STRONG UTILITIES FOR EFFICIENT SERVICES
EXPERIENCES * PROJECTS
**KWL Key Figures 2016**

- 645,000 population served
- 145 Mio € Turnover
- 24 Mio € Profit
- 52 Mio € investments
- 35 Mio m³ water production
- 38 Mio m³ wastewater discharge
- 5 Water Works
- 25 WWTPs
- 362 waste and storm water PS and facilities
- 3,431 km water supply network
- 2,832 km sewer network
- 535 staff (KWL)
Examples of KWL

- operating
- microbiological and chemical laboratory
- sustainable agriculture
- providing schools with educational materials
- public swimming pools
- construction and maintenance measures
IMPORTANT FACTORS

GOVERNANCE / INSTITUTIONAL
- Institutional
- Internal

BUSINESS PLANNING / SUPERVISION
- Annual
- Medium
- Long-term

OPERATIONAL PRACTICES
- Collection of Debits
- Cost Reduction
- Metering

Sachsen Wasser
- Transformation experience
- SDG
  - Sustainable utility Partnership

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1. Composite Company
2. Public (municipal) company
3. Local Bylaws („Ordinances“)
4. uniform tariff region
5. Supervisory Board
6. Profits
• Regulates usage of public streets / areas for means of drinking water supply lines
• Regulates obligations and costs in case of construction or change of public traffic areas

• Regulates usage of public streets / areas for means of wastewater / sewer lines
• Regulates obligations and costs in case of construction or change of public traffic areas

• Regulates the Obligations regarding the core task of drinking water supply and wastewater disposal
• Includes control rights and information obligations

• Regulates drainage of public streets and areas (storm water)
• Basis for fee determination for drainage services

Note: There are numerous additional contracts; the same set-up of Contracts exists with the ZV WALL and partly with individual Municipalities surrounding Leipzig.
The performance of a water utility does not depend on the ownership, but on its management.

Public utilities are at least as competitive as privately owned utilities.

Public utilities have a stronger commitment to the region and will be more likely to generate surplus value and jobs locally.

The “Leipzig Model” is not transferable “1:1” to other locations in Eastern Europe but offers a number of good methods.

Tariff increases need to go hand-in-hand with service improvements. A step-by-step approach is crucial.
- Annual Business
- Medium-Term Plan
- Long-Term Capital Investment Planning
- Supervisory Board meets 4x per year for monitoring;
  - Management of Company obliged to inform Supervisory Board regularly on development / performance against the Business Plan, also Risk Management System
  - Tariffs are usually in place for 3 years
TARIFF STRUCTURE AND CURRENT TARIFFS (FROM JAN 2017)

- **Water**: 3.21 € / Month  
  + 6.51 € / Month [Qn 2.5; up to 100 m³/a]  
  + 1.85 € / 1.000 l

- **Wastewater**: 2.98 € / Month  
  + 2.51 € / Month [Qn 2.5; up to 100 m³/a]  
  + 1.37 € / 1.000 l

- **Basis price**: 0.71 € / m² / year

- **Provision price**
  - Water: 6.51 € / Month [Qn 2.5; up to 100 m³/a]
  - Wastewater: 2.51 € / Month [Qn 2.5; up to 100 m³/a]
  - Cubic price: 1.85 € / 1.000 l

- **see list**

*Leipziger Wasserwerke*

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OPERATIONAL PRACTICES (1)

- Annual Billing
- Preventive Maintenance
- Remote control
- Sophisticated IT set-up with platforms linking commercial / financial and technical / operational applications
- Asset Management systems
- metering and zone control
- Quality Assurance (TSM)
Steps in Forced Collection:
- 1st Warning (3 days after due date)
- 2nd Warning (17 days after due date)
- Warning of Disconnection (31 days after due date, disconnection possible after 2 weeks)
- Last „pre-court“ warning
- Legal proceedings (have decreased during last 5 years)

Debts and Payments after Disconnection Warning
- ca 200 disconnections /a
- ca 600 bailiff orders /a
- ca 350 instalment customers (average 2016)
Specific Costs of Reading and Billing per customer meter (EUR/meter)
WWTP Expansion to fit population growth

Serious debate in Germany about alarming levels of nitrate in groundwater.

→ Sustainable Solution already at hand: Organic Agriculture in the catchment area since 1992, levels in Leipzig well within limit

Rainwater-management

Sludge-management
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TRANSFORMATION-EXPERIENCE

THE CONSULTING COMPETENCE OF BASED ON EXPERIENCES DURING THE TRANSFORMATION PROCESS DURING REUNIFICATION

**before 1990**
- State-owned enterprise (VEB)
- Water prices subsidised
- Failure to undertake necessary investments
- High political influence/centralised structures
- Hierarchical structures

**after 1990**
- Market-based company (GmbH)
- Water prices cover costs
- High level of investment in water and waste water systems
- Decisions based upon economic facts
- Process-orientated structures

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IMPROVEMENTS

1. NO POVERTY
2. NO HUNGER
3. GOOD HEALTH
4. QUALITY EDUCATION
5. GENDER EQUALITY
6. CLEAN WATER AND SANITATION
7. RENEWABLE ENERGY
8. GOOD JOBS AND ECONOMIC GROWTH
9. INNOVATION AND INFRASTRUCTURE
10. REDUCED INEQUALITIES
11. SUSTAINABLE CITIES AND COMMUNITIES
12. RESPONSIBLE CONSUMPTION
13. CLIMATE ACTION
14. LIFE BELOW WATER
15. LIFE ON LAND
16. PEACE AND JUSTICE
17. PARTNERSHIPS FOR THE GOALS

THE GLOBAL GOALS
For Sustainable Development

April 2018 9th International Diplomats Programme
FOCUSBING ON WATER AND WASTEWATER UTILITIES & OPERATING PROCESSES

Commercial strengthening
Training, Capacity building
Technical support, Operations and Maintenance

Institutional support and management consultancy
Financial support
Water sector project development, Feasibility studies

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<th>Type of Services</th>
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ENSURING EFFICIENT OPERATION IS ESSENTIAL FOR SUSTAINABILITY AND FOR IMPROVING LIVING CONDITIONS

Public service provider

- Sustainable infrastructure
- Economical performance (profit expectation)
- Affordable services for the population
- Adaptation of the service portfolio to needs of clients and changing external conditions

Getting more German public utilities on board
Including privat sector partners
Setting up sustainable utility partnerships

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YOU WANT TO COOPERATE - PLEASE GET IN CONTACT WITH MR. WUMMEL
Thank you for your attention

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