

<b>daily average</b> (°C)	Average daily air temperature of the year (average for the past 30 years)
<b>daily maximum</b> (°C)	Average air temperature for the hottest day of the year (average for the past 30 years)
<b>daily minimum</b> (°C)	Average air temperature for the coldest day of the year (average for the past 30 years)

##### 1.3.1.3. System topography

<b>Average high of the water sources</b> (m)	Average high of the water sources over the see level
<b>Maximum high of water distribution</b> (m)	Maximum high of water distribution over the see level
<b>Minimum high of water distribution</b> (m)	Minimum high of water distribution over the see level

##### 1.3.1.4. Type of sources

<b>Surface sources</b> (%)	Total installed capacity of the surface sources / total annual abstraction capacity x 100
<b>Underground sources</b> (%)	Total installed capacity of the underground sources / total annual abstraction capacity x 100

## **2. PERFORMANCE INDICATORS**

### **INDICATORS CATEGORIES**

- **Level 2 indicators = 17**
  - **Level 1 indicators = 9**
- 
- total = 26**

- **WATER INDICATORS = 3**
- **PERSONNEL INDICATORS = 2**
- **PHISICAL INDICATORS = 3**
- **OPERATING INDICATORS = 4**
- **QUALITY INDICATORS = 6**
- **FINANCIAL INDICATORS = 8**

### **INFORMATION LEVEL**

For an easier working with the performance indicators, they were grouped into 2 levels:

- **Level 1 - L1**  
**for all the interested parties**
- **Level 2 - L2**  
**for decision makers only**

## 2.1. Water indicators

<b>Inefficiency of use of water resources</b> L1 (%)	Real losses / water abstracted x 100
<b>Resources availability</b> L2 (%)	[Authorized consumption + water losses = annual abstraction] / total yearly abstraction capacity x 100 A value of 100% for this indicator means that all available resources are being used
<b>Consumption per capita</b> L1 (l/capita/day)	Total annual billed water for the residential consumers / average number of customers / 365

## 2.2. Personnel indicators

<b>Employees per connection</b> L1 (No./1000 connection)	Number of full time equivalent employees of the water operator / number of service connections x 1000
<b>Management and support personnel</b> L2 (No./1000 connections)	Number of full time equivalent employees dedicated to administration, strategic planning, legal affairs, personnel, public relations, quality management / number of service connections x 1000

## 2.3. Physical indicators

<b>Annual electrical energy consumption for drinking water supply</b> L2 (kWh/m <sup>3</sup> )	Annual electrical energy consumption for running the water supply system / Annual authorized water consumption
<b>Flow meters density</b> L1 (%)	Number of flow meters / total connections x 100
<b>Metered billed water</b> L2 (%)	Annual quantity of metered billed water / annual billed quantity of water x 100

## 2.4. Operational indicators

<b>Water losses</b> L2 (m <sup>3</sup> /connection/year)	Water losses / number of service connections If the service connections density < 20/km of mains (e.g. transmission networks), then this indicator should be expressed in m <sup>3</sup> /km of water mains / year
<b>Mains failures</b> L2 (No./100 km/year)	Number of mains failures during the year, including failures of valves and fittings / total mains length x 100
<b>Service connection failures</b> L2 (No./1000 conn./year)	Number of service connection failures during the year / number of service connections x 1000
<b>Tests performed</b> L2 (%)	Number of treated water tests performed during the year / number of treated water tests required by applicable standards or legislation during the year x 100

## 2.5. Quality of the service indicators

<b>Drinking water coverage</b> L1 (%)	Resident population supplied with drinking water / total resident population x 100
<b>Continuity of supply</b> L1 (%)	Number of hours when the system is pressurized during the year / 24 / 365 x 100
<b>Quality of supplied water</b> L1 (%)	Total number of treated water tests complying with the legislation during the year / total number of tests of treated water performed during the year x 100
<b>Drinking water service complaints</b> L2 (No. compl./conn./year)	Number of complaints of quality of drinking water service during the year / number of service connections
<b>Billing complaints</b> L2 (No. compl./cust./year)	Number of billing complaints during the year / number of registered customers
<b>Response to written complaints</b> L2 (%)	Number of written responses within the target time / number of written complaints during the year

## 2.6. Financial indicators

<b>Unitary tariff</b> L1 (euro/m <sup>3</sup> )	Unitary billing tariff
<b>Total costs of the company</b> L2 (euro/m <sup>3</sup> )	(Annual running costs + annual capital costs) / authorized consumption
<b>Unit running costs</b> L2 (euro/m <sup>3</sup> )	Annual running costs / annual authorized consumption
<b>Total cost coverage ratio (efficiency)</b> L2 (%)	Annual revenues / annual costs x 100
<b>Power supply costs weight</b> L2 (%)	Power supply annual costs / annual costs
<b>Manufacture costs weight</b> L2 (%)	Manufacture annual costs / annual costs
<b>Investments</b> L2 (euro/m <sup>3</sup> )	Annual investments / annual authorized consumption
<b>Debts recovery ratio</b> L2 (equivalent days)	Annual debts / annual income x 365

**BIBLIOGRAPHY:**

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4. Government Decision no.743/2003 regarding organization and functioning of the Ministry of Health
5. Government Decision no.2201/2004 regarding the functioning and the attributes of the Inter-ministry Technical Committee and working groups which are organized according to the Framework Law no. 339/2004 regarding decentralization
6. Government Urgent Ordinance no.63/2003 regarding the organization and functioning of the Ministry of Administration and Interior
7. Law no.69/1991 regarding local public administration, Government Ordinance no.15/1992 regarding local taxes, Law no.27/1994 regarding local taxes
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9. Law no.326/2001 on the public services of local management
10. Law no.340/2004 regarding the Prefect Institution
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