National Water Supply & Drainage Board

Annual Report 2014

Mission

Serve the nation by providing sustainable water & sanitation solutions ensuring total user satisfaction

Vision

To be the most prestigious utility organization in Sri Lanka through technological and service excellence

Goals

- Increase the water supply and sanitation coverage
- Improve business efficiency
- Improve services to customers and promptly attend to public complaints
- Promote Information and communication technology solutions as a catalyst for business growth
- Ensure greater accountability and transparency
- Promote Human Resource Development
- Facilitate safe drinking water supply and sanitation to rural and underserved communities

Contents

Message from the Secretary, Ministry of City Planning & Water Supply

During the year 2014, the Ministry of Water Supply and Drainage continued to work closely with the National Water Supply and Drainage Board (NWSDB), as done in the previous years for providing safe drinking water and wastewater disposal facilities to the communities throughout the country and for the improvement of the Rural Water Supply and Sanitation Sector through the District Rural Water Supply Units.

During the year, 124,251 new water supply connections were provided. Accordingly, the total number of piped water supply connections provided by the NWSDB had increased to 1,831,998 by the end of 2014. This has also contributed to bring the total pipe-borne water supply coverage in the country to 44.3%.

The piped sewer coverage of the country was 1.93% by end of 2014. The total number of sewer connections in the country was brought up to 15,768 by providing 1,025 new domestic sewer connections and 166 new non-domestic sewer connections and the Moratuwa/ Ratmalana Sewerage Scheme was ceremonially opened.

Importantly, providing safe water to the people affected with Chronic Kidney Disease of Unknown Etiology (CKDu) was continued.

Implementation of short term and medium term Action Plans were continued.

The sub projects have been implemented by the respective Regional Support Centres of the NWSDB with support from the head office.

I wish all success to the endeavours of the NWSDB to provide the people with high quality service.

N. D. Hettiarachchi
Secretary
Ministry of City Planning and Water Supply



National Water Supply & Drainage Board

The supply of potable water was originally the responsibility of the Public Works Department (PWD) which was subsequently transformed to the Department of Water Supply in 1965. Thereafter, the National Water Supply & Drainage Board was formed by Act of Parliament in 1975.

The National Water Supply & Drainage Board functions under the Ministry of Water Supply & Drainage which was established in 2007 to cover the subject area of water supply and sewerage separately. The National Water Supply & Drainage Board is the only organization coming under the purview of this Ministry.

Around 84.6 % of the population have access to the safe drinking water of which 44.3 % is through piped water supply systems including the 33.4 % of the population which is covered by piped water supply systems of the NWSDB.

Notice of the Report

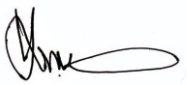
Hon. Minister of City Planning and Water Supply,
Ministry of City Planning and Water Supply,
Lakdiya Medura,
Nr. 35, Sunil Mawatha,
Pelawatta,
Battaramulla.

Dear Sir,

Annual Report and Financial Statements - 2014
National Water Supply & Drainage Board

In terms of Section 14 (2) of the Finance Act Nr. 38 of 1971, the members of the Board have the honour to forward herewith the Annual Report and the Financial Statements of the National Water Supply & Drainage Board for the year ending 31st December 2014.

Yours faithfully,



Eng. K. A. Ansar
Chairman
National Water Supply & Drainage Board

Chairman's Statement

"575 million cu.m. of drinking water produced in the year 2014 under 329 water supply schemes in operation throughout the country, safe drinking water has been supplied through 1,831,998 service connections including 124,251 new connections provided in year 2014."

The National Water Supply and Drainage Board continued its invaluable service to the nation by providing safe drinking water facilities and sewerage facilities to the public throughout the year 2014. Providing new connections and improving the service levels of existing consumers were achieved by commissioning major and minor water supply projects in different parts of the country.

575 million cu.m. of drinking water was produced in the year 2014 under 329 water supply schemes in operation throughout the country. Safe drinking water was supplied through 1,831,998 service connections including 124,251 new connections provided in year 2014. This was contributing to bring the total pipe borne water supply coverage of the country to 44.3% as at end of the year 2014.This was achieved while in the process of reaching the goal of 60% pipe borne water coverage by year 2020.

Activities during the year towards the goal on water supply and sanitation coverage were carried out throughout the country utilizing the allocation of Rs. 31.82 billion including 90 million of suplementory allocation for 2014 as capital budget on water supply and sanitation. In addition to that, the NWSDB continued to rehabilitate and improve existing water supply schemes using its own finances in 2014.

The energy management program of the NWSDB has achieved substantial progress with qualitative and quantitative upgrading of its systems. The M&E Services Division of NWSDB is fully equipped with energy measuring equipments to carry out all types of energy audits for energy management works.

The year 2014 is the third year under review of the corporate plan 2012-2016. The NWSDB continued working towards the achievement of the goals and objectives set out by the Corporate Plan 2012-2016.

Considering the recent trends in various government institutions in Sri Lanka and worldwide, NWSDB has taken various steps to upgrade its ICT status within the organization and introduce various IT enabled solutions and systems with the objective of achieving service excellence.

NWSDB has developed strategies and work plans to provide safe drinking water to Chronic Kidney Disease of unknown etiology (CKDu) affected areas . These include short term, medium term and long term plans.

During the year 2014, NWSDB has taken initiatives on Climate Change Adaption & Disaster Risk Reduction. Water safety plan committee and Emergency Response Committee have been appointed and an emergency response plan has been prepared under Water Links Yara Valley Training programme in this year.

The contribution of employees for the successful operations and the development initiatives of the NWSDB were very significant. This includes, planning, designs, investigations, feasibility studies,

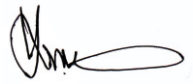
construction, operation & maintenance, process control & optimization and energy conservation under careful considerations with a view to achieve economic operations meeting the global environmental obligations.

We are thankful for all the support given by the Hon. Minister of Water Supply & Drainage for the accomplishments of the functions of NWSDB during the year. His directions and guidance and support as the Minister in charge of Water and Sewerage facilities were invaluable for us. We also take this opportunity to extend our thanks to the Secretary to the Ministry of Water Supply & Drainage and all the staff at the ministry for coordination, support and assistance given whenever necessary.

We also take this opportunity to thank the Secretary to the Ministry of Finance and the Heads of Departments in the Treasury for the continuous support by them to achieve progress in all our activities.

We should be grateful to multinational donors and bilateral financiers for giving us a hand for the developments we have brought up throughout the country in water supply and sanitation sector. We thank them for their interest to having participated with NWSDB on development work in the sector.

All the progress we have made through the year is a result of the dedications and efforts by the Members of the Board of Directors and the staff of the NWSDB. Without their dedications, hard work and sacrifices, our achievements would be impossible. We expect their endeavor through the years to come will upgrade the health, social and living standard of the people from all parts of the country by improving the service in water supply and sanitation facilities meeting the consumer satisfaction. Meanwhile, if there are any lapses on the part of the NWSDB, we request our customers to bear with us and inform us for further improvement.

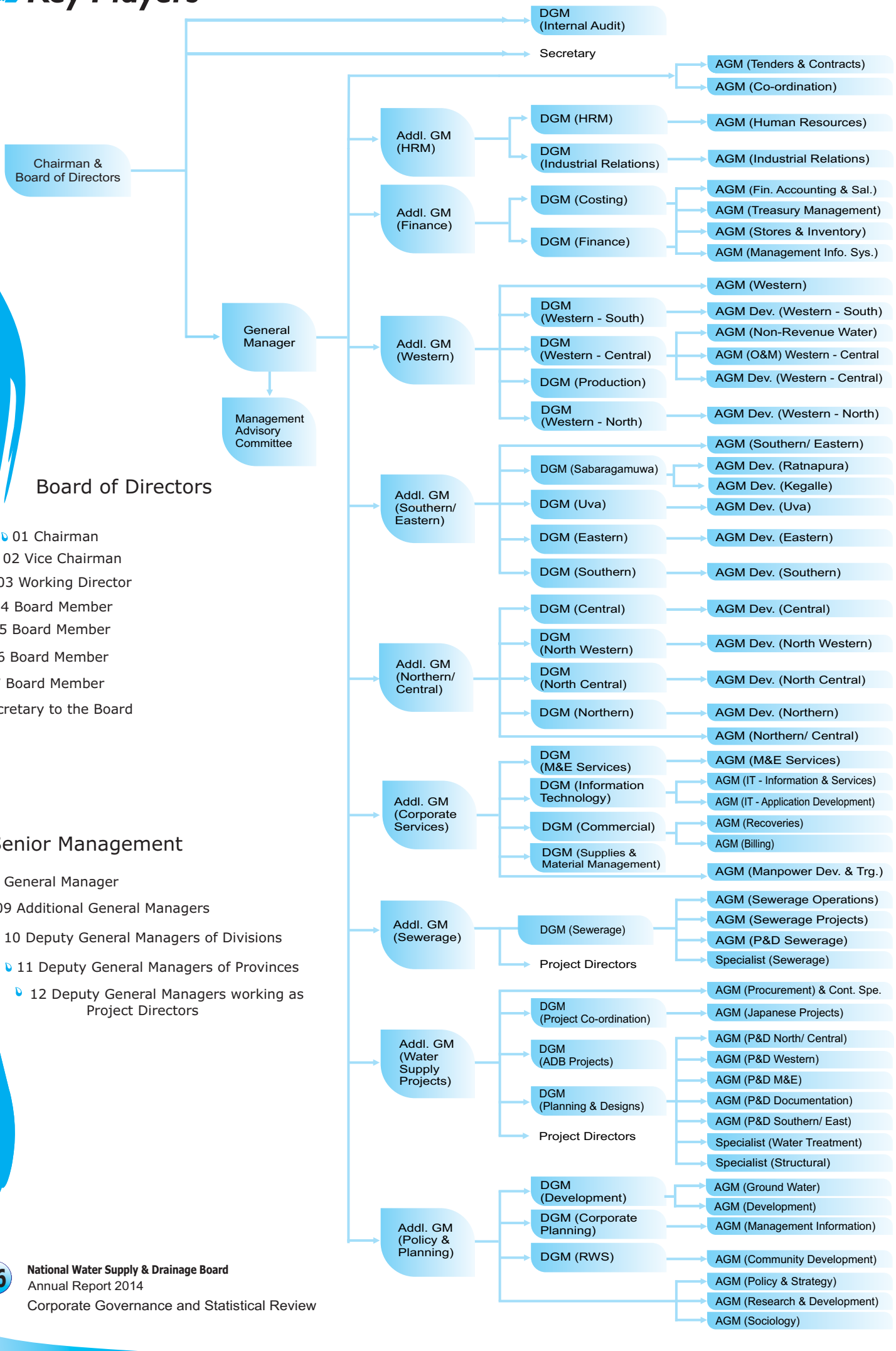


Eng. K. A. Ansar
Chairman
National Water Supply & Drainage Board

03rd March 2015

“Water is being depleted many, many times faster than nature can replenish it." - Maude Barlow

Key Players



Board of Directors

- 01 Chairman
- 02 Vice Chairman
- 03 Working Director
- 04 Board Member
- 05 Board Member
- 06 Board Member
- 07 Board Member
- Secretary to the Board

Senior Management

- 08 General Manager
- 09 Additional General Managers
- 10 Deputy General Managers of Divisions
- 11 Deputy General Managers of Provinces
- 12 Deputy General Managers working as Project Directors

Board of Directors

01 Eng. Karunasena Hettiarachchi
B.Sc. Eng. (Hons), M.Sc. (Leuven)
C.Eng. MIE (SL), MIEP (SL)
Chairman, NWSDB (up to 11.04.2014)

Eng. R. W. R. Pemasiri
B.Sc. Eng. M. Eng (Cons), C.Eng. MIE (SL),
LLM (UK)
Chairman, NWSDB (from 17.04.2014)

02 Mr. K. D. Gamini Gunaratne
Vice Chairman, NWSDB

03 Mr. N. P. Thibbutumunuwa
LLB, BA
Working Director, NWSDB

04 Dr. P. G. Maheepala
MBBS, M.Sc., MD, MBA, FCMA, DPM, DBS, DED, DMgt.
Director General of Health Services
Ministry of Health
Board Member, NWSDB

05 Mr. A. K. Seneviratne
B.Sc. (Hons), P.G. Dip. (Business and Financial Administration)
Additional Director General
Department of National Budget
Ministry of Finance & Planning
Board Member, NWSDB

06 Eng. S. Panawennage
M.Sc., MBA, C.Eng. FIE (SL), MIET (UK)
Director General/ CEO,
Arthur C. Clarke Institute for Modern Technologies,
Ministry of Technology & Research
Board Member, NWSDB

07 Mr. W. G. Premalal
B.L.E. MA (Sociology)
Senior Assistant Secretary
Ministry of Local Government & Provincial Councils
Board Member, NWSDB (up to 05.06.2014)

Mr. S. A. M. L. Gunathilake
B.Com, M.Com
Senior Assistant Secretary
Ministry of Local Government & Provincial Councils
Board Member, NWSDB (from 07.07.2014 up to 31.10.2014)

Secretary to the Board

Mrs. W. P. Sandamali De Silva
B.Sc. Special (Hons)

The Board met on 15 occasions during the year 2014.

Senior Management

08 General Manager

Eng. B. W. R. Balasuriya
B.Sc. Eng. (Hons), M.Sc. (UK), C.Eng. FIE (SL)

09 Additional General Managers

Eng. G. A. Kumararathna (Sewerage)
B.Sc. Eng. (Hons), M.Sc. (UK), C.Eng. FIE (SL),
MICE (Lond.), MIWEM (Lond.)
P.G. Dip. in Industrial Eng.

Eng. D. S. D. Jayasiriwardene (Southern/ Eastern)
B.Sc. Eng. (Hons), C.Eng. FIE (SL),
M.Phil (Univ. of Hawaii)

Eng. K. R. Devasurendra (Water Supply Projects)
B.Sc. Eng. (Hons), C.Eng. FIE (SL), P.G. Dip.

Mr. D. Thotawatte (Finance)
B.Com (Sp.), ACA, MA (Fin. Econ)

Eng. N. M. S. Kalinga (Western)
B.Sc. Eng. (Hons), C.Eng. MIE (SL),
Dip. Sanitary Eng. (Netherlands)

Mr. G. K. Iddamalgoda (Human Resource Management)
B.Sc. (B. Admin), Dip. in Per. Mgt.
MA (Mgt. & Admin) London

Eng. D. U. Sumanasekara (Northern Central)
(from 06.08.2014)
B.Sc. Eng., C.Eng. FIE (SL), M.Sc. (Struct. E.) UK

Eng. R. S. C. George (Policy and Planning)
B.Sc. Eng. (Hons), C.Eng. MIE (SL),
M.Sc. (Eng.) FRG, MICE (UK)

Eng. W. B. G. Fernando (Corporate Services)
B.Sc. (Eng.), P.G. Dip. (EWREM), C.Eng. FIE (SL)

10. Deputy General Managers of Divisions

Eng. (Mrs.) K. T. P. Fernando
(Project Co-ordination)
B.Sc. Eng. (Hons), C.Eng. MIE (SL)
M.Sc. in Water & Waste Engineering (UK)

Eng. S. G. Jayawardena (Sewerage)
B.Sc., P.G.Dip.in Sanitary Eng. MIE(SL),

Eng. R. H. Ruvinis (Planning & Design)
B.Sc. Eng. (Hons) P.G.Dip. (App Hy)
MBA, C. Eng. FIE (SL), MIE (Aus). CP Eng.

Eng. S. G. J. Rajkumar (Development)
C.Eng. FIE (SL), M.Sc. in Sanitary Engineering,
M.Sc. in Environmental Engineering and Management

Eng. C. R. Perera (Production - Western)
C.Eng. MIE (SL), M.Eng. (Delft)

Eng. S. Sumanaweera (Corporate Planning)
from (05.03.2014)
B.Sc. Eng. Civil, FIE (SL) M Eng. (Env. Management) AIT, Bangkok

Eng. W. A. N. Wickramathunge (M&E)
B.Sc. Eng., C.Eng. MIE (SL),

Eng. J. Chandradasa
(Information Technology) - Acting
B.Sc. Eng., C.Eng. MIE (SL)

Ms. M. M. S. Peiris (Finance)
B.Sc. (Accountancy & Finance Mgt.)
ACA (SL)

Ms. A. P. Sirima De Silva (Costing)
FCA

Mr. R. M. A. S. Weerasena (Internal Audit)
B.Com (Sp.), PGDBM (Col.), ACA

Ms. W. A. C. Sriyani
(Human Resources)
B.A. (Arts) Special Degree (Sociology)
M.Sc. in Disaster Management, Dip. in Personel Mgt.,
Dip. in Training & Development, Member (IMSL)

Mrs. N. Y. S. Abeygunawardena
(Industrial Relations)
BA, P.G. Dip. in Management (PIM), Member (IMSL)

Mr. R. M. A. Bandara (Supplies)
from (02.07.2014)
B.Sc., (Business Administration - Spl.)
Dip. in Purchasing and Materials Mgt.

Mr. S. G. G. Rajkumar (Commercial)
B.Sc. Eng. (Hons), C.Eng., FIE(SL),
M.Sc.(Denmark), MBA (PIM-USJ),
M.Eng (Moratuwa)

Mr. Thilina S. Wijetunga (ADB Projects)
B.Sc. Eng., C.Eng., FIE (SL), MBA, M.Sc. (Planning)
MA (Financial Economics), MIM (SL), Pg.Dip (Finance)- ICA(SL),
Dip (Mgt.) - DK

Mr. Duleep Goonewardene (RWS)
B.Sc. Eng., C.Eng., MIE (SL), FIE (SL),
M. Eng. (IHE-UNESCO)

11. Deputy General Managers of Provinces

Eng. M. K. Hapuarachchi (Western - Central)
(from 26.08.2014)
C.Eng. MIE (SL), P. G. Dip. in Environmental Engineering & Management.

Eng. M. K. Hapuarachchi (Western - South)
(up to 25.08.2014)
C.Eng. MIE (SL), P. G. Dip. in Environmental Engineering & Management.

Eng. T. W. S. Perera (Western South)
(from 18.09.2014)
B.Sc. Eng., (Spl.),C.Eng. Masters in Dev. Science MIE (SL)

Eng. K. J. V. A. Perera (East)
B.Sc. Eng. FIE (SL), M.Eng. (Sanitary) IHE (Delft),
P. G. Dip. in Environmental Engineering and Management

Eng. (Mrs.) M. K. Bandara (Western - North)
B.Sc. Eng. (Hon.), MIE (SL)
M.Eng. (Sc.) in Public Health Eng. (NSW), Australia

Eng. L. L. A. Peiris (Central)
B.Sc. (Eng.) Civil Engineering (University of Moratuwa - SL),
C.Eng. FIE (SL), Int. PE (SL), M. Phil (IWRM), University of Peradeniya, SL, P.G. Dip. (Water and Wastewater Eng.), AIT, Bankgkok,

Eng. M. I. A. Lathiff (Uva)
M.Sc. Eng. (Russia), C.Eng. FIE (SL), MIE (India),
PG Dip., BFA (SL)

Eng. N. E. M. S. B. Ekanayaka (North Central)
B.Sc. Eng., C.Eng. MIE (SL), M.Sc. IHE (Delft)

Eng. D. U. Sumanasekara (North Western)
(up to 05.08.2014)
B.Sc. Eng. (Hons) M.Sc. (Netherlands), C.Eng. FIE (SL)

Eng. D. F. S. de F. Gunawardene (North)
B.Sc. Eng., C. Eng. MIE (SL), M.Eng. IHE (Delft)

Mr. R. A. B. S. Mendis (Sabaragamuwa)
B.Sc. Eng., C.Eng. MIE (SL), M.Sc. in Sanitary Eng. (Netherlands)

Eng. J. K. S. Pathirana (Southern)
(from 11.04.2014)
B.Sc. Eng. (Hons) C.Eng. MIE (SL) M.Sc. (Sanitary) Delft.

12. Deputy General Managers working as Project Directors

Eng. (Mrs.) C. J. D. Perera (Kalu Ganga Water Supply Project - Phase I - Stage II)
B.Sc. Eng. (Hons), C.Eng. MIE (SL),
Dip. Sanitary Eng. (Netherlands), Dip. Environmental Eng. (SL)

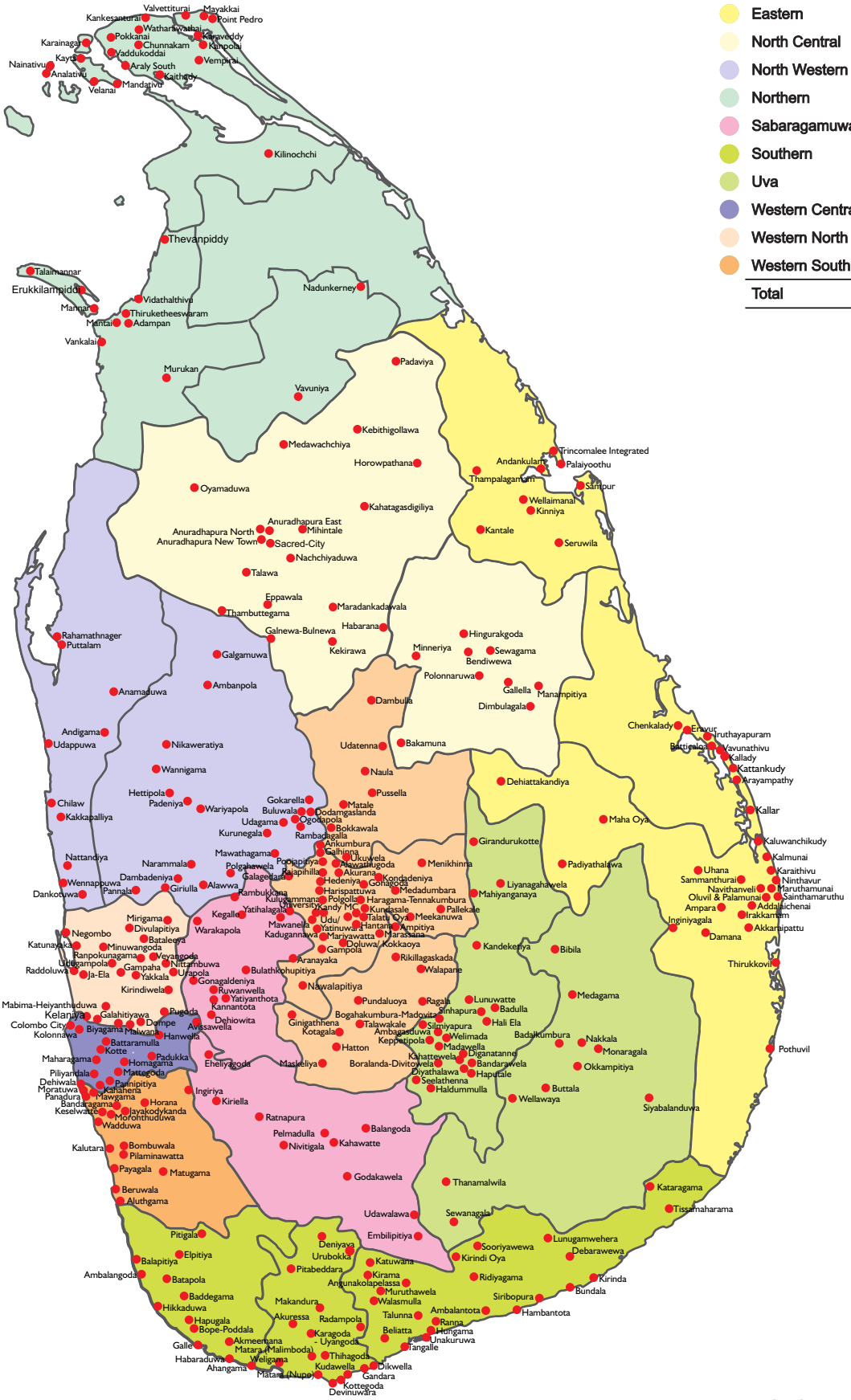
Eng. J. R. B. Nadurana (ADB 5th Project)
B.Sc. Eng. (Hons), P.G. Dip. in Environmental
Science & Technology (Delft.)
C.Eng. MIE (SL),

Eng. R. Kulanatha (Wastewater disposal for Rathmalana Moratuwa & Ja-Ela/ Ekala Area)
B.Sc. Eng., C.Eng. MIE (SL),

Eng. B. S. Wijemanna
(Greater Colombo Rehabilitation Project)
B.Sc. Eng., M.Eng. Hydrology and Water Resources, IHE (Delft),
Dip. in Construction Management
C.Eng. MIE (SL),

Existing Water Supply Schemes

Province/RSC	Number of WSS
Central	50
Eastern	38
North Central	26
North Western	29
Northern	31
Sabaragamuwa	19
Southern	53
Uva	35
Western Central	11
Western North	21
Western South	16
Total	329



Corporate Planning

> "5S concept was implemented for improving the productivity in every section in the NWSDB head office, Telawala premises and Polwatta premises. Arrangements were made to select the section with the best implementation of 5S programme under "Identify Infrastructure Development Activities" in the NWSDB."

Internal Audit Section won the first place in the 5S competition held in 2014

Implementation Status of the Corporate Plan 2012 - 2016

The year under review was the third year of our new Corporate Plan. The Corporate Plan 2012-2016 was prepared by a special committee for the 5 year period appointed by the General Manager, comprising of 14 senior managers of the NWSDB.

The NWSDB continued working towards the achievement of the goals and objectives set out by the new Corporate Plan. Special emphasis was given during the year 2013 for formulating policy matters, setting procedures and planning items relating to the next two years of the plan, which continued during 2014.

A new Goal has been included to promote information and communication technology solutions as a catalyst for business growth. This is to enhance the capacity of IT applications within the NWSDB. Services hitherto outsourced are to be carried out in-house and the necessary strategies and activities have been worked out. The payroll system which has been outsourced before is now being carried out inhouse.

It was considered important to have timely reviews for the successful achievement of the goals, objectives and the targets set.

Quarterly progress on the Corporate Action Plans are presented to the Members of the Board by every manager responsible for a particular goal (there are seven such goals, overseen by a designated Accountable Manager for every goal). Accordingly, 4th quarter of 2013, 1st, 2nd and 3rd quarter progress reports of 2014 on the Corporate Action Plans were presented to the Members of the Board at Board meetings held in 2014.

Activities towards the goal on water supply and sanitation coverage were being carried out throughout the country. Special efforts taken to reduce NRW and power cost during 2014 are noteworthy. Customer service improvement was priority.

Promoting Institutional Development is a Corporate Goal. 5S concept was implemented for improving the productivity in every section in the NWSDB head office, Telawala premises and Polwatta premises. Arrangements were made to select the section with the best implementation of 5S programme under "Identify Infrastructure Development Activities" in the NWSDB and the Internal Audit Section of the head office won the first place in this contest.

Both the Internal Audit Division and the Government Audit Branch worked on the accountability and transparency issues. The CKDu affected, the marginalized and the rural community without safe water supply facilities were given priority within the available means.

Progress Towards Stated Goals

Goal	Key Objectives	Target end 2014	Achievement end 2014
1. Increase the water supply and sanitation coverage	1.1 Total Pipe-borne water supply coverage	47.5%	44.3%
	1.2 Piped sewerage coverage	2.6%	1.98%
	1.3 Access to safe drinking water supply coverage	86.8%	84.6%
	1.4 Total sanitation coverage	88.28%	86.33%
2. Improve business efficiency	2.1 NRW (island-wide)	28.87%	28.54%
	2.2 Total staff for 1,000 connections	5.84	5.72
	2.3 Expenditure on power to total recurrent cost	22.90%	23.29%
	2.4 Maintenance expenses to total recurrent cost	4.91%	5.43%
	2.5 Establishment expenses to total recurrent cost	10.67%	11.47%
	2.6 Estimated bills to total number of bills	5.0%	1.33%
	2.7 Collection efficiency	100.0%	100%
	2.8 Accounts receivable from -		
	(a) domestic and commercial institutions	50 days	43 days
	(b) Government institutions	60 days	32 days
3. Improve services to customers and promptly attend to public complaints	3.1 Public awareness programmes to be carried out all island (schools/other)	100 Nos.	177 Nos.
4. Promote information and communication technology solutions as a catalyst for business growth	Payroll, HR, Stores modules were implemented by establishing ICT capacity of the NWSDB.		
5. Ensure greater accountability and transparency	Initiatives were taken to develop a whole range of management and business tools on human resource development, management information system and business plan. • Delegation of financial authority • Training on budgetary control & financial regulations • Audits on commercial operations • Audits on stores and supplies • Audits on cash/ cheque payments • Audits on construction contracts • Valuation of assets • Improved Management Information and Coordination		
6. Promote Human Resource Development	6.1 In-house training (no. of participants)	3240	6791
	6.2 In-country external training (no. of persons)	160	194
	6.3 Overseas training (no. of persons)	80	174
7. Facilitate safe drinking water supply and sanitation to rural and underserved communities	7.1 RWS Schemes maintained by CBOs, LAs and others under the NWSDB backup support	10.0%	10.9%

Key Performance

> "The ratio of staff per thousand service connections was reduced to 5.72 surpassing its target 5.84 for the year 2014."

By providing 124,251 service connections during the year, the population that was covered with piped drinking water supplies by the NWSDB was brought to 33.40 %.

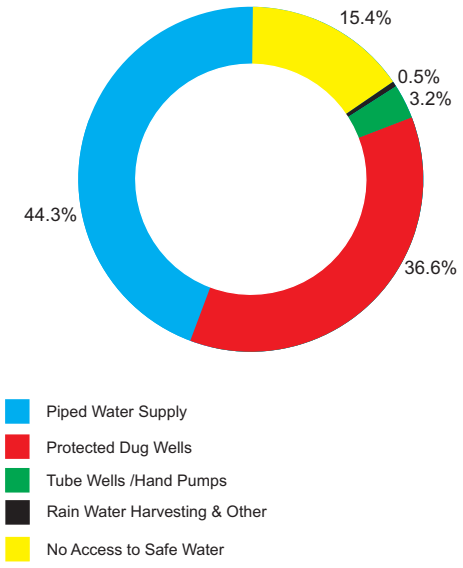
Service levels to existing consumers were improved by commissioning several major and minor water supply projects in different parts of the country. Projects being implemented in war affected Northern and Eastern areas, rehabilitated and reconstructed water supply and sewerage facilities, thereby improving the livelihood of those affected. Project components are not limited to restoration of damaged utilities but include provision of water supply and sanitation facilities to resettlement areas, improvement of service levels in affected areas and extensions to new development areas in the vicinity.

The ratio of staff per thousand service connections was reduced to 5.72 surpassing its target 5.84 for the year 2014.

The last water tariff revision was in October 2012 after three years and seven months. The Board had faced many difficulties in managing their cash flow during last four years. Most of the prices of operational expenses were increased. Therefore the debt service commitment could not be fully met with respect to the year 2009 and 2010. But the total outstanding in 2011, 2012 and 2013 has been fully settled to the General Treasury. The NWSDB has recorded Rs. 421,409,965.00, Rs. 366,802,512.00, Rs. 1,002,860,406.00 after tax profit for the last consecutive three years since 2011.

Several NRW reduction activities were conducted during the year. within Colombo city, critical areas were selected and area inflow measurements were taken after establishment of closed boundaries. Night survey, culvert survey and house to house survey were carried out to identify visible leaks. The NRW reduced to considerable amount for those areas. Accoudingly, the NRW of Western Province & nationwide were brought down to 32.20% and 28.54% respectively.

Access to Safe Water Coverage



General

There are 329 major, medium and small water supply schemes in operation under the NWSDB's purview. Out of these, 49 schemes cover major cities and 280 schemes cover townships and villages.

3.2% of the population is covered with hand-pump tube wells. Community management is promoted with regard to rural water supply schemes through community-based organizations. Proper rain water harvesting was considered as an acceptable option for drinking water source.

		2013	**2014**	Variation (%)
KEY STATISTICS: WATER SUPPLY				
Nr. of Water Supply Systems		325	**329**	1.2
Piped Water Production (million cu.m.)		547	**575**	5.1
Piped Water Consumption (million cu.m.)		382	**411**	7.6
Domestic Connections (Nrs.)				
	(a) Western Province	717,819	**764,500**	6.5
	(b) Other Provinces	860,021	**928,855**	8.0
Total Domestic Connections		1,577,840	**1,693,355**	7.3
Public Stand Posts (Nrs.)				
	(a) Western Province	834	**518**	(37.9)
	(b) Other Provinces	2,193	**1,261**	(42.5)
Total Public Stand Posts		3,027	**1,779**	(41.2)
Non-Domestic Connections (Nrs.)				
	(a) Western Province	64,695	**69,148**	6.9
	(b) Other Provinces	65,212	**69,495**	6.6
Total Non-Domestic Connections		129,907	**138,643**	6.7
(Including total public stand posts)				
Total Nr. of Service Connections		1,707,747	**1,831,998**	7.3
Average Monthly Household Consumption				
(cu.m. per house connection)	(a) Western Province	16.90	**17.13**	1.4
	(b) Other Provinces	12.46	**12.76**	2.4
Average Household Bill Value per Month (Rs.)				
	(a) Western Province	727.37	**735.54**	1.1
	(b) Other Provinces	414.79	**435.05**	4.9
Total Revenue (Rs. million - with VAT)		18,167	**19,785**	8.9
Total Recurrent Expenditure (Rs. million)		15,363	**19,871**	29.3
Non-Revenue Water (%)				
	(a) Western Province	33.43	**32.20**	(3.7)
	(b) Other Provinces	25.74	**23.54**	(8.5)
	(c) Island-wide	30.24	**28.54**	(5.6)
O&M Staff/ 1,000 Connections		4.83	**4.78**	(1.0)
Total Staff/ 1,000 Connections		5.83	**5.72**	(1.9)
Average Recurrent Cost of Water Production (Rs./cu.m.)		28.08	**29.49**	5.0
Average Total Cost/ Unit Sold (Rs./cu.m.)		45.39	**47.00**	3.5
Average Unit Revenue (Billing/ Consumption) (Rs./cu.m.)		47.60	**48.15**	1.2
Collection Efficiency		1.01	**1.00**	(1.0)
Deep Wells (Nrs.)	(a) Drilled	323	**315**	(2.5)
	(b) Successful	288	**268**	(6.9)
Development Expenditure (Rs. million)		28,491.28	**35,668.26**	8.2
KEY STATISTICS: SEWERAGE				
Domestic Connections				
	Western Province	10,281	**11,306**	10.0
	Other Provinces	886	**886**	0
Non-Domestic Connections				
	Western Province	674	**831**	23.3
	Other Provinces	157	**166**	5.7
Housing Scheme Connections (Bulk)				
	Western Province	2,579	**2,579**	0
	Other Provinces	-	-	-
Total Sewerage Connections	All Island	14,577	**15,768**	8.2

Summary of Operations

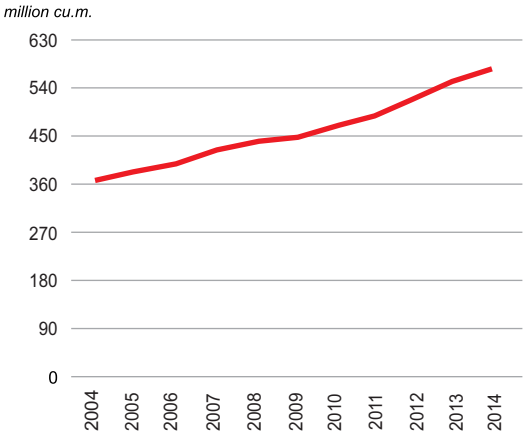
> *"The Western Province water supply system claims the major share of production through four centres at Ambatale, Labugama, Kalatuwawa and Kandana in Kalutara amounting to 58% of the total water produced by the NWSDB"*

WATER SUPPLY

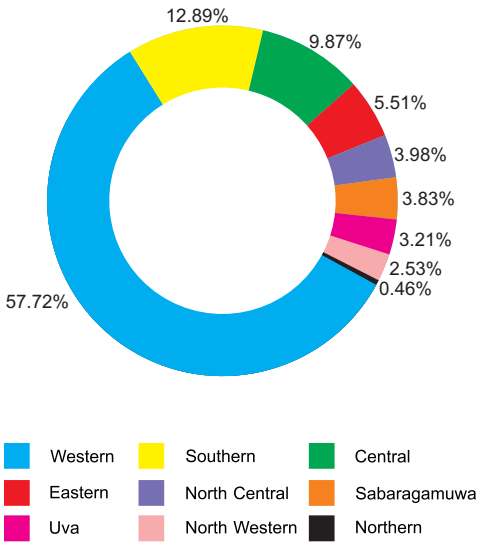
Drinking Water Production

The total quantity of drinking water produced in 2014 was 575 million cu.m. The trend during the last 10 years is given in the chart. The Western Province water supply system claims the major share of production through four centres at Ambatale, Labugama, Kalatuwawa and Kandana in Kalutara amounting to 58% of the total water produced by the NWSDB.

Water Production



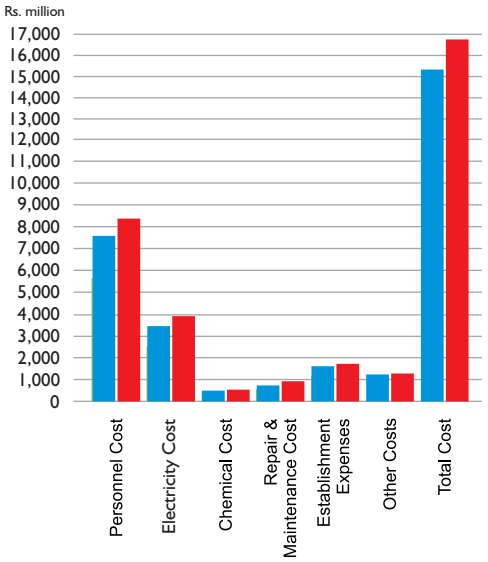
Water Production by Provinces



Cost of Production:

Breakdown of the total production cost (Rs. million) in comparison with 2013 is shown below:

Cost of Production



Cost of Production Rs. /cu.m. (per 1,000 litres)

2013	2014
45.39	47.00

Cost of Production = Total Cost / Units Sold
= (Total Recurrent Cost + Interest on commissioned projects + Depreciation) /(Quantity sold)

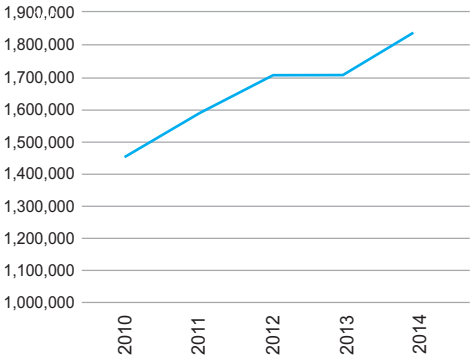
Comparison of Service Connections

Province/ RSC	Nr. of Connections Province/ RSC-wise		
	As at end December 2013	**As at end December 2014**	Change %
Western - Central	390,230	**404,731**	3.7
Western - North	198,230	**221,045**	11.5
Western - South	194,054	**207,872**	7.1
Central	211,940	**224,217**	5.8
North Western	58,808	**64,030**	8.9
North Central	85,912	**91,900**	7.0
Sabaragamuwa	85,367	**90,267**	5.7
Southern	260,842	**276,334**	5.9
Uva	68,955	**76,064**	10.3
Northern	9,088	**12,189**	34.1
Eastern	144,321	**163,349**	13.2
Total	**1,707,747**	**1,831,998**	7.3

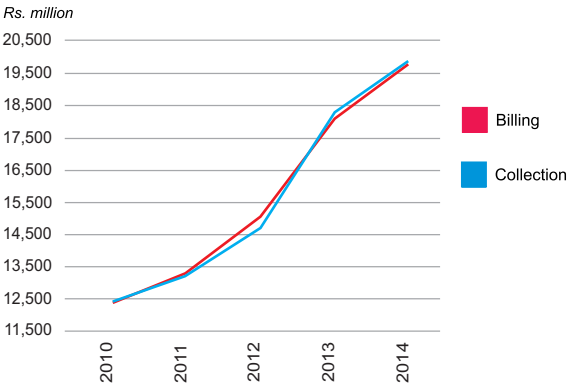
NWSDB Region	Nr. of Connections NWSDB Region-wise		
	As at end December 2013	**As at end December 2014**	Change %
Priority	2,788	**2,318**	(16.9)
Colombo City	134,008	**136,194**	1.6
Kotte	143,695	**149,144**	3.8
Maharagama	109,739	**117,075**	6.7
Kelaniya	144,305	**158,769**	10.0
Gampaha	53,925	**62,276**	15.5
Dehiwala	97,103	**100,359**	3.4
Kalutara	52,027	**56,134**	7.9
Panadura	44,924	**51,379**	14.4
Kandy North	78,281	**83,685**	6.9
Kandy South	67,420	**71,644**	6.3
Kandy East	65,744	**68,888**	4.8
Kurunegala	58,808	**64,030**	8.9
Anuradhapura	85,912	**91,900**	7.0
Ratnapura	37,612	**40,422**	7.5
Kegalle	47,755	**49,845**	4.4
Hambantota	87,580	**91,790**	4.8
Matara	82,165	**86,439**	5.2
Galle	91,097	**98,105**	7.7
Bandarawela	40,463	**43,787**	8.2
Monaragala	28,492	**32,277**	13.3
Jaffna	2,088	**3,086**	47.8
Mannar	5,319	**7,353**	38.2
Vavunia	1,681	**1,750**	4.1
Ampara	26,699	**32,283**	20.9
Trincomalee	38,680	**41,824**	8.1
Akkaraipattu	55,820	**59,651**	6.9
Batticaloa	23,122	**29,591**	28.0
Total	**1,707,747**	**1,831,998**	**7.3**

Providing connections have been distributed to the relevant RSCs (Namely TNC & TSC) except Colombo city.

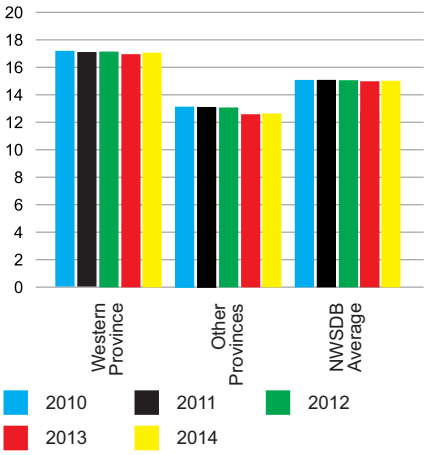
Growth of Connections



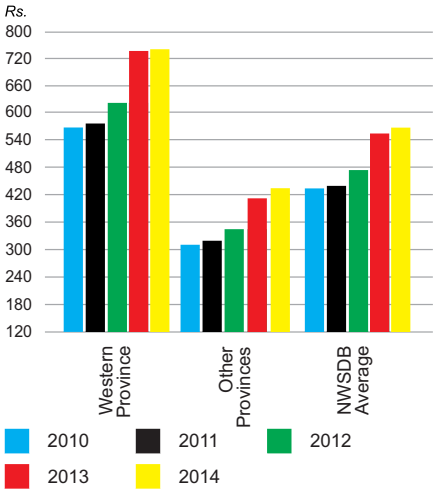
Comparison of Annual Billing and Collection



Average Household Monthly Consumption (cu.m per Connection)



Average Household Monthly Bill



Billing Statistics

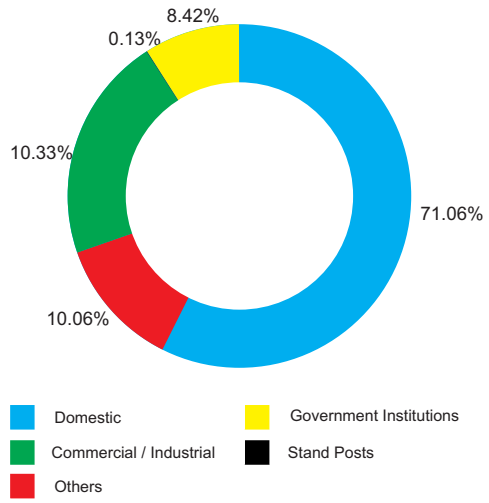
Description	2013 (Rs. million)	**2014 (Rs. million)**
Billing Target with VAT	18,634	**19,672**
Actual Billing with VAT	18,167	**19,785**
Collection Target with VAT	18,448	19,476
Actual Collection with VAT	18,366	19,871

Quantity of Water Sold and Revenue by Consumer Categories (2014)

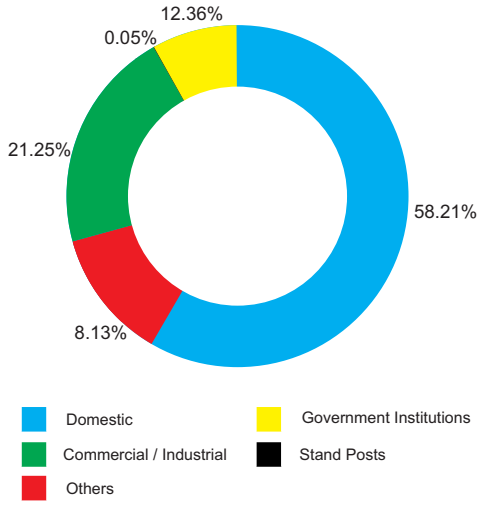
Consumer Category	Quantity sold cu.m '000s	%	Revenue Rs. million	%
Direct billing #	295,476	71.06	11,516	58.21
Schools	5,105	1.23	116	0.59
Tenement gardens	3,864	0.93	136	0.69
Public stand-post supply	553	0.13	10	0.05
Government institutions, NWSDB premises	35,014	8.42	2,446	12.36
Commercial and industrial	42,950	10.33	4,204	21.25
Tourist hotels	2,624	0.63	239	1.21
Shipping	121	0.03	66	0.33
Board of Investment	7,934	1.91	551	2.78
Religious premises	5,051	1.21	117	0.59
Subtotal	**398,691**	**95.89**	**19,400**	**98.05**
Bulk billing	12,291	2.96	236	1.19
Others*	4,810	1.16	150	0.76
Grand Total	**415,792**	**100.00**	**19,785**	**100.0**

Domestic, NWSDB Quarters, Government Quarters, Condominium, Domestic Non-Vat, Domestic Samurdi & Tenement Samurdi
* All other billing categories have been grouped under 'Others'. Setting-off rebates have also been included in this category.

Percentage Quantity of Water Used by Consumer Categories



Percentage Revenue by Consumer Categories



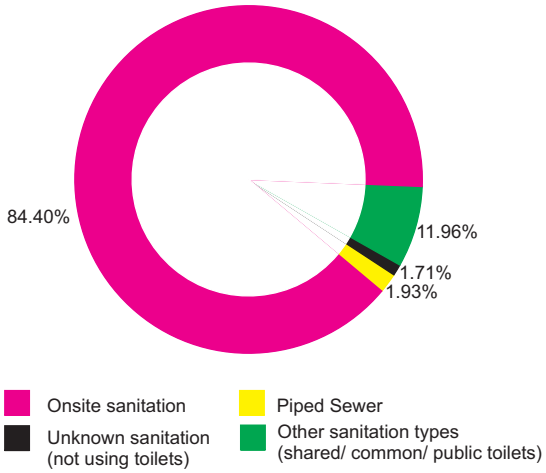
SEWERAGE

The Greater Colombo Sewerage Section is responsible for the operation and maintenance of the sewerage systems of Dehiwala-Mt.Lavinia Municipal Council area, Moratuwa MC area, Jaela area, Kolonnawa Urban Council area and sewerage systems of some NHDA housing schemes and several government institutions in the Greater Colombo area. There are about 15,768 sewer connections maintained by the NWSDB.

Accordingly, Soysapura, Mattegoda, Jayawadanagama, Raddolugama and Maddumagewatta housing schemes and the government institutions like Presidential Secretariat, Speaker's Residence, Parliament (water and sewerage), Sethsiripaya (water and sewerage), Isurupaya (water and sewerage), Jayawardanapura Hospital, etc are maintained by the NWSDB.

In addition, sewerage systems of Kataragama, Hikkaduwa and Hantana housing scheme are also maintained by respective area managers under RSCs.

Graphical Presentation of Present Sanitation Scenario (End of 2014)



Commissioning of New Schemes

Moratuwa/ Ratmalana sewerage scheme was ceremonially opened by Hon.Dinesh Gunawardane, minister of Water Supply & Drainage on 17th October 2014 in the presence of large gathering including representatives of SIDA, the funding agency.

New Connections

Total sewer connections given during the year as follows.

Domestic sewer connections	1,025 nrs.
Non- domestic sewer connections	166 nrs.

Institutional Development Activities

(I)Establishment of a Regional Manager's Office at JaEla/ Ekala

A Regional Manager's Office was established at JaEla/ Ekala for better operation and maintenance activities for JaEla/Ekala Sewerage Scheme. Raddoluwa sewerage scheme was taken over by Manager (JaEla/Ekala) in September 2014 and Biyagama too will be added to the Manager (JaEla/ Ekala) in future.

(ii)Quarters for Executive and Non-Executive Staff at Soysapura

Construction of 04 quarters for executive and 4 quarters for non executive staff at Soysapura, Ratmalana were commenced at a cost of Rs. 62.1 million.

iii)Developing a Quality Management System for Sewerage Section

Quality Manual and Procedure Manual have been prepared and implemented for Quality Management System for Sewerage Section and it is expected to achieve ISO 9001;2008 certification within next year.

A seminar was conducted during World Quality Week at the Training Centre Telawala to the staff of Sewerage Section on implementing ISO 9001;2008 Quality Certification.

Other Productivity Improvement Activities

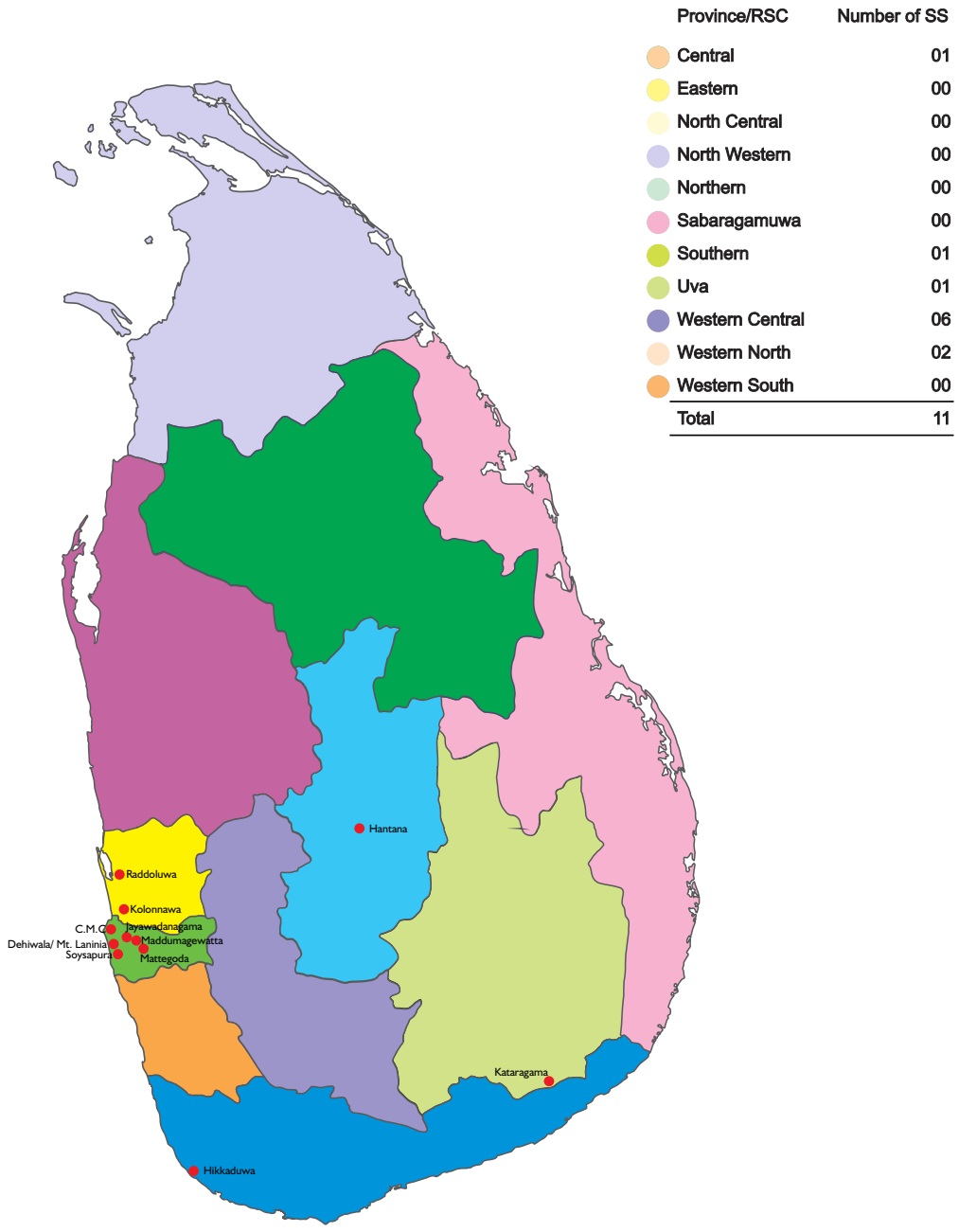
(I) Detecting and Legalizing of Un-Billed Sewer Connections

Survey for detecting of Un-Billed Sewer Connections has been carried out in Dehiwala-Mt. Lavinia and it was possible to identify 693 such connections. Actions have been taken to legalize those connections with 1-2 year penalty for loss of revenue.

(ii) Island wide awareness programmes on implementing Existing Code of Practices of Wastewater Discharge

It was planned to organize island wide awareness programmes on implementing existing Code of Practices of Wastewater Discharge when implementing building construction.

Existing Sewerage Schemes



Province/RSC	Number of SS
Central	01
Eastern	00
North Central	00
North Western	00
Northern	00
Sabaragamuwa	00
Southern	01
Uva	01
Western Central	06
Western North	02
Western South	00
Total	11

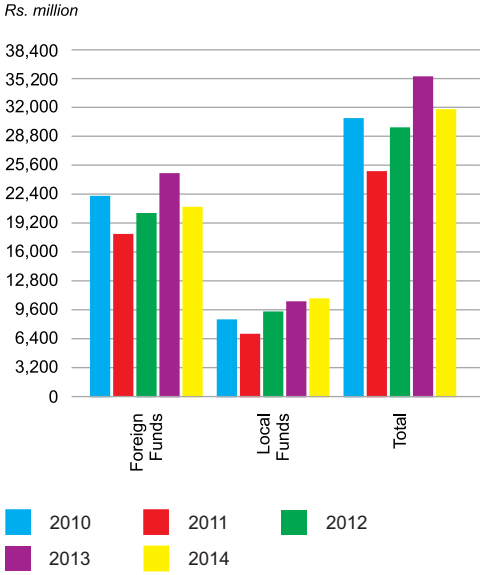
Summary of Investments

> "The NWSDB was provided with Rs. 20,542.70 million as foreign funds for capital works on water supply and sewerage projects. The GOSL contribution was Rs. 5,892.13 million as counterpart funds."

Financial Sources

The NWSDB was provided with Rs. 20,542.70 million as foreign funds for capital works on water supply and sewerage projects. The GOSL contribution was Rs. 5,892.13 million as counterpart funds. In addition, Rs. 3,188.47 million of local consolidated funds were allocated for small and medium water supply projects. For the reconstruction of tsunami affected water supply systems, a sum of Rs. 220.00 million in foreign funds and Rs. 30.00 million in local counterpart funds were provided. For the purpose of water sector community facilitation a sum of Rs. 210.00 million in foreign funds and Rs. 1,726.00 million in local counterpart funds were provided.

Capital Budget Allocations

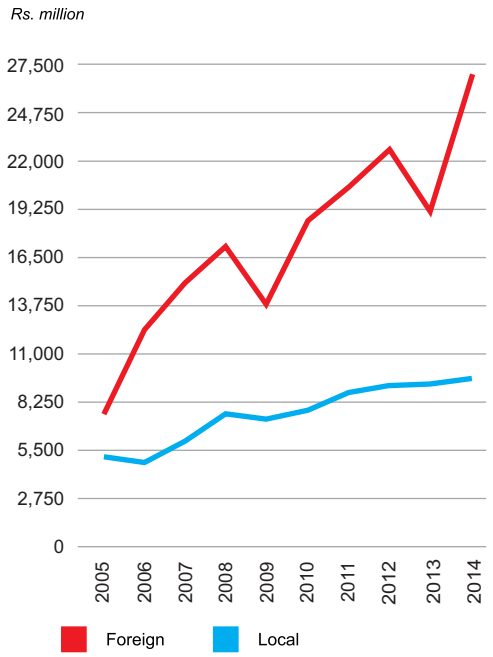


There is a drop in allocation for water supply & sewerage in 2014 compared to that of 2013. In year 2014, the total allocation including Rs. 90 million of supplementary allocation was Rs. 31.82 billion while the allocation for 2013 was Rs. 34.76 billion.

Utilization of Capital Funds

Capital fund utilization stood at 112.1% in 2014 whereas it was 82.0% in 2013. A new budget line for Water Sector Community Facilitation was included in 2012 and for the same, Rs. 1,936.00 million had been allocated in 2014.

Capital Fund Utilization



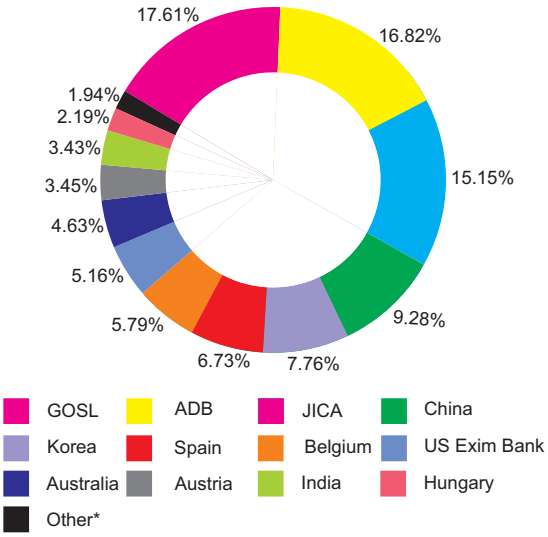
Comparison of Capital Fund Utilization 2013/ 2014

Description	2013		2014	
Foreign Component (Rs. million)	19,238	98.0%	**26,824**	**128.0%**
Foreign Aid Related Domestic Component (Rs. million)	6,272	54.0%	**6,049**	**79.0%**
Consolidated Funds for Local Projects (Rs. million)	2,981	85.0%	**2,795**	**87.0%**
Total	28,491	82.0%	**35,668**	**112.1%**

Note

The total capital fund allocation was Rs. 35,249.10 m (local Rs. 14,362.40 m+ foreign Rs. 20,886.70) at the beginning of 2014. This was reduced to Rs. 31,819.30 m (local Rs. 10,846.60 m + foreign Rs. 20, 972.70 m) In November 2014 in the website of the Treasury. Hence an over expenditure has incurred.

Foreign Aid Contribution by Donors and Related GOSL Funds



* France, SIDA, World Bank

Rehabilitation and Improvement of Existing Water Supply Schemes

The NWSDB continued to rehabilitate and improve existing water supply schemes using allocation of Rs. 1648 million of its own finances in 2014. These funds were used to improve the quality and quantity of water supplies, maintain NWSDB assets and undertake related support services in operational activities. That means NWSDB spent Rs. 805.86 million for rehabilitation, Rs. 189.89 million for reduction of NRW, Rs. 108.27 million for pipe line extension, Rs. 98.47 million for energy conservation and Rs. 38.21million for replacement of capital assets. Priority was given to improvements in schemes where donor assistance or major funding was not available.

GOSL Funding through small-scale Infrastructure Rehabilitation and Upgrading Projects

There are locally funded projects planned, designed and expended by the NWSDB. The implementation of the projects are supervised by the respective provincial staff and taken over by the provincial O&M staff when completed.

Under the locally funded Capital Works Programme, 22 new water supply projects and rehabilitation and augmentation of further 22 water supply schemes were continued in 2014.

87% of the allocation has been utilized during the course of the year.

Almost all the locally funded projects were started 6 to 8 years ago. Owing to small annual budget allocation these projects have been prolonged. As a result, their Total Cost Estimates have increased due to price escalation. Furthermore, funds have not been released on time to settle the contractors' claims for the work done. There was a delay of several months in releasing funds which caused a negative effect on contractors' cash flow.

District-wise Capital Works Programme 2014

District	**Allocation 2014 Rs. million**	Nr. of Projects with Allocation	Beneficiaries
Ampara	**256.0**	2	30,000
Anuradhapura	**106.0**	2	153,000
Badulla	**115.0**	2	27,500
Colombo	**208.0**	2	27,100
Galle	**344.0**	5	91,600
Gampaha	**90.0**	1	20,000
Kalutara	**300.0**	1	120,000
Kandy	**196.0**	2	152,000
Kegalle	**212.0**	3	55,800
Kurunegala	**219.0**	4	106,185
Matale	**64.0**	2	37,000
Matara	**62.0**	2	16,000
Monaragala	**29.0**	3	38,000
Nuwara Eliya	**20.0**	1	15,000
Polonnaruwa	**164.0**	2	74,800
Jaffna	**30.1**	2	200,000
Ratnapura	**127.4**	6	139,800
Trincomalee	**212.0**	2	55,000
Total	**2,754.5**	44	1,918,135

Details of Projects Completed during the year 2014

RSC	**Project Name**
Eastern	Kantale WS (Small & medium) Tampalakamam WS (Small & medium)
North Central	Mahanelubewa WS (Small & medium) Dayata Kirula - Oyamaduwa WS (Small & medium)
Sabaragamuwa	Palmadulla WS (Small & medium) Kiriella WS - Stage I (Small & medium)
Southern	Ruhunupura WS (under Korean funds) Hakmana S (Small & medium)
Western	Nittambuwa/ Veyangoda WS (Small & medium)
Interprovincial	North East Pilot WASH (Water, Sanitation & Hygiene) (under AusAID through World Bank)

Employees

"NWSDB's Manpower Development & Training Division continued to provide training opportunities to employees as in the past.

18 Nrs. new Training Programmes have been introduced during the year 2014."

Staff Strength

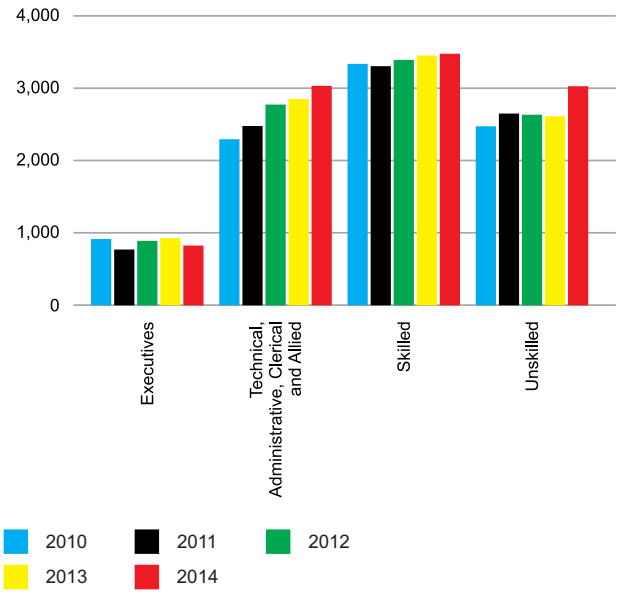
Staff	2013	2014	Variation (%)
(a) Permanent*	9,222	**9,513**	3.2
(b) Casual	18	**15**	(16.7)
(c) Contract	658	**911**	38.4
(d) Plant Technician Apprentice & GT	55	**44**	(20)
Total	9,953	**10,483**	5.3

* Staff recruited for foreign funded projects are excluded from the permanent staff figure

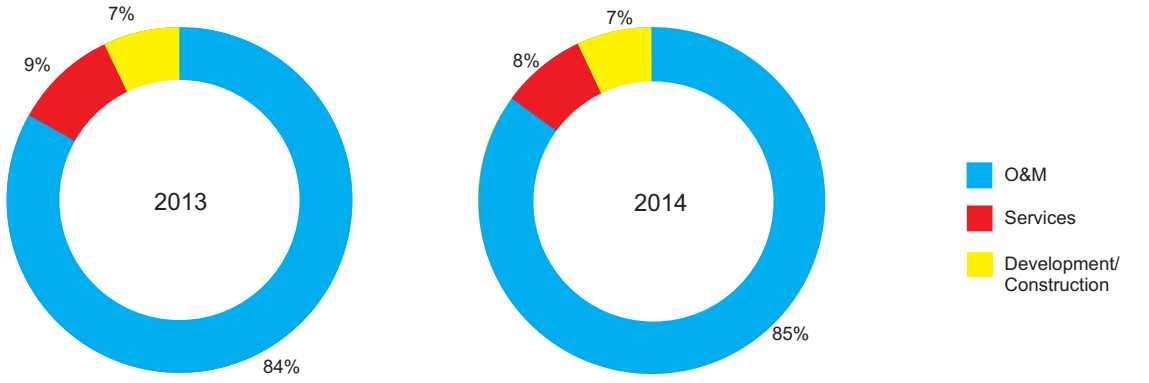
There were 911 contract, 15 casual, 41 plant technician apprentices and 3 Graduate Trainee (GT) in addition to a permanent staff of 9,513 at the end of 2014. Most of the contract employees were recruited to work for foreign funded projects.

There were 1,128 permanent, 9 casual, 665 contract and 29 plant operator technician apprentice recruitments of various staff categories during January to December in 2014. In the same period there were 837 permanent, 12 casual, 412 contract and 40 plant operator technician apprentice terminations which includes retirements, resignations, vacated posts and deaths in different categories of staff. This resulted in an increase of total staff by 530. The 41 plant operator technician apprentices are likely to be made permanent later.

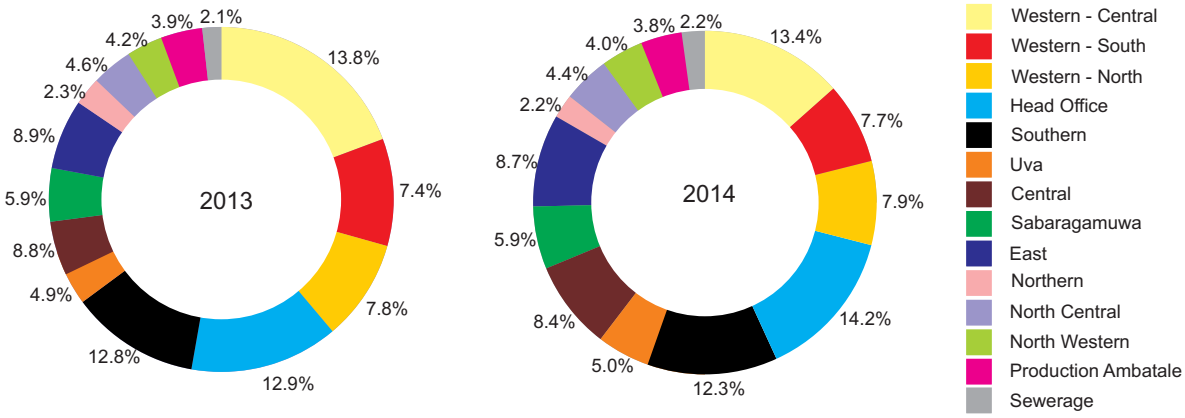
Distribution by Key Job Function



Staff Distribution by Key Job Functions



Staff Distribution by Location



Staff Benefits

- Five percent salary increase was granted to the NWSDB employees with effect from 01/01/2014.
- An Annual Bonus of Rs. 37,500.00 inclusive of a productivity incentive was paid during the year.
- Encashment of unutilized medical leave was continued as in the previous years.
- Employees who had rendered an unblemished service to the NWSDB were facilitated at the World Water Day Ceremony held in the BMICH in March, 2014.
- Five hundred and Eighty (580) Casual/ Contract employees were made permanent in their posts during 2014.
- Transport facilities were made available to the staff at a concessionary rate.
- Death donations were granted in respect of the permanent employees who had died whilst in service.
- Local/ foreign training facilities were provided to the employees.
- Tea allowance of Rs. 650.00 was granted for the employees.
- Loan facilities were provided via Government Banks (Housing loan and vehicle loan through the Peoples Bank and the Bank of Ceylon respectively).
- A Festival Advance of Rs. 5,000.00 was paid to the employees as in the previous years.
- The facility for the reimbursement of mobile telephone bills was extended from Board Gr. VI to Board Gr. VIII subject to a limit of Rs. 637.00 per month.
- Rs. 35,972,700 among 69 employees as 12 month loan and Rs. 699,220,925 among 2,404 employees as10 month loan have been distributed at a concessionary rate during the year 2014.
- Rs. 54,276,343 (approx.) was incurred for the reimbursement of medical expenses of employees (including family members). In addition, medical expenses incurred for critical illnesses.

STAFF REMUNERATION AND BENEFITS

Comparison of Staff Remuneration in 2013 and 2014

Description	2013 Rs. million	**2014 Rs. million**
Salaries	6,825	**7,483**
Contribution to Employees' Provident Fund	616	**647**
Contribution to Employees' Trust Fund	154	**162**
Total	7,595	**8,292**

MANPOWER DEVELOPMENT & TRAINING

NWSDB's Manpower Development & Training Division continued to provide training opportunities to employees as in the past. 18 Nrs. new Training Programmes have been introduced during the year 2014. They were Compliance, Internal Control and Information Security Management, Operation & Maintenance of Air Blowers and Compressors, Problem Solving in Water Treatment Plants, Planning & Design of Water Treatment Plants, Awareness on New approaches of Sanitation, Modern Water Treatment & Analytical Technologies, Modern Wastewater Treatment & Analytical Technologies, Coping With Stress, Positive Thinking and Work Ethics, Skill Development in Hospitality and House Keeping, Social Discourse and work place cooperation, Report Writing, Handling Water Tariff in Commercial Activities Using Spread Sheet, Design & Development Database Application Using MS Access, Advanced Features of AutoCAD, Project Management using MS Project, Use of Spread sheets in Management and Application of Water Gem / Sewer Gem Packages programmes.

Based on the training need priorities identified through the senior Management and line-managers, employees of all categories were provided with the training through the following three approaches.

Formal In-house Training Programmes, Seminars and Workshops

This divisions has conducted 175 In-house Training Programmes, during the year 2014 and trained 6791 employees of various categories. The number of employees trained in each categories are 524 Managerial Staff, 2191 Executive staff, 1317 Supervisory staff, 1410 Clerical & Allied staff and 1349 Operational Staff.

Programmes related to following areas were conducted during this period.

Civil Engineering Standard Method of Measurement (CESMM), Preparation of Estimates for Pipe Lines & Structures, Procurement Management, Tender Evaluation, Construction Supervision, NRW Reduction - Phase I Flow Meters & Level Meters, LD Equipments & NRW Measuring, NRW Reduction, Under Pressure Water Main Tapping, Maintenance & Repair of Gas Chlorinators, Awareness on Water Safety Plan, IEE Wiring Regulation, Operation & Maintenance of Generators, Water Treatment Process, Design of Waste Water Treatment Plants and Waste Water Network System, Occupational Health & Safety, Operation & maintenance of WTP & Water distribution system for Sri Lanka Navy, Coping with Stress, Commercial Procedures, General Orientation Programme, Supply & Material Management, Administrative Procedure, Awareness Programme for 5S Concept, Refresher Programme on Effective Communication & Telephone Etiquettes, Project Accounting, Commercial Procedures & Accounting System, Accounting Procedure, Function of Meter Readers, Skill Development in Hospitality and House Keeping, Introduction to Computers & Windows 7 Operating System, Creating & Manipulating Documents Using Word-Processing Programe, Organizing, Storing and Manipulating data Using Spreadsheets, Use of Spreadsheets in Data Management, Email Management, Introduction to Open source Software, Troubleshooting & Computer Maintenance, Computer Aided Draughting & Design Using AutoCAD 2010, Advanced Features of AutoCAD, ArcGIS, Microsoft Access, Effective Management of Projects using Microsoft Projects and AutoCAD 2010.

Training at other Training Institutions within the Country

MD&T Division arranged training for 194 employees externally through local training institutions covering a total of 3,111 training days. This includes Masters and Postgraduate programmes conducted by local Universities and Diploma and Certificate courses conducted by various recognized institutions such as National Institute of Business Management, National School of Business Management, Sri Lanka Institute of Development Administration, Center for Habitat Planning and Development, Advanced Construction Training Academy, etc. Further employees were nominated for several short courses in areas of Human Resources Management, Supply Chain Management, Construction Management, Mechanical and Electrical fields, Machinery operations and maintenance, etc.

Officers have been nominated for 16 external training/ programmes/ workshops in during 2014.

They were Management Development for Engineers – IESL, Role of a Project Manager in National Development - Institute of Project Management Sri Lanka, Report Writing – IESL, Transport Management – CETRAC, National Labor Law Symposium – BASL, Seminar on Agro Chemicals – Institute of Chemistry Ceylon, Civil Engineering Standard Method of Measurement – ICTAD, Ground Water Management – Water Resources Board, Facility Management – IIESL, Usage of Aluminum for Building – ICTAD, Environmental Pollution due to Construction & Its mitigation – ICTAD, Training of Trainers Programme on Climate Change Adaptation – Sri Lanka Water Partnership, Tamil Language Programme – Institute of National Language and Education, Innovative Technology for Excellence – IESL, Seminar on HS Code – Colombo Shipper's Academy and Consultancy Development Programme on Quality Concept NL&DB.

Overseas Training and Official Visits

Short Term Fellowships

Short term fellowships and visits - Overseas Trainings were provided for 39 employees of the Board with the financial assistance from ADB and other bi-lateral short

term fellowships from NUFFIC, JICA, ITEC, KOICA, AusAID, and Singapore Technical and Economic Corporation . In addition MD&T Division facilitated official visits for 129 officers in respect of Pre- shipment Inspections, Factory Inspections, Contract negotiations, Twining Programmes, etc. through various projects implemented in year 2014.

Long Term Fellowships

During 2014 the following three long term fellowships have been received by the NWSDB Engineers for fulltime study abroad and online study programmes.

a. M.Sc. in Urban Water Sanitation specialization in Sanitary Engineering sponsored by the Netherlands Fellowship Programme

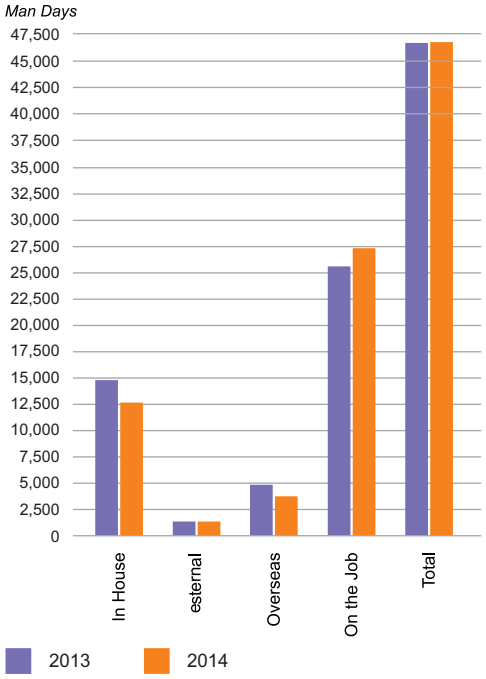
b. M.Sc. in Water Management & Water Quality Management funded by Joint Japan and World Bank

c. Water Management specialization in Water Resources Management funded by the Netherlands Fellowship Programme

d. Six half scholarships have been received through the IHE, Netherlands for Professional Postgraduate Diploma in Sanitary Engineering and Sanitation to Study Online basis. The Bill and Milinda Gates Foundation has given a grant to cover the 50 % of the course fee based on the MOU signed between IHE and the NWSDB and for the NWSDB and the participants to bear the balance cost.

On-the Job Training

On-the Job training was provided to Apprentices (Undergraduates, Special Apprentices, NDT/HNDE Students, Craft Apprentices and students of Technical Colleges, Institute of Charted Accountants, AAT Vocational Training Authority, National Apprentices & Industrial Training Authority (NAITA), etc.

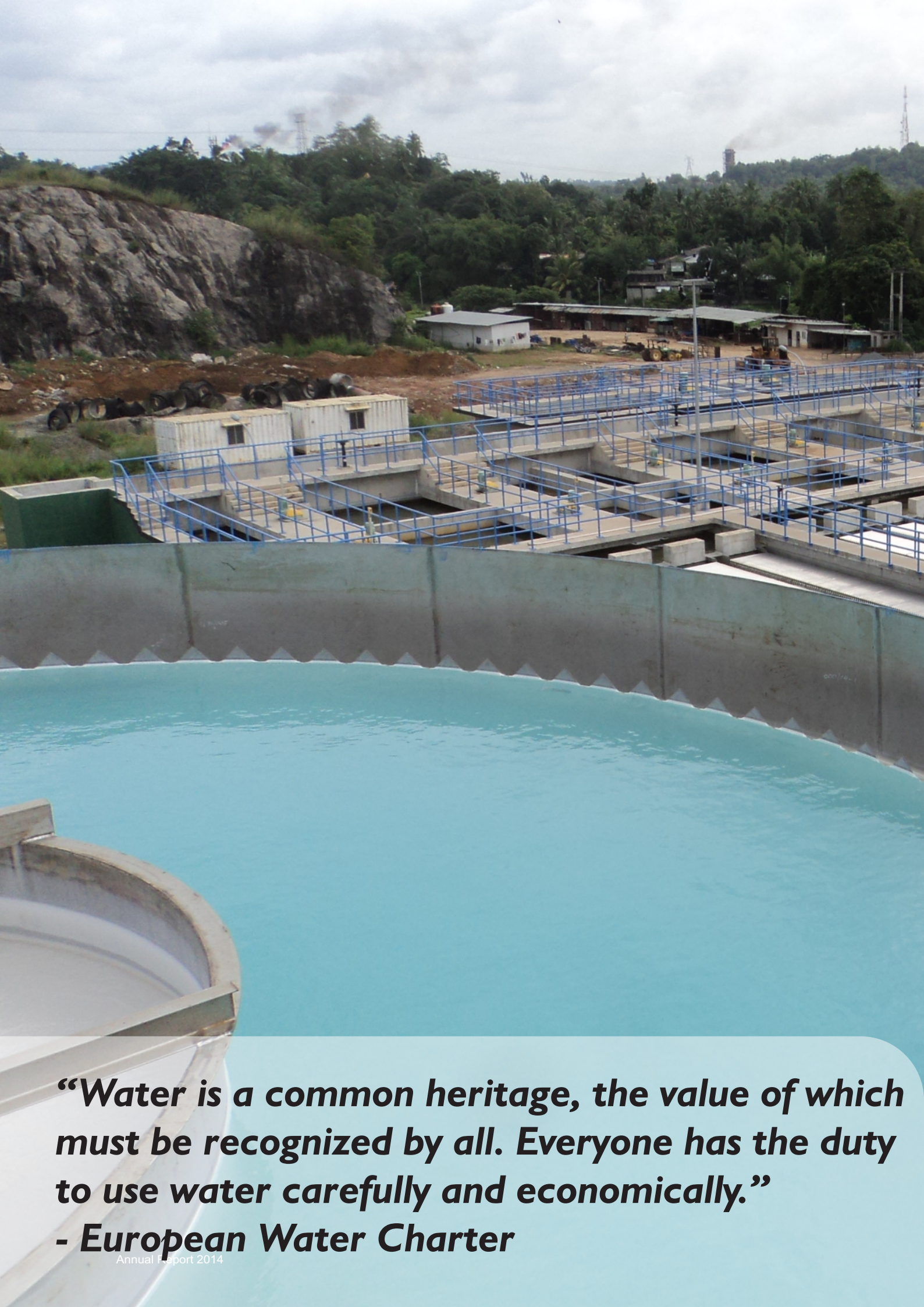


Summary of on the Job Training Provided for Apprentices from External Institutions.

No.	Category	No. of Trainees	Man days
1	Undergraduates	64	27,324
2	Technical Trainees	97	
3	Accounting Trainees	05	
4	Clerical & Other Trainees	41	
Total		**207**	

Summary of Training Provided for Internal Staff.

No.	Type of Training	Programmed	Progress	Percentage	Mandays
1.	Formal In-house Training	3,000	6,791	226%	12,643
2.	Overseas Training and Visits	80	174	218%	3,833
3.	In country external Training	160	194	121%	3,111
4.	Workshop/ Presentation Conducted by External Institutions	240	530	221%	530
	Total	**3,480**	**7,689**	**221%**	**20,117**



"Water is a common heritage, the value of which must be recognized by all. Everyone has the duty to use water carefully and economically."
- European Water Charter

Sustainability Report

Kelani Right Bank

Customer Convenience through Innovative Technologies

> "NWSDB has made remarkable attempts to adopt these emerging technologies to enhance the operational efficiency, service quality and customer care services ensuring better customer satisfaction"

Innovation is the key factor in improving public service. While e-Government concepts are emerging as the driving force in improved government service delivery mechanisms, the technologies such as Geographic Information Systems (GIS), SCADA systems, SMS and mobile based technologies are fast emerging as platforms for innovative solutions in the public utility sector worldwide. Keeping in phase with these new trends, throughout the year, NWSDB has made remarkable attempts to adopt these emerging technologies to enhance the operational efficiency, service quality and customer care services ensuring better customer satisfaction.

Enhancements to Call Center

Call Center- solution facilitating customers to lodge their complaints through customer care hotline 1939 and effective processing of these complaints through the fleet of field staff deployed island wide, has become the centerpiece of the customer care services of the organization. This facility is gaining popularity continuously and more than 100,000 complaints have been accepted and processed during the year through the call center facility alone. One of the main features of the Call Center solution is the use of SMS and email as the primary communication methods to give immediate feedbacks to customers and inform the details of the complaints to field staff for their immediate attention. Also, this system facilitates the tracking of the progress of the complaint processing while serving as a good management information source for effective decision making on this subject.

During the year, the solution was improved adding various new features such as facilities for sending customer alerts and notifications through SMS, enhanced call queue management, online monitoring of call center operations etc. Regional staff utilize the solution to send alerts on water supply interruptions, disconnection notices directly to the customers' mobile phones through SMS messages.

Customer Charter

NWSDB has enforced a customer charter which set guidelines on maximum time limits to deliver most important customer support services such as new connections, billing/payment issues etc. displaying its utmost commitment to ensure the best customer satisfaction. On the spot new connection cost estimation in certain regional offices, provision of the connections within 7 days on receipt of the payments, one day service connection provisioning options are some of the remarkable steps taken by the organization to ensure better customer satisfaction.

Official Web Site

The official web site of the NWSDB was updated continuously to reflect the most current image of the organization. While providing most up-to-date information about the organization, certain interactive services have been incorporated to the site to enhance the customer interactions. Application forms, service request forms, leaflets. publications etc. are available for the users to download. Details about the important events, notices, news items are updated regularly.

The tender notices, job opportunities, procurement notices etc. are some of the most popular sections of the site. Facilities are available to send the customer feedbacks and submit complaints/Grievances. The official web site has been converted to a content management solution using open source web design and development methodologies to facilitate more effective content updating process.

The new web site has facilities to accept payments on water bills online using credit cards.

Online Customer Care Portal

NWSDB initiated the development of an online customer care portal facilitating customers to view the consumption patterns, bills, payment details, outstanding balances. etc. The customers with a valid water services account can register in this portal to receive a host of online services. While providing customers with various details of their water service account, the portal allows the customers to make payments online using credit cards and several other options. This is a self-service online portal which was designed in keeping with the latest industry practices. The system was designed with stringent security controls to safeguard the privacy and information security. The solution has been launched and has been integrated to the new official web site.

Collaborative Services with other Institutions

NWSDB consented the Information and Communication Technology Agency (ICTA) to incorporate certain selected services in to the LankaGate online one-stop government services platform. An online portlet was developed by the ICTA in collaboration with the NWSDB under the re-engineering initiative by the government. This facility offers citizens with water service accounts to view the details of consumptions, bills, payment details along with a facility for making online payments to the outstanding bills.

In fulfilling its social responsibility, NWSDB has helped Ministry of Public Management Reforms to establish a comprehensive grievance management system for all government institutions. NWSDB provided it's expertize in advisory capacity and developed the IT Solution for this purpose. The system is expected to become the primary grievance management solution of the government. At present several institutions are using this system to process public grievances.

Host of Payment Options

At present, NWSDB offers the customers various different options for making payments on their bills. In addition to online payment options offered through various web sites including NWSDB official web site, LankaGate portal and portals of many popular banks, the customer has the convenience of making payments through popular retail shopping centers operated by reputed supermarket chains such as Cargill's, Keels, Laughs etc. Such payment collection facilities are authorized to collect payments with a legal agreement with NWSDB.

NWSDB's own collection counters are available at all the regional offices and few dedicated collection counters opened at convenient and public locations such as People's Park etc.

Considering the convenience to the customers, NWSDB has authorized mobile payment, eZCash systems and mCash systems to collect payments on behalf of the NWSDB under legal agreements.

NWSDB has consented some private parties to establish convenient payment facilities such as Kiosks, Teller machines, on the spot payment collection systems using payment card methods.

Public Awareness Programme

Public Relations Unit conducted various educational and awareness programmes targeting customer groups, school children and consumer societies. Major focus is given on water conservation, environmental aspects, protection of water bodies etc. A newspaper named 'Jalaya' is published periodically to educate the target groups on many different aspects related to water service.

Various events were organized by the NWSDB under the guidance of the Ministry of Water Supply and Drainage and various other interested parties to raise awareness among the public. Some of such events are World Water Day ceremony, Community Water Conference and the SACOSAN conference.

Rural Water and Sanitation

Performance and Major Activities in Rural Water and Sanitation Section

AusAID Funded North East WASH Project

- Australian International Development Agency (AusAID) provided a grant of US $ 2.01 Million to NWSDB through World Bank and Pilot Water Supply, Sanitation and hygiene (WASH) program in Post –Conflict settlements of Mannar and Trincomalee Districts, was completed in 2014.

a) Mahadiulwewa, Namalwatha, Navachcholai and kiliveddy in Trincomalee district.

b) Thalaimannar village, Palampiddi, Mathakiramam, Koolankulam and Kondachchi in Mannar district.

- Out of 3000 household connection target, 2300 house connections target was achieved.
- Additionally 517 household latrine units were successfully completed.

RWS Master Database

Actions continued to collect the technical details of RWS Schemes through questionnaires sent by the post, workshops were held with Community Based Organization members, with other government and non-governmental organizations. etc, 5 GPS equipments were distributed among District RWS units to collect location data of RWS schemes. It is planned to hold remaining district CBO workshops.

Following awareness programmes and field visits were conducted in the year 2014

- Mahadiulwewa and Namalwatha water supply schemes of the NEP - WASH project and Suwadivi community managed water supply schemes in Embilipitiya in January 2014 .
- National programme was conducted to mark World water day 2014 at BMICH , Colombo. In parallel to this event, National level CBO and district RWS units competitions were conducted.
- Discussions were held with officials of Plantation Infrastructure Development Trust and Gamaneguma for getting available water and sanitation details for updating RWS data base.
- Liaison with World Bank officials for the project preparatory works of next rural water supply project convey districts under the World Bank funds.
- Constant Flow device was developed and Pulsar pump for chlorination of CBO managed water supply schemes is being developed with R & D Section of NWSDB
- .
- Assistance was given to draw up and edit following booklets published by the Plan Sri Lanka, Manual on preschool WASH facilities, Manual for operating of RWH systems in schools.
- Poster based on WHO guidelines was prepared and translated to Sinhala to use as a tool for water safety plan monitoring for CBO managed water supply schemes.
- One day CBOs forum meeting were conducted in Puttalam, Polonnaruwa, Kegalle and Ampara .
- Site Visits were made to RWS units and identified CBO in Kalutara, Ratnapura, Gampaha, Puttalam, Kurunegala, , Kegalle, Anuradapura, Ampara and Monaragala.
- Tariff structures in CBO were collected and analyzed as part of an ongoing research programs .

Planning and Strategic RWS Workshops

- Two day residential workshop was conducted in March at Wariyapola for district RWS unit staff.
- One day work shop for NWSDB Executives was held in November at MD&T to aware new approaches and strategies on rural water and sanitation.

Third International Conference on Water Prosperity and Community from 24-26 August 2014.

International Conference on Water Prosperity and Community was held at International Buddhist Academy, Pallekale, Kandy in Central Province, Sri Lanka from 24 to 26 August 2014, for which the RWS section contributed in many ways.

Parallel to this conferences following events were conducted.

- Exhibition with participation of stake holder and school children in KCC , Kandy
- Art competition among the school children in central province
- Competition for selection of most successful CBO'S
- Quiz competition among the CBO members
- Technical field visits for participants

The Senkadagala declaration was prepared and declared at the closing of the conference.

Improvement of CBO managed water supply schemes under the financial assistances of National Community Water Trust.

During the year 2014, funds were received from NCWT for replacing of pumps for CBO managed water supply schemes and following works were carried out during

the year. Rs. 44.0 million was received for replacing and installation of 50 new pumps for 36 CBO water supply schemes in Anuradapura, Polonnaruwa, Matale, Kandy, Nuwaraeliya, Gampaha, Kegalle, Ratnapura, Matara, Hambantota and Colombo districts. Out of 50 pumps for 36 CBO, 25 pumps for 17 CBO were installed.

SACOSAN IV 2014 Programme

One of the main objectives of the SACOSAN - IV is to achieve total sanitation by providing toilets. With reference to this theme, it was proposed to improve the sanitation facilities of the neediest. 762 household sanitation facilities and 06 schools from selected PS areas in Hambantota, Colombo, Gampaha, Nuwaraeliya, Badulla and Monaragala Districts and sanitation facilities for 10 pre schools in Hambantota district where the sanitation facilities are not up to the standards to achieve the required sanitation needs. Out of 762 House hold latrine units, 562 latrine units were completed, sanitation facilities for 06 schools and 10 pre schools were completed.

In view of achieving the above goal, GOSL has allocated Rs.18.5 million through the Ministry of Water Supply & Drainage.

Ground Water

Groundwater section is functioning with nine provincially distributed regional groundwater units with centralized investigation section.

During the year 2014 the main activities related to Ground Water were construction of deep and shallow boreholes, assessment of aquifer and wells, Flushing & Development of shallow and deep borehole wells, Installation of hand pumps and iron removal plants, Repair and rehabilitation of hand pump tube wells, Implementation 3 Tier system for maintenance of hand pump tube wells, Bed rock profiling & Stream gauging, Groundwater studies & monitoring. During the year 2014, several groundwater development programs were completed.

Under above activities 687 Hydrogeological Investigations, 302 Drilling (construction of deep & shallow boreholes), 112 Hand Pump Installations, 845 Hand Pump Repairs & Rehabilitations, 427 Flushing & well development, 221 Pumping tests, 6 Auguring / Jetting, 2 Bed rock profilings, 3 Flow measurements activities were carried out during the year 2014.

General Issues/ Special Events that Taken Place During the Year

During drought period of the year several groundwater activities such as construction of new 62 hand pump fitted wells, repairing of 774 nrs. and rehabilitation of 6 nrs. hand pump fitted wells and flushing of 318 deep wells were completed. Involved in watershed management activities in collaboration with CEA in six CBO maintained WSS to upgrade the water quality as well as the water quantity.

Well construction for groundwater dev. for Minuwangoda WSS

New/ Future focuses

It was noted that life time of the groundwater pumping wells were gradually decreasing due to the natural as well as man-made activities. Therefore, a monitoring mechanism is being planned to be established for the pumping wells and pumping WSS. Also, it is planned to direct the study activities towards the artificial recharging of the aquifers.

Any other Important/ Relevant Matters

Improvement of office appearance is taking place with support from the all staff of the groundwater section. Existing data base interface was changed and new interface was created to enter the raw data of the groundwater and investigation section to the TWIS. A certificate of merit was achieved for "Safest working place" by the Groundwater Section, Wariyapola.

Sociological Activities

Project Appraisal in Order to Reflect Community Needs and Expectations

- Developed strategies to involve users in the planning process in the urban water supply systems and implement pilot level programmes. Socio-economic impact studies have been finalized in respective RSCs
- Evaluated Socio economic part of PAC reports of each project and justified the needs and requirements
- Conducted socio-economic surveys in feasibility studies and reports were finalized for Northern, Sabragamuwa, Eastern, Uva, Southern and Central RSCs.
- Promoted the participation and active involvement of people in developmental organizations, political parties and the local government, with the purpose of influencing decisions on water supply and sanitation projects. (BOPA Project, Southern RSC, Sabragamuwa RSC)

Water Safety Plan (WSP) and Water Quality Surveillance (WQS)

Water suppliers are responsible at all times for the quality and safety of the water that they produce. The role of sociologists in activities related to water safety plan is important to assess the risks and hazards in each water supply project.

- Assisted in preparing and implementing water safety plans
- Conducted public awareness programmes on water safety plan
- Assisted in the implementation of catchment management activities
- Conducted community education programmes on catchment management

It is important to provide awareness for stakeholders and WSP team to enhance and expedite the activities of WSP. Therefore,

- The National Consultation Workshop on WQS and WSP was organized for the stakeholders to facilitate and implement WSP activities by coordinating with O&M Managers and RWS unit and to provide support services.
- International training programme on Water Safety Plan was organized for the assessors of WSP from each RSC at Eheliyagoda and Kandy. Delegates from Bhutan and Nepal participated in this programme.
- Analyzed the issues and prepared water quality surveillance formats for CBOs and urban schemes of the Western RSC.
- Established District & Divisional level Water Quality Surveillance Committees and Conducted meetings on Water Quality Surveillance in Western RSC.
- Problems related to water quality, shortage of water, technical and administrative issues were solved with the community mobilization process in community based organizations of the Southern RSC.
- Conducted WQS meeting once in three months with the participation of stakeholders with assistance of all public officials (Central, Sabragamuwa, Southern RSC)
- Conducted WSP programme in the Hambanthota District by selecting Tangalle WSS and organized training programmes, awareness programmes and field visits on WSP in the Southern RSC.
- Southern Province WSP committee and District level WQS Committee have been established

Planning and Facilitation of Community Managed Water Supply Schemes

- Conducted trainings on Operation and Maintenance of CBO Managed Schemes Compilation and maintaining information and data on physical characteristics, economic aspects, social infrastructure, demography, gender issues, poverty, strengths and capacities of the NGO sector at the national level by establishing mechanisms at regional level with the assistance of regional sociologists and established a network on CBO managed schemes through exposure visits under RWS Section.

Capacity Building and Training

Several awareness programmes were held for the sociologists in the head office.

Community Mobilization Process

- Conducted mobile service/ calling system to collect water bill arrears from consumers, Awareness programmes for School Children on Water Supply and Environment Preservation in Western RSC.
- Launched Street Drama for low income settlements in Dehiwala and Moratuwa of the Western RSC.
- Assisted in developing of Pre - feasibility reports by Specially contributing to chapters 3 to 5 on Socio-economic conditions of the proposed project area, health aspects, development trends and environmental considerations in Central RSC.
- Conducted and coordinated water quality surveillance meeting with Stakeholders in Kandy, Matale and Nuwara Eliya Districts of the Central RSC.
- Conducted school awareness and CBO awareness programmes in relation to catchment management, water saving and climate change in the Central RSC.

- Organized training programmes for the officers of the Divisional Secretariats, PHIs, chemists and school children of the Central, Southern, Sabragamuwa RSCs .
- Organized training program on "Gender Action Plan – 2014" for Project Staff and Stake holders under the Jaffna - Kilinochchi Water Supply & Sanitation Project.
- Coordinated and organized hygiene awareness, water conservation and environmental conservation awareness with local NGO Sewalanka in village level and school level. (Jaffna - Kilinochchi Water Supply & Sanitation Project)
- Coordinated with NGOs to prepare and disseminate pamphlets, handouts and umbrella on hygiene, water conservation and environmental conservation. (Jaffna - Kilinochchi Water Supply & Sanitation Project)

Customer Care

- Established quality circle in every sections and conducted monthly meetings to discuss the matters related to institutional development.
- Prepared Handout to create awareness among Consumers and school children on WASH activities. (Western RSC)

Service Coverage Enhancement

- Action plan on enhancing service coverage in each RSC has been prepared.
- Taking part in a collective activity with OICs of the 400, 000 water connection project.

Non Revenue Water Reduction

Due to the scarcity of water resources, water will become the most valuable source of the world. It is a global requirement to save the water resources and minimize water losses through continuous management practices. The truth is that the amount of water produced is not gone for revenue generated due to pipe breakdown, low quality of pipe repair work, poor materials, poor installation and workmanship, poor construction practices, unauthorized consumption and presence of common outlets etc causing higher percentage of non-revenue water in Sri Lanka. The responsibilities are loaded to Non-Revenue Water section which plays a big role to save water which don't contribute to revenue generated. NRW section functions in the area of DGM (Western Central) focusing on reducing losses occurring from unbilled authorised consumption and unauthorized consumption of water to maintain Non-Revenue Water in Western Central area below 30% and below 18% that in Colombo City in 2020 by providing smooth and reliable drinking water facilities to inhabitants of western central area by saving our resources.

1.0 Introduction

The water demand in Colombo urbanized area is increasing gradually due to construction of new residencies and commercial buildings continuously. The demand requirement is factored as water consumption pattern is changing with modern lifestyles. So it is a challenge to meet the demand with existing resources which are diminishing rapidly. The Non Revenue Water Section focused on reducing water losses taking place through free water outlets, reducing unauthorized consumption of water and formulating policies for reduction of NRW. Remarkable achievements had been made under this approach. All the free water common outlets over the Colombo city area had been metered. Now monthly income from this conversion is nearly a rupees 0.6 million. In 2014 onwards there will be no unbilled authorised consumption in underserved settlements.

Manager's Manual for NRW was developed using NWSDB resources, which is of international standards to the benefit of the whole board for sustainability of the huge investment made over decades.

Areawise NRW monitoring was initiated and once in six months NRW calculation is being done and emphasis on active leakage control is continued to be made. Night surveys identified nearly 300 visible leaks in wee hours of the day and with more publicity given on detections made.

Suggestions had been given for media campaigns using the NWSDB resource. The NRW % for Colombo city has dropped from 53% in 2008 to 46% in 2014 indicating progressive reduction.

2.0 Underserved Settlement Water Supply (USS)

2.1 Randiya Programme

Disconnection of common outlets and provision of individual connections to underserved community on concessionary terms is termed "Randiya Programme."

The benefits of having individual connection are improved hygienic conditions and improved quality of life. During the year 2014, 698 connections were provided after disconnection of 70 common outlets. Since 1990 nearly 23,900 families living in 884 USS have been benefitted from this programme.

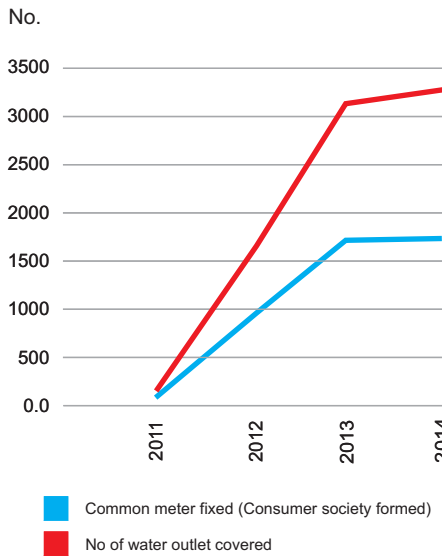
2.2 Customer Society (reduction of unbilled authorised consumption - Free Water)

In 2011 innovative program was intiated to measure the

consumption from this common outlets by installing waters meters and forming societies who will identify the users and maintain the outlets. Nominal charge was introduced for the water usage. In end of year 2013 the program was successfully completed.

From the already formed societies, monthly bills have received for a consumption of 147,900 cu.m/month representing 5% of the water consumed by Colombo city.

Reduction of Unbilled Authorised Consumption



3. Reduction of Unauthorized Consumption

Identification of unauthorized consumption was carried out by responding to information received from the general public, programmed search in area for unauthorized consumption in commercial premises, checking all premises in identified area in a planned manner with the intention to cover the whole Colombo City.

During 2014 year alone 1,521 detections have been made and Rs 54.77 million has been levied. Out of them 75 detections were made with collection over Rs 100,000/= which brought in Rs. 22 million.

Unauthorized Consumption Detection

	2011	2012	2013	2014
Presimses Checked (Nr.)	21,994	13,619	13,343	12,812
Detection Made (Nr.)	1,477	1,166	1,661	1,521
Amount Levied (Rs. m)	56.23	43.23	69.64	54.77

4. NRW Management

Within Colombo city, critical areas were selected and flow and pressure measurements were taken after establishment of closed boundaries. Night surveys, Culvert surveys and House to house surveys were carried out to identify visible leaks. The NRW reduced to considerable amount in those areas. Also following activities were involved in the above process.

- Identification of Leaks
- Flow and Pressure Measurement
- Area engineerwise NRW monitoring once in every 6 months
- Location of underground information

  i) Valve location identification.

  ii) Identification of underground water pipes
- Leaks survey a different approach

5. Implementation of Foreign Funded Projects

Under NRW reduction in Colombo City, active participation in Colombo Water Supply Service Improvement Project (ADB PPTA) is important for knowledge sharing, learning and training for capacity enhancement on purpose of using of equipment etc.

Under this scenario NRW in 2008 54% was brought down to 46% in 2014 by adaption of innovative strategies.

6. Achievements

- Establishment of Area Engineers NRW % for continuous Monitoring
- Bringing down the NRW in Colombo City to 46%
- Elimination of Unbilled Authorized Consumption in Underserved Settlements
- Additional income generation of over Rs 7m per year from converting free common water to income generation.
- Updating of "Tenement Garden directory" prepared in 2007
- System pressure improvement in Colombo City

Energy Management

NWSDB annually spends Rs. 3.6 billion for its electricity mainly for water treatment & pumping processes and NWSDB is the largest customer of the Ceylon Electricity Board.

The energy management programme of the NWSDB achieved substantial progress and activities upgraded to a higher level qualitatively and quantitatively during the last couple of years. M&E Services Division is fully equipped with energy measuring equipments to carry out all types of energy audits for energy management works at NWSDB.

The savings due to the tariff category rectifications, mechanical and electrical capital works and other energy saving projects, which were completed in previous years, were continued during the 2014 and it caused a higher accumulated energy & cost savings. It is recorded that the continuing annual savings due to energy conservation projects implemented from 2004 to 2014 is Rs.366.8 million after deleting the implemented projects older than 5 years.

Energy audits carried out for 28 water supply schemes in 2014 will result in estimated annual energy saving of Rs.17.65 million according to their energy audit recommendations for a estimated investment of Rs.69.5 million.

It is a great achievement by the Energy Conservation Programme of NWSDB, as out of the special budget of Rs.107.5 million allocated for the energy conservation activities in year 2014, Rs. 106.8 million worth of project investments completed during 2014.

Fourteen (14) energy efficiency improvement projects have been completed during 2014 with total investment of Rs.59.2 million resulting in Rs.30.7 million annual savings. This includes both energy efficiency initiatives of M&E Services Division & M&E section at Regions.

Another 21 projects are at implementation stage worth of Rs.104.7 million which will result in annual saving of Rs.27.18 million in addition to above annual savings. These 21 projects are expected to complete by 2nd quarter of year 2015.

As one of the largest energy investments of NWSDB, Kethhena/ Beruwala pump replacement & pump house layout rearrangement project is at implementation stage with an investment of Rs.90.0 million with Rs.8.9 million annual energy saving.

M&E Services Division already initiated to extend the energy improvement activities by introducing energy benchmarking programme. Energy compliance programme for new proposals and energy awareness & training programmes for NWSDB staff are at planning stage.

Supplies & Stores Management

Supplies and stores management are important areas in the overall operation of the NWSDB activities. The required items for NWSDB operations are readily available and it maintains correct purchasing policies and procedures for purchasing and storing of the items.

We were able to supply necessary chemicals and connection materials for smooth functioning of NWSDB throughout the island without any interruption. Furthermore, we have achieved almost 50% of purchasing of connection materials under 400,000 connection programme.

Considering the high value of stocks available in our stores the stores management activities have been closely monitored and coordinated by the Head Office and respective RSCs. During the year 2014, we managed to reduce a considerable amount of unproductive stock available in most of the stores by way of an annual disposal procedure and it is around 30 million worth of rupees. We also made arrangements for producing and circulating a CD and booklet which contained almost all the nonmoving items available in stores of NWSDB throughout the island for easy reference and to use when a requirement arises in other RSCs.

It is worth mentioning that the main stores of the NWSDB functions as the central stores and considerable development and restoration projects were done during the year 2014.

Research and Development

Provision of Safe Water for Drinking and Cooking Purposes for CKDu Affected Areas in Polpithigama

This study covers an area for which piped water supply provided by NGOs, to around 500 families from 30 dug wells, 4 tube wells and one spring. The aim of this research is to study and compare the water quality of the above 35 groundwater sources and the social pattern of the same community. The water quality tests include Physical, Chemical and Bacteriological parameters and Heavy metals, Arsenic and Sodium etc. The estimated cost for this project was Rs. 0.61 m. Field work of this study was completed and report writing is at initial stage. The test results were compared with the SLS 614-1983 potable water standard limits.

Rainwater Harvesting to Mitigate CKDu in NWP

NWSDB proposes rain water harvesting and provision of treated water via bowser supplies, which help the unserved communities with safe drinking water and initiated a pilot in 2010 to provide 154 nrs. of 2000 liter capacity plastic tanks to identified dwellings of the patients in Polpithigama area. The estimated cost for this project was Rs. 10.91 m. The project included a follow up monitoring program scheduled to ensure the sustainability. The installation of 154 Rainwater tanks has been completed and water quality analysis inclusive of rainwater quality is in progress. According to the proposal it is planed to carry out a monitoring program for two years after completion of water quality testing.

Rrainwater Harvesting pilot in Polpithigama

Liquid Sodium Hypochlorite (NaOCl) Chemical Disinfectant for Household Water Treatment (HWT) in Sri Lanka

R&D Section conducted a field survey for households to get their perception on the use of NaOCl for disinfection on pilot basis. As an initial step, field surveys were conducted in 20 houses who took well water only for drinking purposes in Padukka, Akuressa, Galigamuwa and Vauniya areas. The household NaOCl solution prepared on lab scale was tested at the field level in the above mentioned areas for bacterial test. Water quality data were collected in four field visits. Users opinions about NaOCl solution was obtained using a questionnaire. The field survey and water quality analysis have been completed. Total expenditure of the project is Rs. 0.8 m. Generally there was an improvement in the bacterial quality in the tested well water.

The Research Study on Analysis of the Status of Groundwater Quality which is Contaminated with Waste Oil in Chunnakam, Jaffna

It was suspected that the Chunnakam Power Station (CPS) dumped the waste oil directly to the land which gets mixed up with the ground water of the surrounding wells. Objective of this research was to study the extent of waste oil penetration in the Chunnakam aquifer. Through a well survey, 100 well locations were selected as per the proposal, from the surrounding area of the CPS, based on different distances from the point of contamination and 50 additional well locations were also selected to find the extent of contaminated area. Groundwater samples were drawn from the 150 wells at monthly interval from November 2013 to October 2014. Altogether 226 samples were analyzed. Analysis of water samples were carried out at RSC-N and Central laboratories. The total approved estimated cost was Rs. 2.71 m. Work has been completed including the draft report.

The Research Study on Proper Oxidizing Agent as Pretreatment to Kalatuwawa Raw Water

This proposal was to find out alternative methodologies for oxidation of inorganic substances without pre Chlorination and to use Potasium Permanganate ($KMnO_4$) as the Oxidizing Agent for pretreatment. The total approved estimated cost was Rs. 0.8 m. Data collection has been done for water quality variation in Kalatuwawa reservoir and significant changes have been observed in parameters such as ammonia, iron and colour. Different concentrations of $KMnO_4$ were determined for different levels of pH to find out optimum concentrations at different levels of Ammonia, Iron and Manganese in water. Also analysis of nine water samples for disinfection byproducts, Trihalomethanes (THM) have been completed and balance eleven samples have to be analyzed at the Industrial Technology Institute.

Pilot Study on Elevated Ground Reservoir Water Level Monitoring System and Remote Accessing of Online Water Level Data at a Particular Reservoir through Mobile Phone

The main objective of this pilot study was to store the reservoir level remotely to a computer for a specific time period and analize the data. An Ultra Sonic Level Sensor was placed in the reservoir to sense the water level and the output voltage induced was passed through a Microcontroller to a LCD display as well as to a computer in a required period of time. The collected data were transferred to MS Excel for data analysis and

demand variation graphs were obtained. The approved estimated cost was Rs. 0.84 m and the project was completed.

Package Water Treatment

This is a product of team work done by some NWSDB staff with the design by the R&D Section, drawing by P&D Section, fabrication and installation by Central Work Shop. Finally, the completion was with the relevant regions aid the field adjustments, construction, supply and installation of pumps, chemical dosing and necessary building, supervision and operation & maintenance. Status of 11 plants under construction are; Installation of plants were completed in Anuradhapura sacred city, Thambuththegama and Sithulpawwa, Plant is in operation in Killinochchi, Construction is just initiated in Neelapola, Installation of plant is almost completed in Seethawaka Industrial Park, Final report handed over to the RSC (WN) for the plant in Meerigama Elders Home. Design completed and handed over to RSC for the plant in Muthukandiya, design process was arranged and discussed with the RSC for Yatiyantota plant and the Design stage is in progress for the Ulhitiya plant.

Reverse Osmosis (RO) Treatment Plants as a Solution to the Chronic Kidney Disease of Unknown Etiology (CKDu)

Most of the household filters and methods used for water purification remove only the particulate matter. The traditional methods, including domestic water filters and even some of the newer methods such as ultra-filtration, do not remove most of the heavy metals or dissolved toxic chemicals from water that can harm humans. The latter is achieved with the use of reverse osmosis technology, ion exchange methods and absorption method. Properly designed reverse osmosis methods remove more than 95% of all potential toxic contaminants in a one-step process. Based on this fact, 13 RO plants were installed at Thambalagollawa, Parakramapura, Bogahawewa, Sangilikanadarawa, Ambagaswewa, Wijayabapura, Wahamalgollewa, Ellewewa, Ihalawewa, Aluthwewa, Yathigewewa, Ihala ellewewa and 18th mile post. Those are being closely monitored by NWSDB. Further, in Thambalagollawa area a survey was conducted using a questionnaire after the installation of RO plant which revealed that people are satisfied with using this water for drinking and cooking purposes.

Fabrication of Constant Head Device (Constant dosing Equipment)

An apparatus with a closed vessel was successfully experimented providing air entry to balance the pressure inside the vessel to maintain constant chemical dosing rate as a simple low cost arrangement to get constant chemical flow rate was tested and successfully completed. The research outcome based on concept by RWS section was shared with RWS Section and with the regions.

Awareness Programme of Water Safety Plan – Biennium 2014-2015

These programmes were conducted in Uva and East RSCs to cover school children, stakeholders, CBOs, farmers and NWSDB staff. In school programmes special attention was given to minimize the water born diseases among children. Pollution control of water bodies was mainly discussed under these programmes.

Information Technology as a Tool for Achieving Service Excellence

For the last few decades, there is a continuous increase in usage of Information Technology Systems and solutions for improvement of operational efficiency and enhancement of service levels of government institutions. It is also seen that there are many success stories in the recent past in some of the most important government institutions regarding the remarkable improvement of service levels by appropriate use of Information Technology Solutions.

In realizing the above fact, and also considering the recent trends in various government institutions in Sri Lanka and worldwide, NWSDB has taken various steps to upgrade the ICT status within the organization and introduce various IT enabled solutions and systems with the objective of achieving service excellence.

During the recent past, NWSDB has made significant investment to enhance the IT Infrastructure and taken various efforts to introduce new IT Solutions and Systems to improve the operational efficiency and the service quality.

IT Infrastructure:

NWSDB has a state of art data center located in Head Office at Ratmalana. The data center hosts over 30 middle size servers with all associated equipment and accessories. The Local Area Network of the Head Office consists of equipment of well-known brands. (eg. CISCO). In addition to the structured cabling system covering the entire head office complex, a modern Wi-Fi network has been established covering most important areas of the building to support mobile devices and laptops. A centralized 8 mbps leased line and number of ADSL lines facilitate broadband internet connectivity for the official purposes.

The IP VPN now covers all the major offices from Head Office to Area Engineer level. All the major offices are now interconnected and the users at regional level have direct access to the solutions and systems maintained at Head Office or in any of the connected offices. The IT staff located at Head Office and regional offices maintain the IT hardware and infrastructure to facilitate the trouble free operation of the IT Solutions.

At present, NWSDB utilizes a large number of software solutions for its daily operations, Most eminent solutions are for the billing system and the general ledger system.

In addition to these two most important solutions, NWSDB has acquired a complete Enterprisewide Resources Planning Solution (ERP) through a major IT enablement project under a loan scheme provided by the Indian Government. The entire solution consists of 11 major software modules covering most important business functions. The solution developed by an Indian software solution provider (Cooptions Technologies Ltd.,) was handed over to NWSDB in 2010. NWSDB IT Staff has already implemented several modules of this solution including Inventory Management System (IMS) , Human Resource Management (HRM), Payroll System (PAY) etc. The implementation efforts of other modules are now in progress.

In addition, there is many other small scale software systems now in use in the NWSDB to automate and improve its day to day functions.

In keeping with the latest trends in e-Government concepts, NWSDB has launched a comprehensive web site facilitating various online services.

Policy Formulation

Water Safety Plan implementation was in progress during the year.

- Urban WSP TOT was held in Colombo with WHO expert support.
- WSP National consultation workshop was held.
- 3 WSP Master Trainers were trained overseas.
- International WSP assessment training session was held with WHO collaboration.

CKDu Relief Programme

Chronic Kidney Disease of unknown etiology (CKDu) has been prevalent in the North Central province and parts of North Western and Uva provinces of Sri Lanka over the past two decades or so. In certain areas 5 to 10 % of the population are affected and the disease is on the increase. In Anuradhapura District alone, 18,000 cases of CKDu are reported with over 200 deaths recorded annually. In the recent past, it has been noticed the decease is also spreading in other provinces such as North, East, Central and Southern.

NWSDB developed a strategy and work plans to provide safe drinking water to CKDu affected areas. This includes short term, medium term and long term plans. These work plans have been endorsed by the Parliamentary Sub Committee on CKDu. The program covers the CKDu affected areas in the districts of Anuradhapura, Polonnaruwa, Badulla, Moneragala, Ampara, Trincomalee, Kurunegala, Matale and Vavunia.

For the year 2014 programme, the NWSDB's allocation was Rs. 1100 million. A continuation of the short term action plan had been completed with the collaboration of the Ministry of Water Supply and Drainage. The sub projects had been implemented through the respective regional support centres (RSCs). In addition, resources of the R&D section, RWS section, mapping section and Development section in the Head Office had been utilized.

Climate Change Adaptation & Disaster Risk Reduction

These topics have been under discussion at various forms at Ministry of Environment, Disaster management centre, Water and Sanitation Meeting of the Ministry of Water Supply and Drainage etc.

Also related actions have been proposed under Australian Leadership Awards (2012) programme and Water Links Yarra Valley training programme (2014). As major outcomes a water safety plan comittee and an Emergency Response Comittee have been appointed. An emergency response plan was prepared under the Water Links training programme.

Water Safety Plans (WSPs)

In March 2014 WSP training programme in Southern Province was held. In May 2014 a more comprehensive TOT programme was held in Colombo with the support of an international expert from WHO.

The capacity of three national trainers were strengthened through master trainer sessions organized by WHO in Bangkok, Thailand and Nagpur India in September and October 2014.

"Water flows from high in the mountains. Water ru
water comes to us, And sustains all life." – Thich Nh

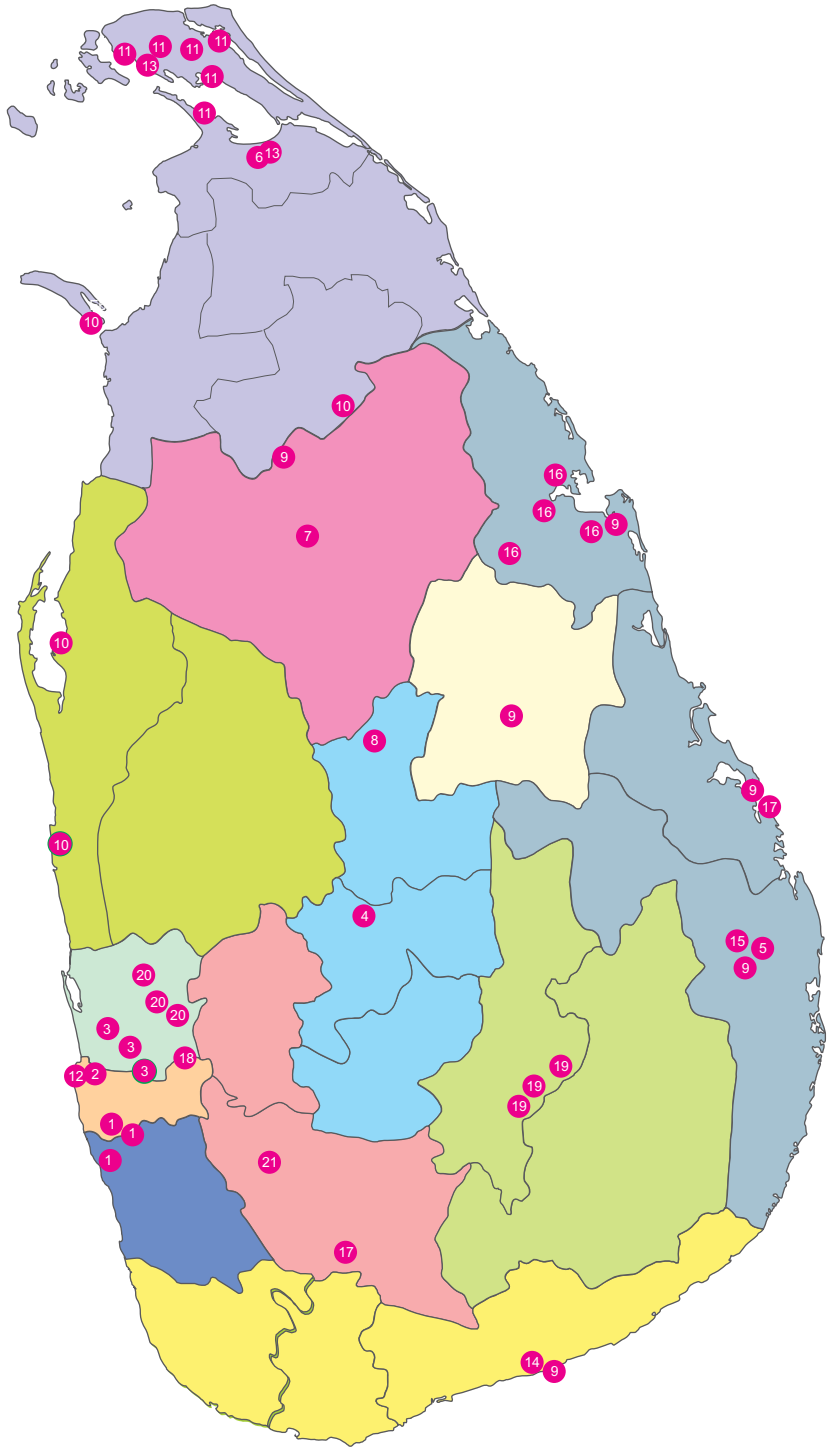
ns deep in the Earth. Miraculously,
at Hanh

Ongoing Water Supply & Sewerage Projects

Ongoing Water Supply Projects

Accomplishments of Major Water Supply Projects under the Ministry of Water Supply & Drainage

Location Map of Foreign-funded Projects under Construction/ Augmentation during 2014



	Project Name	Funding Agency
1	Kalu Ganga WSP - Phase I, Stage II	JICA
2	Greater Colombo Water Rehabilitation	JICA
3	Towns North of Colombo WS - Stage II	JICA
4	Greater Kandy WSP - Phase I, Stage II	JICA
5	Eastern Province Water Supply Development	JICA
6	Rehabilitation of Kilinochchi WS	JICA
7	Anuradhapura North WS	JICA
8	Greater Dambulla WS - Stage I	India
9	Secondary Towns Rural Community Based WS&S	ADB
10	Dry Zone WS&S	ADB
11	Jaffna - Kilinochchi WS & Sanitation	ADB
12	Greater Colombo Water and Wastewater Management Improvement Investment Programme	ADB
13	Improving Community Based RWS & S in post conflict areas of Jaffna & Kilinochchi	ADB
14	Ruhunupura Water Supply	Korea
15	Integrated WSS for the Unserved area of Ampara District Phase III	ADB
16	Greater Trincomalee Integrated WS	French
17	Kolonna /Balangoda WSP	Belgium
18	Labugama Kalatuwawa WTP	Hungary
19	Badulla, Haliela & Ella WS	US Exim Bank
20	Gampaha, Attanagalla & Minuwngoda WS	China
21	Greater Ratnapura WS	Spain

FOREIGN FUNDED WATER SUPPLY PROJECTS

Projects undertaken with JICA Assistance

1. Kalu Ganga Water Supply Project Phase I Stage II and Non-Revenue Water Reduction in Greater Colombo Area

The Kalu Ganga Water Supply Project Phase I Stage I was completed in 2008. The detailed designs of Phase I Stage II of KGWSP were commenced in 2008 and completed in 2009.

The objective of this project is to meet the increasing demand for drinking water in the Southern part of Greater Colombo. 300,000 people living in Kesbewa, Piliyandala, Jamburaliya, Kumbuka and surrounding areas will be the beneficiaries.

The total cost estimate of this project is Rs. 10,846 million. The project components are water treatment plant extension having capacity 60,000 cu.m/day at Kandana, 1000/800 mm dia 14.7 km long DI transmission main and 450/400 mm dia 6.7 km long secondary mains, construction of an elevated water tower of 1500 cu.m at Kesbewa and three elevated towern at Jamburaliya, Kumbuka and Welmilla (1000 cu.m each), 420 km long new distribution pipe lines for Panadura- Kiriberiya area and Kesbewa-East/West area and reduction of non-revenue water in Colombo CB1 area by replacing existing CI pipe lines in Pettach, Hultsdorf and parts of Kotahena, Maradana and Slave Island. In addition to the above, office buildings for RSC(W/S), Area Engineer (Piliyandala) and OIC office and Quarters at Kumbuka are also constructed under savings of the JICA loan.

The construction of Kandana water treatment plant, laying of distribution pipe lines and pipe line extensions in Panadura, Kiriberiya, Kesbewa East/West area and rehabilitation of distribution system in Colombo CB1 area, Kotahena, Maradana and Slave Island areas are in progress.

The overall physical and financial progress as at end of 2014 are 95.72% and 90.44% respectively.

Pipe bridge at Kahatawela (Kesbewa-Bandaragama Road)

2. Greater Colombo Water Rehabilitation Project

This rehabilitation project is intended to upgrade the service level of safe drinking water supply in Colombo area. This is one of the major projects planned with a view for achieving the Millennium Development Goals among many such capital projects. This project is a step forward to the NWSDB's long term strategy for the Non Revenue Water Reduction Programme in Greater Colombo area. Total cost estimate is Rs. 4,785 million. It is planned to rehabilitate and enhance the water supply systems of CMC and Kotikawatta – Mulleriyawa area.

The project comprises are;

I) Maligakanda Reservoir - To improve the water system in Colombo Central area Increasing the storage capacity for future and contingency situations.

ii) Elie House Reservoir - To improve the water system in Colombo North area Increasing the storage capacity for future and contingency situations.

iii) Gotatuwa Water Tower - To improve the water system in Kotikawatta Mulleriyawa area.

iv) Increase the transmission capacity from Ambatale to Gothatuwa (IDH).

v) Reduce Non-Revenue Water, Minimize illegal water connections, To improve Hygienic and living standards of Low Income population in Dematagoda area.

vi)To improve Office facilities to CMC sewerage staff /NWSDB water works staff.

At the end of 2014, the project has achieved Physical and Financial progress of 92% and 96% respectively.

3. Towns North of Colombo Water Supply Project Stage II

Towns North of Colombo Water Supply Project is intended to serve a population of 600,000 in the year 2020 with safe drinking water and the water demand projection is about 180,000 cu.m/day.

Project implemented with assistance of on the ODA loan provided by JBIC and estimated cost is around LKR. 6,500 million. Original scope was completed in year 2012 and additional works has been scheduled to be completed in June 2015.

Stage II of the project included distribution systems covering areas of Mahara, Biyagama, Ganemulla, Ragama, Welisara, Muthurajawela, Pamunugama, Kandana, Ja-Ela and Ekala including two ground reservoirs at Ekala and Kandana, an elevated balancing reservoir at Delgoda and Regional Support Centre at Kadawatha. Construction of several office buildings to accommodate consumer service units of the NWSDB was also implemented.

According to original scope distribution pipe length was planned to be 400 km. But at the end of year 2014, total length of 1600 km has been usefully laid.

4. *Greater Kandy Water Supply Project Phase I Stage II*

Greater Kandy Water Supply Project has been formulated in 1997. Preparation of Master Plan, Detailed design as well as project implementation under Phase I Stage I, Phase I Stage II and balance work of Stage II have been carried out with JICA funding assistance. Accordingly, Phase I Stage I was commenced in 2003 and completed in October, 2007. In Phase I Stage I, Intake, Water Treatment Plant, 4 Service Reservoirs, 3 Pump Houses, 25km long Transmission lines and 15km long Distribution Lines were constructed and it was benefitted to population of 281,000 in and around Kandy City. Cost of this Phase I Stage I works was 3,679 Yen Million plus 1,086 Rs Million.

In 2007, second stage of Phase I was implemented as eight packages under JICA funds. This scope included construction of 8 service reservoirs, 3 pump houses, 19km long Transmission Lines, 78km long Distribution Lines, Backwash recovery facility, 12 Staff quarters and Construction of Water Fitting Testing Laboratory etc. This was benefitted for people in Akurana, Pujapitiya, Harispattuwa and Thumpane and Gangawata Korale Pradeshiya Saba Areas. In year 2011 ,2012, 2013 & 2014, some additional contract packages have been implemented under savings of same JICA loan and accordingly, NWSDB is able to improve the water supply facilities in Medawela, Rajapihilla and Kopiwatta areas and non revenue water prevention activities as well. Total revised contract sum of this Phase I Stage II works is Japanese Yen 4,634 million plus Rs. 1,122 million and benefitted population is 269,300. The Physical Progress of work is 97.05% & Financial Progress is 150.97% compared to original contract sum. In addition to the above major contracts, small contracts related to "Institutional Development Activities", "Establishment of Water Fitting Testing Laboratory" etc. have been implemented under Provisional sum Items of above major contracts.

Sedimentation & Flocculation Basins

5. *Eastern Province Water Supply Development Project*

This project is to serve about 209,270 people in Ampara area. Mahawali River, Konduwattuwana and Rambukkana Oya reservoir are the water source. The total estimated cost is Rs. 6,526 million. Sub projects of the project in the priority order are Transmission main from Kondawattuwana to Kalmunai, distribution system for Pothuvil and Water Supply schemes for Tsunami Housing schemes at Uhana, Damana and Hingurana.

The work packages are in progress with Physical Progress of 95.44% and Financial Progress of 64.79%. Further, two new work packages were implemented to cover Panama area and Aranthalawa area with the concurrence of JICA by using the savings identified in the project in order to contribute the project objective by increasing water supply coverage area over and above the original scope.

Office buildings and quarters were handed over to O&M for use. Pottuvil (48 km), Hingurana (85 km), Uhana (25 km), Damana (75 km), Sammanthurai (16 km), Mahaoya (57 km) and Irakkamam/Deegawapiya (9 km) distribution systems were handed over to O&M and over 3,150 connections have been given already.

6. *Rehabilitation of Kilinochchi Water Supply Project*

Kilinochchi WSS was damaged during the armed conflict. Rehabilitation of the scheme was carried out with a total of Rs. 1,417 million. Damaged civil structures of the treatment plant and intake were rehabilitated with further foreign funding allocation of Rs. 20 million. Capacity of the treatment plant is 3,800 cu.m and target population served is 40,000 in Kilinochchi and Paranthan area.

The components of the project are M&E works of intake, aerator, slow sand filters and high lift pump house, 1000 cu.m and 450 cu.m capacity elevated towers at Kilinochchi and Paranthan, 98 km HDPE transmission main, 42 km distribution main, roughing filter and intake tower.

Productivity improvement activities and overall status of the project are the completion of the Kilinochchi and Paranthan water tower civil works. 80% of the water treatment plant and 55.39% of the pipe laying work have been completed.

The overall physical and financial progress of the project as at the end of 2014 was 71.38% and 26.18% respectively.

7. *Anuradhapura North Water Supply Project*

To provide safe drinking water to a population of around 280,000 in 2034 by constructing a water supply system in North Anuradhapura where the people depend on unsafe ground water which causes dental and skeletal fluorosis and highly tend to have chronic kidney diseases

(CKDu). The total estimated cost is Japanese Yen 5,166 million & Rs. 2,786 million.

Consultancy contract for the Anuradhapura North Water Supply Project was Awarded to NJS Consultants In Association with Ceywater Consultant (Pvt) Ltd & EML Consultants (Pvt) Ltd in 13th June 2014.

There are two major contract packages (Lot A & Lot B) in Anuradhapura North Water Supply Project. Applications were called for Pre-Qualification of Contractors for Lot B Contract Package (Transmission, Transmission Sub and Distribution Mains) by advertising on local newspapers on 24th September 2014 and closed on 4th November 2014. There were 08 nrs. of Applications submitted by contractors and evaluation of applications are in progress.

Applications were called for Pre-Qualification of Contractors for Lot A Contract Package (Construction of Intake Facility, Water Treatment Plant, Water Storage Structures, Mechanical, Electrical and Building Works) by advertising on local newspapers on 24th December 2014 and closed on 06th February 2015.

Detail designs of Lot A and Lot B are 35% & 55% completed respectively. Construction work of both contract packages are planned to commence in 2015.

Projects undertaken with Indian assistance

8. Greater Dambulla Water Supply Project - Stage I

The Greater Dambulla WSP – Stage I was commenced in March 2012.The water source is Dambulu oya [Ibbankatuwa Reservoir] and the project components are 65,000 cu.m/day capacity Intake, 32,000 cu.m/day capacity fully automated treatment plant with 2,500 cu.m clear water tank, 7 nrs. of Ground reservoirs and 2 nrs. of Elevated Towers of a total capacity of 6,850 cu.m. 0.7 km long Raw water transmission main with 900mm dia DI , 71.5 km long DI Transmission mains of 450mm to 250mm dia and 218 km long distribution mains of 280mm to 63mm dia uPVC pipes. The total cost estimate of the project is Rs.13,629 million. The revised target date of completion is 30th June 2015 for the project. Totally 65 Grama Niladhari divisions will be covered by this project.

Progress of Construction of Raw water intake is 62.7%, Water treatment plant -60.1%, Towers & reservoirs – 64.6%, Transmission network – 61.6% and Distribution network – 25.4%.

Overall Physical progress and financial progress of the project at the end of 2014 were 64.4% & 84.6% respectively.

Projects undertaken with Asian Development Bank Assistance

9. Secondary Towns and Rural Community-Based Water Supply and Sanitation Project (ADB Fourth Project)

Overall goal of the project is to contribute to the poverty reduction efforts of the government of Sri Lanka and to promote human development by improving access to safe water and sanitation for poor population, thereby decreasing water borne diseases and reducing the amount of resources spent in these activities. The project aims to provide safe water to 832,500 people and sanitation to 171,500 in four urban centers (Batticaloa, Hambantota, Muttur and Polonnaruwa) and in the central area of North Central Province and Eastern province and to increase the capacity of Government of Sri Lanka to provide safe water by strengthening the water sector institutions.

The project cost estimate was revised from USD 175.2 million to USD 263.26 million to meet the actual cost. ADB share of project cost is USD 149.1 million which provided through original loan and four other supplementary loans. The project completion will be on March 2015 according to the revised schedule. The project details and status at different places and components are briefed below.

Construction works at Intake

I) Urban Water Supply and Sanitation Component

Hambantota District:

In Hambantota District the project provided a water treatment plant of 15,000cu.m/day by constructing an intake of 120,000cu.m/day to provide 15,000cu.m/day of treated water to 133,000 people. The major elements consist of 5 new water towers at Ekkassa, Bolana, Bellagaswewa, Mirijjawila and Keliyapura, clear water tanks of capacity 3,500 cu.m and 1,250 cu.m, salinity barrier across the Walawe river at Ambalantota and 158 km of distribution pipelines. There was a sanitation component to provide 1,098 household toilets in Hambantota district to 5,490 beneficiaries. Total estimated cost of the work in Hambantota district is Rs. 6,038 million.

All the works in Hambantota District were completed and the scheme is in operation now. Rectification works of defects of salinity barrier were attended by the contractor during the year 2014.

The final payments of the contract for the construction of headworks and treatment plant and the contract for construction of salinity barrier have to be made after receiving GOSL funds.

Batticaloa District:

Batticaloa Treatment Plant

In Batticaloa District the project provided a water treatment plant of capacity 40,000 cu.m/day by constructing an intake of capacity 100,000 cu.m/day to provide 40,000 cu.m/day of treated water to a design population of 246,000 people. The major elements consist of 07 new water towers at Chenkallady, Eravur, Iruthayapuram, Air Force premises, Kallady, Kattankudy and Arayampathy, Clear water tanks of capacity 7,000 cu.m and 2,500 cu.m, 55 km of transmission main and 375 km of distribution pipelines including 100km of new distribution extensions carried out under the project in the Batticaloa area.

A sanitation component was also there to provide sewerage treatment plant of 460 cu.m/ day capacity to the Prison and Hospital in the Batticaloa District. 1,387 Nrs. of household toilets are a part of this sanitation component which provided sanitation facility to 6,935 beneficiaries in the Batticaloa District. The total estimated cost of the works in Batticaloa District is Rs. 12,483 million.

The project work in Batticaloa district was already completed and the scheme is in operation now. The storm water drainage system was also completed and handed over to the relevant Local Authority.

Polonnaruwa District:

In Polonnaruwa District the project provided a water treatment plant of capacity 13,500 cu.m/day by constructing an intake of capacity 60,000 cu.m/day to provide treated water to a design population of 85,000 people. The major elements consist of 3 new water towers at Gallalle, Bandiwewa and Sewagama, clear water tank with the capacity of 1,700 cu.m, 33 km of transmission pipelines and 139 km of distribution pipelines. Under the sanitation component, 393 household latrines were constructed for 1,965 beneficiaries.

The total estimated cost of the work in Polonnaruwa District is Rs. 5,331 million. All the works were completed and the scheme is in operation now.

Trincomalee District (Muttur WSS):

In Trincomalee District (Mutur area), the project provided a water treatment plant of capacity 8,500 cu.m/day by constructing an intake of capacity 40,000 cu.m/day to provide treated water to a design population of 52,000 people. The major elements consist of 3 new water towers at Mutur town, Palathoppur and Padalipuram, a clear water tank with the capacity of 3,000cu.m, a ground reservoir with the capacity of 60cu.m, 20 km of transmission mains and 127 km of distribution pipelines. Under the sanitation component, 1,334 household latrines were constructed for 6,670 beneficiaries.

The total estimated cost of the works in Trincomalee District is Rs. 3,593 million.

The storm water drainage system in Muttur was already completed and handed over to the relevant Local Authority. The works of headworks and treatment plant of Muttur water supply scheme have been completed and handed over to the O&M, NWSDB on 28th November 2014. The Contractor requires to carryout the three months trial operations and test after completion of the rectification of the damages of the raw water pipeline caused by the recent floods occurred at the end of December 2014.

The flushing and disinfection works of distribution lines laid in Mutur area were completed. Flushing and disinfection works of distribution lines laid in Thoppur area are yet to be carried out by the Contractor. This work was delayed because the water could not be pumped from the intake due to the damages caused by the floods occurred at the end of December 2014.

(ii)*Rural Water Supply and Sanitation Component*

Anuradapura District:

In Anuradhapura the project provided 84 piped schemes for 166,168 beneficiaries, 1,456 common and private dug wells for 8,620 beneficiaries, 1,779 rain water tanks for 8,895 beneficiaries and 55 tube wells for 4,125 beneficiaries and under the sanitation component 8,987 household toilets were constructed for 44,935 beneficiaries. The total estimated cost of the work in Anuradhapura is Rs. 877 million.

All the works were completed and handed over to RSC (NC) for the continuation of augmentation works and close monitoring of the operation and maintenance of the schemes.

Polonnaruwa District:

In Polonnaruwa the project provided 51 pipe schemes for 95,506 beneficiaries, 3,138 common and private dug wells (including rehabilitation works) for 15,930 beneficiaries, 1,241 rain water tanks for 6,205 beneficiaries and 6 tube wells for 450 people. The sanitation component includes 9,022 household toilets for 45,110 beneficiaries. The total estimated cost for the works in Polonnaruwa district is Rs. 939 million.

All the works were completed and handed over the RSC (NC) for the continuation of the augmentation works and close monitoring of the operation and maintenance of the schemes.

Batticaloa District:

In Batticaloa, the project provided 78 dug wells for 5,070 beneficiaries, 40 tube wells for 3,000 beneficiaries and 20 rain water tanks for 100 beneficiaries. Under the sanitation component, 293 household toilets were provided for 1,465 beneficiaries. The total estimated cost for the works in Batticaloa district is Rs. 47 million.

(iii) *Institutional Strengthening Component*

The objective of this component is financial and operational improvement of the NWSDB. The works included implementing strategies to improve financial management, assets registry management and improving operational efficiency. The total estimated cost of the project component is Rs. 372 million. All the works were completed under this component.

10. Dry Zone Water Supply and Sanitation Project (ADB 5th Project)

NWSDB in implementing the DZUWSP for water supply and sanitation improvements in North Western and Northern Provinces. Under this project Vavuniya, Mannar, Chilaw and Puttalam towns will be provided with enhanced water supply and sanitation facilities. The total cost estimate of the project is Rs. 21,232.90 million. The overall physical and financial progress at the end of December 2014 is 62.64% and 35.34% respectively. Twenty one Nrs. of contracts were awarded by 2013 and another 04 contracts were awarded in 2014.

Vavuniya:

In Vavuniya the project will provide a water treatment plant of capacity 12,000 cu.m/day and construction of an impounding reservoir of capacity 3.83 MCM across the Peru Aru stream. Causeway construction and construction of Peru Aru reservoir bund are in progress under the surface water contract. Both surface water and ground water will be combined to provide 9,800 cu.m/ day of treated water to 109,432 people. The major elements consist of 3 new water towers, one reservoir and 137 km of distribution pipelines which are under construction. There is a sanitation component to provide 2 public latrines and 500 house hold toilets in Vavuniya which is almost complete.

Mannar:

Mannar improvements include, developing 10 bore holes to provide 12,000 cu.m/ day treated water to Mannar Murulakan, Vankali & Thiruketheeswaram. One new tower and two groundwater reservoirs are being constructed with 33 km transmission and 100 km distribution system to provide fully treated water to a designed population of 55,000 people. Four public latrines and 330 house hold toilets are in the construction stage.

Septage treatment facility, water storage structures, public toilets and supply and laying of DI, HDPE and PVC pipes for distribution system contracts were awarded. Septage treatment facilities and the public toilets are completed. Pipe laying is 75% completed. The water storage structures are under construction.

Chilaw:

In Chilaw, water will be extracted from Deduru Oya and it is expected to provide 12,000 cu.m/day of treated water to a design population of 91,000. The major elements of the scheme will consists of 12,000 cu.m/day water treatment plant in Bingiriya, 2 reservoirs, 43 km of transmission lines and 153 km of distribution lines. Under the sanitation sector 2 public latrines and 500 household toilets are being constructed. Septage treatment facility and most of the pipe laying contracts are completed. The construction of the intake and WTP are in progress. The rehabilitation works of existing water treatment plant at Chilaw is in the tendering stage.

Puttalam:

Puttalam WSS includes a 15,000 cu.m./day intake and water will be extracted from Kala Oya. The population to be served is 197,000. The proposed scheme will consists of 2 reservoirs, 7 pumping stations, 40 km transmission system from Eluwankulama to Puttalam and 12,000 cu.m/day water treatment plant. The sanitation component will include the construction of 2 public latrines and 500 house hold toilets in Puttalam town and suburbs. The septage treatment facility and the public toilets are nearing completion. The pipe laying contracts are in progress. The construction of the intake and the WTP at Eluwankulam are progressing behind schedule. The contract for the rehabilitation of the existing WTP is in the tendering stage.

11. Jaffna Killinochchi Water Supply & Sanitation Project (ADB 6th Project)

This project is to improve drinking Water Supply facilities of about 689,000 people in Jaffna city, suburbs and several townships in the Jaffna Peninsula. The project was formulized to extract water from Iranamadu tank located in Kilinochchi to supplement the Ground Water sources in the Jaffna Peninsula. Due to the social issues in sharing water from Iranamadu tank for drinking water, alternatively sea water from Maruthankerny sea area (most feasible location) is proposed as water source. And sea water desalination plant including intake, raw water main is proposed to be floated as a design and build together with an operation contract for a minimum of 5 years. The total cost estimate is Rs. 18,328 million. A project Engineering and Institutional Consultancy (PEIC) contract was awarded on December 2012. Most of the design works in water supply were completed except the Jaffna Municipal area. The 15 number of elevated tower construction and supply and laying of water distribution network (package 1) were awarded and works have been commenced. Treated water transmission main (package 1&2) and other water distribution networks (package 2, 3) are in procurement process. The conceptual design are progressing in the sewage works (JMC catchment 1 & 2). EIA for the sewage works submitted to CEA on 3rd December 2014. Project progress is lagging behind the expected progress due to water sharing problem of Iranamadu water tank. Awarding of many packages on first half of this year has been suspended due to water sharing issue.

Physical and Financial progresses achieved by the project are 32% and 22% respectively.

12. Greater Colombo Water and Wastewater Management Improvement Investment Programme (GCWWMIIP)

Colombo was one of the few Asian cities to receive piped water supply in the 1800's. Many parts of distribution network have been built over 100 years ago. Although there have been many projects to address increasing water demand, there was no significant rehabilitation of the network, resulting in an extremely high level of non-revenue water (NRW) of 48.2% comprising 41.7% physical losses, 3% administrative losses, 3% unauthorized consumption & 0.5% free water supplied to tenement gardens. Fluctuating pressures and intermittent supply are commonplace in some parts of the city. Out of 290,000cu.m/day of water supplied to the city, half of water is lost and does not generate any revenue, makes it imperative to reduce NRW on an urgent basis.

The objective of Greater Colombo Water and Wastewater Management Improvement Investment Program will be increased water availability and improved efficiency in the water supply service in the Colombo City. The expected outcomes are the improved distribution system, reduced Non-Revenue water to below 18%, energy conservation in water treatment & transmission, increase the water supply coverage area in Towns East of Colombo and institutional reforms in the NWSDB.

The objective of GCWWMIIP will be implemented via two projects namely Colombo Water Supply Service Improvement Project and Ambatale Water Supply Systems Improvement & Energy Saving Project.

Asian Development Bank (ADB) will finance the water supply network rehabilitation projects & other associated works in Colombo city. Ambatale Water Supply Systems Improvement & Energy Saving Project will be co-financed by Agence Francaise de Developement (AFD). The estimated project cost is ADB/AFD – 234 USD Million and GOSL - 85 USD Million.

13. Improving Community Based Rural Water Supply & Sanitation in post conflict Areas of Jaffna and Killinochchi Project

Rain water Harvesting tank at Delft Mathagal Delft

The primary objective of the project is to reduce poverty and improve the quality of life in post-conflict rural communities for residents and returning internally displaced people in Jaffna and Kilinochchi districts through improved water supply and sanitation (IWSS) services. This Project is funded by ADB/JFPR - Rs. 254 million and GOSL - Rs. 33 million.

To achieve the above, project will construct and rehabilitate rural IWSS facilities, build the capacity of local community-based organizations (CBOs) for operations and maintenance, establish a rural water supply unit in the National Water Supply and Drainage Board's Jaffna office, enhance awareness of good hygiene and water conservation practices and provide income and livelihood support to beneficiary communities.

All activities are carried out in consultation with central, provincial, and local government authorities and local communities.

The project is implemented taking into account the ongoing development programs and approaches of the government and development partners in the project areas.

Scope of the Project was to provide 2,500 poor rural

households with safe drinking water, 645 poor rural households with new low-cost sanitation systems with septic tanks, to train 200 people in water supply and sanitation, design, construction, operation and maintenance including financial management, educate 1,900 households in hygiene awareness and water conservation and engage 1,000 people in cash-for-work programs tied to project construction.

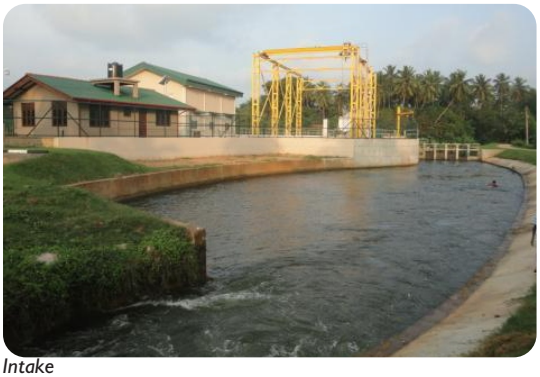
Project activities were commenced on 21st January 2013 and grant was closed on 30th June 2014. Due to the scope changing (Supply and installation of RO plant to Delft Island) and inclusion of additional areas (Akkarayan & Iyakkachchi), grant was extended up to September 2015.

Akkarayan, Mathagal and Shanthai water supply schemes are at commissioning stage and Delft RO plant supply and Vaddakkachchi tower construction are on progress.

The activities were carried out at Jaffna and killinochchi district overall 80% of physical progress completed with 50% financial progress.

Projects undertaken with Korean Assistance

14. Ruhunupura Water Supply Project



Intake

This Project is planned to provide drinking water to Greater Hambantota and Mahaweli Development areas in Hambantota District.

It is expected to provide drinking water to a population of about 112,000 people in addition to the Commercial and Industrial water demands. Accordingly, the total water demand has been assessed as 35,000 cu.m/day in the year 2025.

Out of the four sources namely Kadawara Tank, Walawe Ganga at Liyangastota Anicut, Ridiyagama Tank and Kachchiligal Aru, Ridiyagama Tank has been selected for extracting of required raw water with conditional approval of the Irrigation and Water Management Ministry.

The Department of Irrigation has approved the release of 17,500 cu.m/day of water initially for the Phase I of the Project from Ridiyagama Tank in agreement with the farmers. The balance requirement is to be released within two years after observing the impact of the initial release.

The proposed project will be implemented in two stages. The Phase I of the project consists of transmission and distribution system for the full capacity of the project while the intake and treatment works for 17,500 cu.m/day capacity. The Phase I was started on 10th February 2011 and as per the revised work programme with six months extension construction work was to be completed by November 2014.

The estimated cost for Phase I is 13,131.32 Rs. million. (Foreign – Rs. 8,653.54 million, Local – Rs. 4,477.78 million) This Ruhunupura Water Supply Project was successfully completed.

Project undertaken with Australian Assistance

15. Integrated Water Supply Scheme for the Unserved Area of Ampara District Phase III

This project is to serve about 200,000 people living in the un-served areas of Ampara District and some areas of Monaragala and Batticaloa Districts as well. Main components of the projects are construction of 27,000 cu.m/day treatment plant and intake, Elevated Towers (Koneshapuram and Bakkiella 1,000 cu.m, Namal Oya, Inginiyagala, Central Camp 750 cu.m., Tottama 600 cu.m.), Water Sumps (Himidurawa 2,500 cu.m, Paragahakele, Dhadayanthalawa and Gonagolla 1,600 cu.m.), supply and laying of DI transmission mains for 100km and Supply and laying of PE pipes and fittings for distribution system (about 900km). This project can provide nearly 40,000 new water connections and the total cost of the project has been estimated as Rs. 19,920 million.

This project is running short of local funds under GOSL component for the year 2012 and 2013. Enhancement of present loan between GOSL and ANZ/ EFIC, by 10%, has been recommended to the Treasury, to receive necessary urgent fund requirement. However, Treasury has agreed to provide necessary, urgent funding requirement, from GOSL funds, without enhancing the foreign loan. Allocation of local funds (GOSL) for 2014 will have to be increased. No local funds have been allocated for year 2015. Work under GOSL funds would be held up.

The project has achieved 81% physical progress and 75% financial progress as at end of December 2014.

Projects Undertaken with French Assistance

16. Greater Trincomalee Integrated Water Supply Project

The objective of this project is to increase the production capacity of the Kantale water-treatment plant to 54,000 cu.m/day (12 MGD) in 2025 and thereby increase the service level in the entire Trincomalee integrated WSS. The project scope is to rehabilitate and upgrade the existing Trincomalee WSS. About 330,000 people in Town Gravets, Kantale, Thambalagama, Kinniya and Kuchchaveli DS divisions will be benefited by this water supply project.

The total cost estimate of the project is Rs. 4,200 million out of which Euro 10 million is from the French Development Agency (AFD), Euro 12.5 million from the French Ministry of Finance (RPE) and Rs. 1,003 million from the GOSL. The water source is Mahaweli River with conventional treatment system.

The Project components in brief are Construction of new intake and pump-house at Alle Kantale bridge, Laying a new raw-water and transmission mains, Distribution system improvements, Rehabilitation and augmentation of Kantale WTP and service reservoirs, Introduction of a SCADA system.

Presently the scheme produces 5.5 MGD. 36,000 Nr. of connections were provided for a population of 180,000 people. After completion of this GTIWSP production increased up to 12 MGD, 69,000 Nr. of connections can be provided for a population of 330,000 people up to 2025.

All activities were completed and it had handed over to O&M to operating the system.

Project undertaken with Belgium Assistance

17. Kolonna / Balangoda Water Supply Project

Kolonna Panamura Ground Water Reservoir

Design & Construction of a New Water Supply Scheme for Kolonna & augmentation of Balangoda Water Supply Scheme comprises two main components. They are augmentation of Balangoda water supply scheme and construction of a new water supply scheme for Kolonna.

The project is funded by the government of Sri Lanka and the government of Belgium. Total estimated cost is SL Rs. million 4,658. SL Rs. million 2,056 has allocated for augmentation of Balangoda WSS while allocating the rest for construction of a new water supply scheme for Kolonna. Physical and financial progress as at the end of 2014 were 87% and 74% respectively.

The proposed augmentation of Balangoda water supply scheme is planned to expand the water supply coverage by issuing new connections for 8,000 families to fulfill current deficiencies. In this regard, the augmentation of Balangoda WSS will serve 40,000 population and commercial & industrial water demands in Balangoda Pradeshiya Sabha area, Balangoda Urban Council area and a part of Imbulpe Pradeshiya Sabha area which are situated in Ratnapura District. Accordingly, the total water demand has been assessed as 7,000 cu.m/day in 2030 which will be abstracted from Walawe river at Weliharanawa where the existing intake is situated for existing Balangoda WSS. Following components will be constructed in addition to rehabilitation of existing water treatment plant are Intake well (7,700cu.m/day), water treatment plant (7,000cu.m/day), 02 Ground water reservoirs at Jayanthimawata and Benkiyawatta (1,500cu.m and 750cu.m respectively), Supply & Laying of 0.7 km raw water pumping main, Supply & Laying of 4.6 km treated water transmission main and Supply & Laying of 12.1 km distribution network.

The proposed Kolonna water supply scheme is designed to provide safe drinking water to 40,000 people in Kolonna Pradeshiya Sabha area throughout the year and a part of Embilipitiya Pradeshiya Sabha area during the rainy season. Therefore 8,000 new connections will be issued, in addition to commercial and industrial demand. Total water demand has been assessed as 7,000cu.m/day in 2030, which will be extracted from Ereporuwa river at Vijeriya by constructing a 3m high and 25m long weir. Further the Irrigation Department and Agrarian Development Department abstract water from the downstream of the said weir for paddy cultivation of about 1,500 acres area. Therefore a Memorandum Of Understanding (MOU) was signed among Irrigation Department, Agrarian Development Department and National Water Supply & Drainage Board for water sharing specifically during the dry season.

Soil Investigation

Following components will be constructed under this project. A weir having a 3m height and 25m length, water treatment plant (7,000 cu.m/day), 02 ground water reservoirs at Maduwanwela and Panamura (1,000 cu.m and 500 cu.m respectively), supply & laying of 1.6 km raw water transmission main, supply & laying of 32 km treated water transmission main from Ereporuwa SWTP to Embilipitiya elevated tower and supply & laying of 19.5km distribution system.

Most of the civil works have been completed during the year 2014 and some major components such as Kolonna & Balangoda intake, Kolonna raw water main, distribution of Kolonna & Balangoda were started in year 2014. Moreover, M&E installation were started and progressed during this year.

Projects Undertaken with Hungarian Assistance

18. Rehabilitation of Labugama – Kalatuwawa Treatment Plants Project

This project is only a rehabilitation project under the funds from Hungarian government and from the Sri Lankan government. The project cost allocated to rehabilitate Labugama treatment plant is Euro 16,714,045 and for Kalatuwawa treantment plant is Euro 17,383,906.

This project includes all renovation work and new construction work for identified components at Labugama & Kalatuwawa water treatment plants. Project was commenced on 21st October, 2013 and the project duration is 36 months.

Renovation work of the non process structures at Labugama & Kalatuwawa has been started and some of them were completed. New construction works according to the approved designs have been started and the remained construction works of the process structures would be commenced after receiving the approved designs. The approvals and comments have been received from the P&D section as well as from the Production section of the NWSDB. Since there were no major issues reported, works are in progress as per the master programme of the project.

Project is progressing without any difficulties and up to end of December 2014, the physical progress was 48% and financial progress was 25.5%.

Projects Undertaken with United States of America and GOSL Assistance

19. Badulla, Haliela and Ella Intergrated Water Supply Project

The project is to implement an integrated water supply scheme to cover Badulla, Haliela and Ella Development area by developing piped water supply scheme and providing safe and reliable water to the project area. The project aims to support smooth and timely implementation of Badulla, Haliela and Ella Development plan and contribute to the industrial development and economic growth in the project area.

The project duration is 42 months and the total estimated cost of the project is Rs. 10,396.48 million. This project is funded by United States of America and GOSL. About 101,000 families are in the design horizon in Badulla, Hali-ela and Ella Divisional Secretariat Divisions will be benefited by this project.

90% of Design works have been completed.

Land acquisitions has been completed excluding dam site. Pipe laying works started in Ella-Kumbalwela road.

Projects Undertaken with Chinese Assistance

20. Gampaha, Attanagalla & Minuwangoda Integrated Water Supply Scheme

Designed & build basis on construction of the Basnagoda Impounding Reservoir, construction of 85,000cu.m/d capacity intake and installation of 56,700cu.m/day pumps under Phase I. Construction of raw water main from Basnagoda Intake to Karasnagala water treatment plant, construction of 54,000cu.m/day capacity water treatment plant with 1,500 cu.m capacity clear water reservoir , high lift pump house, chemical house , workshop , laboratory, stores and office facilities at Karasnagala with provision of a capacity to extend up to 81,000cu.m/day are covered under Phase II. Construction of treated water transmission main from high lift pump station at WTP to high level reservoir, Construction of 10,000cu.m capacity high level reservoir, Laying of approximately 100km long treated water gravity transmission mains (DI) of Dia 1100mm to 150mm from high level reservoir to existing and proposed water towers, construction of 5 nrs. 1,500 cu.m capacity newly proposed water towers. Laying of 630kms of distribution main (DI/uPVC) from diameters 90mm to 400 mm, Construction of Gampaha Manager's Office (500 sq.m), Area Engineers Office (200 sq.m), Quarters (150 sq.m), OIC Office (150 sq.m) and laboratory (50sq.m) are the other components covered under Phase II

During this year special events taken place are opening ceremonies at five locations held on 5th December 2014. Design groups were appointed for distribution and transmission pipe lines and tower/ reservoir design. The network design works were monitored by design groups and WTP Conceptual design review was held.

Geotechnical Investigation for Water Treatment Plant at Karasnagala and Water Towers at Minuwangoda,Naiwala and Ranpokunagama were completed. 630km distribution longitudinal survey was completed. Design work for pipe network design and water towers design have been started.

Projects Undertaken with Spanish Assistance

21. Greater Ratnapura Integrated Water Supply Project

This phase will improve the services presently provided to the existing consumers as well as extending the supply to new areas. Project objective is to provide drinking water to population of around 80,000 in 43 GNDD in Ratnapura, Kuruwita & Pelmadulla DSDD in Ratnapura District.

Main components of this phase are, construction of intake to suit 13,000 cu.m/day at Kaluganga River, laying of 1.9 km, 400 mm dia. DI raw water pumping main from intake to new water treatment plant, Construction of 13,000 cu.m/day water treatment plant & pumping station at Pompakele, laying of 3.8 km long, 300 mm dia. DI treated water transmission Main from treatment plant to new town reservoir, Construction of RSC Office at Ratnapura New Town, construction of 01 Nr. (176 sq.m) Quarters at Ratnapura New Town, construction of 09Nr. quarters at Ratnapura New Town, Muwagama and Pompakale.

The TCE is SLR 4,308.6 million for stage I and SLR 5,663.52 Million for stage II. Commercial contract agreement was signed and loan agreement is to be signed.

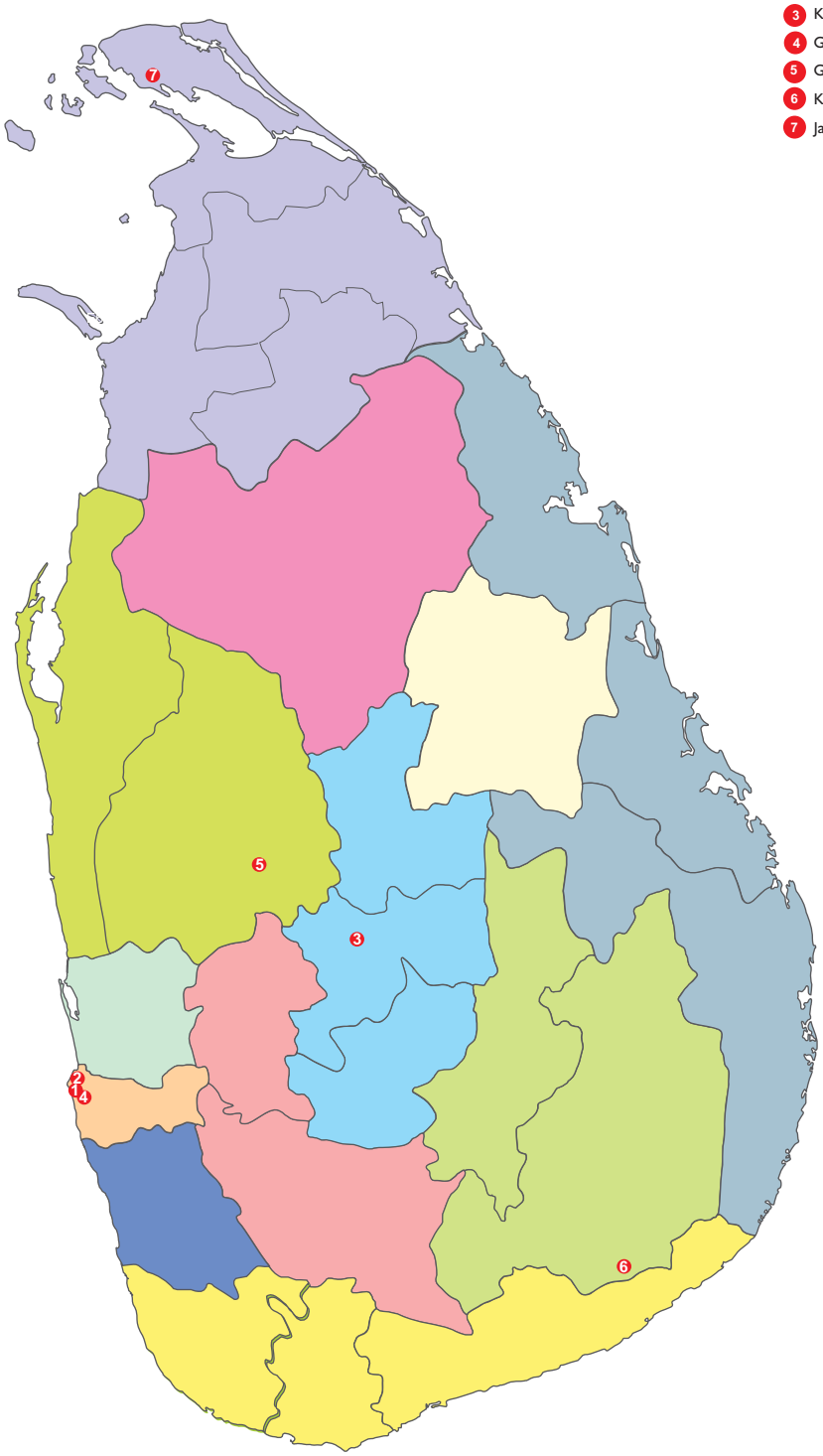
Up to December 2014 Cumulative physical & financial progresses are 56.7% and 73.8% respectively.

Ongoing Sewerage Projects

Accomplishments of Major Sewerage Projects under the Ministry of Water Supply & Drainage

Location Map of Foreign-funded Projects under Construction/ Augmentation during 2014

	Project Name	Funding Agency
1	Greater Colombo Wastewater Management	ADB
2	Wastewater Disposal systems for Ratmalana/ Moratuwa & Ja-Ela/ Ekala Areas	SIDA
3	Kandy City Wastewater Management	JICA
4	Global Partnership on Output Based Aid Project	World Bank
5	Greater Kurunegala WS & S	China
6	Kataragama Wastewater Disposal Project	Austria
7	Jaffna Municipality Sewerage Project	ADB



FOREIGN FUNDED SEWERAGE PROJECTS

Projects Undertaken with Asian Development Bank Assistance

Greater Colombo Wastewater Management Project

This project consists of rehabilitation of six waste water pump stations at Kolonnawa, Dehiwala and Mount Lavenia Municipal Council areas. The total estimated cost is Rs. 1.1 billion. The project period is from 2010 to 2015. The physical works of the project was started in 2014. It was planned to map existing sewer connections with extensions jointly with mapping section.

The tenders were called for the project in 2012 and the bids were opened on March 2013. The technical and financial evaluations were taken place during the year 2013 and the price negotiation was done with the most responsive bidder. The cabinet approval was granted to the final contract value arrived after the negotiation process and the contract was awarded in 2014.

Projects undertaken with Swedish Assistance

Wastewater Disposal Systems for Ratmalana/Moratuwa & Ja - Ela/Ekala Areas

This project is implemented to provide infrastructures for safe disposal of wastewater generated in two industrial areas, Ja-Ela/Ekala and Ratmalana/Moratuwa at a cost of Rs.17,471 million. SIDA provided a loan of USD 93.75 million for construction works and a grant of SEK 56.21 million for the construction supervision contract, while GOSL provided Rs. 5,122 million as counterpart funding.

Construction of 7,250 cu.m wastewater treatment plant and 3 pump houses together with associated pipe collection system in Ja-Ela were completed in Feb 2012 and handed over to the O&M section. The facilities are now in operation serving 97 industries, 25 commercial institutions, 1326 domestic, and received an income of Rs. 37 million from January to November, 2014.

Other activities of the project were to be completed in early quarter of the year got seriously hampered due to the lead partner to the JV contractor being declared bankrupt leading to termination of the contract. In the attempt of completing the work left unattended by the previous contractor, NWSDB was able to complete and commission the WWTP on 17th Oct 2014 along with four pump houses and 27 km of collection system in Ratmalana/Moratuwa. The facilities are now in operation serving 82 Industries and 198 domestic users while accommodating the transferring of 2,200 domestic connections from the Soysapura Housing scheme.

However to make Ratmalana operations also sustainable, the current collection system of 27 km is proposed to be expanded up to 39.2 km. So that possibility of connecting industries could be extended up to 218 from currently possible 130 Industries, by awarding a contract to complete the critical sections in the half completed collection system. Accordingly a contract is expected to be realized in early 2015, in order to make use of the undisbursed funds under the Credit Agreement.

The overall physical and financial progress of the total project at the end of 2014, as a result remains at 91.16% and 89.74% respectively.

Projects undertaken with JICA Assistance

Kandy City Wastewater Management Project

The indiscriminate disposal of wastewater in the Kandy city causes pollution of the kandy lake, Meda ela and Mahawali river, the main drinking water source to Kandy and Matale districts. In order to find a permanent solution to this problem, NWSDB proposed to implement a wastewater disposal system for the Kandy city. The proposed project intends to collect wastewater in 732 hectares of area in the city and then divert to a treatment plant of capacity 14,000 cu.m/day through a network of 92 km long pipe lines.

This project will be completed in 2018. Around 55,000 resident populations and 150,000 migrant population in Kandy will be benefitted from this project.

The treatment plant will ensure the disposal of treated waste water back to the environment with the effluent discharge details: Biological Oxygen demand (in 5 days at 20 ^{0}C) less than 20mg/l, total suspended solids less than 20mg/l, chemical oxygen demand less than 250mg/l. total Kjeldahl Nitrogen less than 10mg/l and fecal coliform (most probable number per 100ml) less than 40 as stipulated in the Central Environmental Authority guidelines.

The total cost estimate of the project is Rs.22,585 million. JICA loan amount of Japanese Yen14,087 million and government consolidated funds of Rs. 4060 million is allocated for taxes, duties, road authority payments and land acquisition costs etc.

The cabinet of ministers has granted approval to award the contract of design and construction of waste water treatment plant, main pump station, treated effluent disposal system, sludge drying beds and supply of operation and maintenance equipment- Package I to M/S JFE Engineering Corporation, Japan at the cabinet meeting held on 23rd December 2014.

About 75% of the design activities of the contract of Design and construction of trunk sewers, branch sewers and service connections, manhole pump stations and supply of operation and maintenance equipment's- Package II is completed by M/S KOLON Global Corporation, Korea and the contractor has started mobilization activities for construction, which is to be started in January 2015.

The Project Management Unit has completed the property connection survey to have an accurate database in every waste water disposal premises within the project area and established that 11,500 premises are available. Procurement activities of Design and construction of property connections testing commissioning- Package III were completed and on 16th October 2014, SCAPC decided to recommend to the cabinet of ministers to award the contract to the lowest evaluated, substantially responsive bidder M/S Squire Mech Engineering Pvt Ltd. subject to JICA concurrence.

On 25th November 2014, JICA concurrence for price proposal and proposal for award was received. However the loan amount available is inadequate to coverup the contract value. Therefore contract award is delayed.

As per the requirements under Environmental approval for the project an Environmental Monitoring Program has to be carried out during implementation as well as maintenance period of the project. Accordingly Consultancy service for Environmental Monitoring contract was awarded to M/S Resource Development Consultants Ltd. The contract agreement was signed on 29th November 2013 and the contract commenced on 05th December 2013. Baseline study of the environmental conditions of the project area was completed on 07th October 2014. The baseline data will be utilized in preparing the Environmental Management Plan of project contracts.

The baseline data will be updated every six months after measuring the relevant environmental quality parameters.

As suggest by MOU on KCWMP between GOSL and JICA, a public relation campaign has to be carried out in order to create awareness among the stake holders and general public regarding the project activities. This will benefit the project by providing a positive environment within the project area and help to carryout project activities without hindrance. The public relations campaign has to be carried out by the Project Consultants.

The public relation company m/s HELPO is selected by the consultant for implemnting the public relationships campaign and the contract agreement was signed on 01st October 2014. Public Relation Campaign contract commenced on 21st October 2014, and several activities were carried out.

GPOBA Funding Sewerage Project

Increasing Household Sewerage Connections & Off Network Sanitary Solutions in Greater Colombo (World Bank Funded - GPOBA)

The principal objective of the project is to increase the number of poor households in Greater Colombo area who benefits from improved sanitation systems and to ensure that their domestic wastewater is effectively managed prior to disposal rather than being disposed untreated in urban water ways.

The secondary objective of the project is to pilot Output Based Aid (OBA) as efficient mechanism for delivery of improved sanitation services to poor households. The project area includes the areas of greater Colombo in which NWSDB is the sewerage service provider.

The NWSDB and Swedish International Development and Cooperation Agency (SIDA) submitted a joint proposal to the Global partnership on Output-Based Aid (GPOBA) requesting the support. The grant agreement has been signed by GPOBA and the Ministry of finance.

The project will provide service to 5,015 poor households under stage I in Dehiwala/ Mount Lavenia area, Moratuwa Municipal Council area, Kolonnawa and Ja-Ela pradeshiya Sabha areas who rely on unsanitary pit latrines, non-functioning septic tanks, and areas where no sanitary facilities available. The plan is to complete the project within 3 years. The total estimated cost is Rs. 1,339 million.

Works were commenced to provide direct connections to households in Dehiwala/ Mount Lavenia, Ja-Ela/ Ekala, Ratmalana, Moratuwa and Kolonnawa areas for 1,475 sewer connections and 31% of the works was completed at the end of 2014.

Decentralized wastewater treatment and disposal system (DEWATS) for Diyawarapura housing scheme, Moratuwa for 64 sewer connections were completed. This included sewer connections, reticulation system, treatment plant, pumping station and force main.

Tender for Badovita simplified extensions with pumping for 1,500 house connections including sewer network, pumping stations and force mains was awarded and work commenced in January 2014. Furthermore, detailed designs and document evaluations were completed for another 2 projects which will cover more than 3,500 sewerage connections and tender was opened for DEWAT system for Tsunami Housing Scheme at Weerasena Silva Mawatha, Ratmalana for 328 connections.

Project undertaken with China assistance

Greater Kurunagala Water Supply and Sewerage Project

At present about 150,000 people are concentrated in Kurunagala town and immediate suburbs. During the past two decades, there had been an exponential growth of urban population around the city with increased commercial and industrial activities. However absence of sufficient drinking water supply and safe wastewater disposal system has resulted severe environmental problems and public unrest. It was planned to improve the existing drinking water supply (Package A) and to introduce a sewerage system (Package B) under this project.

The existing two water treatment plants produce only 6,750cu.m/day which is not adequate at all. Therefore the existing water treatment plants will be augmented to obtain 9,000cu.m/day while constructing another new water treatment plant of 5,000cu.m/day. Because of Deduru oya (water source) dries up during the dry spell, it is planned to construct weir across the river at Barandana and construct impounding reservoir to obtain water in dry spell.

The project components in package A are weir across Deduru oya (100m), intake structures, pump houses, Raw water mains (8.5km), water treatment plant (5,000 cu.m/day), chemical building, backwash recovery facility, sludge disposal system, water towers (1,500 cu.m) ground water storage tank (750 cu.m), treated water transmission pipes (8km) and distribution network (110km).

The package B of the project will provide piped sewerage facilities to the identified areas within the Kurunagala Municipal council and part of the adjacent areas. Sewerage project includes134km of sewers/ pipes gravity sewer network and force mains, connection pipes and a central sewerage treatment Plant of 4,500 cu.m/day. The plan is to provide 3,500 individual house connections immediately after the project. The external sewer system at Kurunagala Teaching Hospital will be rehabilitated under this project.

The project management unit was established in Year 2013. 98.2% of the land acquisition works were completed. The environmental impact assessments for the project were completed and approval was obtained. This contract is awarded to China Machinery Engineering Corporation (CMEC) and the contractor was mobilized at site and surveying works, investigations and conceptual designs were completed. Detailed design is in progress and 95% was completed. DI & PE pipes were delivered to the site at the end of December 2014 and construction will be started in January 2015. The physical progress of the project at the end of December 2014 was 19.2%. The project is scheduled to be completed in February 2017. Public complaints were arisen about the location of sewerage treatment plant and some awareness campaigns were conducted to solve the issues.

Project Undertaken with Austrian Assistance

Kataragama Wastewater Disposal Project

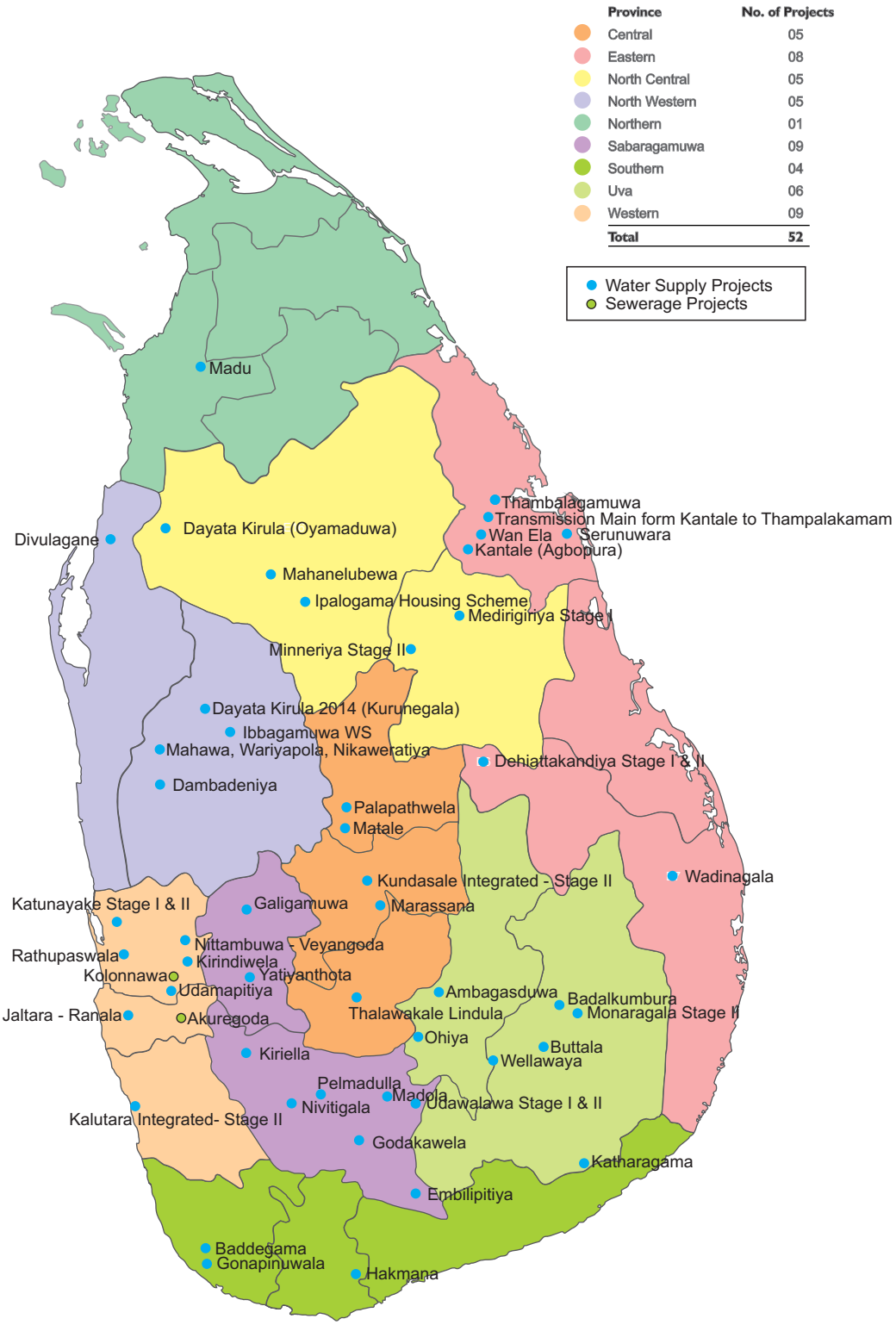
The proposed project has focused on provision of the pipe borne sewer facilities for pilgrim rests, hotels, shops, domestic units and offices etc. around the city limits to avoid further pollution of Manik Ganga and the surrounding environment. The main scope includes upgrading of the existing system by expanding the sewer network and improving the sewerage treatment plant. By installing mechanical aerators, the capacity of the existing treatment plant would be upgraded from 750 cu.m/day to 3000 cu.m/day in order to accommodate the huge floating population visiting Kataragama. Uni Credit Bank Austria AG is providing funding for implementation of this project. The total estimated cost is Rs.2,040 million.

The project work was commenced on August 2014. It is expected to complete the work by August 2016, nr. of beneficiaries will be 15000. The project components are construction of 7 nrs. pumping station installation with pumps and necessary electrical items, 16.5 km length of sewer pipe network and 3000cu.m/day capacity wastewater treatment plant with aerated lagoons and downstream maturation pond.

At present, preliminary designs are completed, detailed designs of pipe network are nearly completed and design of treatment plant to be completed. The Contractor has already mobilized at site from October 2014.

GOSL Funded Small and Medium Scale Water Supply & Sewerage Projects

Location Map of Projects under Construction/ Augmentation During 2014 Funded by the Government of Sri Lanka



GOSL FUNDED SMALL AND MEDIUM SCALE WATER SUPPLY PROJECTS

Central Province

Kundasale Integrated Water Supply Project - Stage II

This is an augmentation to serve about 130,000 people in Kundasale, Balagolla, Digana, Arattana and Wawinna, Pannila areas. Water source is Mahaweli River/ Huluganga with full treatment and capacity of 30,000 cu.m/day. Total Cost Estimate was revised in 2013 and the revised estimate is 1,685 million. Presently a production of 18,000 cu.m/day is obtained from Arattana WTP. Treatment Plant improvements, pipe laying and M&E works are in progress. The overall Physical and financial progress at the end of 2014 were 89% and 93% respectively.

Palapathwela Water Supply Project

This is an augmentation plan to serve 22,000 people in Palapathwela and Kottegoda areas using Suduganga as the water source. Total Cost Estimate is Rs. 150 million. Treated water is pumped to a ground reservoir located at Palapathwela from Matale WSS and distribution is planned through a 8km long pumping main. Supply and laying of distribution pipes and M&E works are in progress while the pump house construction was completed. The overall Physical and financial progress at the end of 2014 were 97% and 99% respectively.

Matale Water Supply Project

This is a rehabilitation of the existing WSS to serve 30,000 people in Matale town area and suburbs. Water source is Suduganga with full treatment having existing treatment plant capacity 12,000 cu.m/day. Total Cost Estimate of Rs. 385 million was revised to Rs. 525 million in 2013. It is proposed to improve the capacity up to 16,000 cu.m/day under this improvement through construction of a new intake sump, pump house treatment plant augmentation, pumping and distribution system improvements. Pipe laying in Kumbiyangana road was completed. Treatment plant and intake improvements and M&E works are in progress. The overall Physical and financial progress at the end of 2014 were 93% and 94% respectively.

Marassana Water Supply Project

This is an augmentation to serve 25,000 new beneficiaries in Marassana town and suburbs, using raw water from Ma-oya with a full treatment method and the capacity of the treatment plant is 5,000 cu.m/day. The TCE was revised in 2013 to Rs. 339 million. Present production of 2,200 cu.m/day capacity is not enough to cater the rapid growing water demand of the area. All together there are about 3,500 service connections. Supply and laying of pipes at Mailapitiya and Pothgoda zones are in progress. Distribution improvement also started in 2012. The overall Physical and financial progress at the end of 2014 were 93% and 96% respectively.

Thalawakale / Lindula Water Supply Project

This is an augmentation of the existing scheme to serve 15,000 people in Thalawakale and Lindula areas. Water sources are Great Western and Nanuoya. The revised TCE is Rs. 352 million and funding sources are GOSL and Ceylon Electricity Board (rechargeable). The existing WTP of partial treatment having capacity of 1,650 cu.m/day is being augmented by increasing the production capacity up to 2,500 cu.m/day. It includes intake improvements and adding new components aerator, flocculator, sedimentation and pressure filters to the WTP. In addition it is expected to expand the existing distribution system to resettled areas of Upper Kotmale hydro-power project. Construction of intake weir, pump house and treatment plant are completed. Chemical reuse and Installation of Intake pumps are in progress. The overall Physical and financial progress at the end of 2014 were 92% and 92% respectively.

North Central Province

Medirigiriya Water Supply Project - Stage I

This is a new scheme planned to serve about 72,000 beneficiaries in Medirigiriya Divisional Secretary area. Water source is Kaudulla tank with treatment including flocculation, sedimentation, rapid sand filters and disinfection for 9,000 cu.m/day. Sludge thickener and sludge drying beds are also proposed for treatment of sludge and backwash water. Total cost estimate is Rs. 638 million. The TCE was revised in 2013 and the revised TCE is Rs. 919 million. This scheme aims to provide safe drinking water from Kaudulla Tank. This project consists of intake, raw water pumping system, WTP, 02 nrs. water towers storage facilities, transmission system and distribution system. The construction of intake was completed and distribution works have been commenced. Construction of WTP and towers and transmission main works are in progress. The overall physical and financial progress at the end of 2014 were 85% and 98% respectively.

Minneriya Water Supply Project

This is an augmentation of the existing scheme to serve 69,000 people in Minneriya, Girithale and Hingurakgoda area. Water source is Minneriya tank and existing treatment process consists of slow sand filters with a capacity of 10,900 cu.m/day. Total cost estimate is Rs. 100 million. Minneriya & Hingurakgoda water supply schemes are functioning from Minneriya WTP which is the only WTP available for the entire DS area. The scope of the project includes upgrading the intake capacity to 13,600 cu.m/day. Augmentation of the existing WTP consist of construction of sedimentation tank, rapid sand filter, storage facilities and new installation of M&E equipment.

Improvements for the treatment plant and distribution lines were almost been completed. The overall physical and financial progress at the end of 2014 were 97% and 112% respectively.

Mahanelubewa Water Supply Project

This is an augmentation of existing scheme to serve 2,855 people in Mahanelubewa area. The project period is 2 years and the project component is distribution improvement only. This project was completed in year 2012. The physical progress at the end of 2014 was 100% (The Project is completed and commissioned). The Total Cost Estimate is Rs. 130 millions.

Ipalogama Water Supply Project

This is a new scheme intends to serve 18,000 beneficiaries in Ipalogama Ranaviru village including 4 GN divisions in Ipalogama Pradeshiya Sabha area. The treatment plant with 13,500 cu.m/day capacity and the intake are common to both Ipalogama and Kekirawa existing water supply schemes. The water source is Kalawewa. Total length of the raw water pumping main is 4 km and the length of transmission main is 4 km. Total Cost Estimate is Rs. 798 million under GOSL funds. The construction of intake and sewerage system for Ranaviru village were completed. The construction of treatment plant and water towers are completed. Distribution systems are to be completed. The overall Physical and financial progress at the end of 2014 were 96% and 95% respectively.

Dayata Kirula 2013 (Oyamaduwa WS)

This project intends to provide safe drinking water within 2 years to 27,500 people in Mahawilachchiya & Thanthirimale areas in Anuradhapura district, which will cost Rs. 830 million. It is proposed to improve Thanthirimale water supply and Oyamaduwa Water Supply Schemes. Viharagamuna WSS was completed. Thanthirimale WSS and Oyamaduwa TP works are in progress. The overall physical and financial progress at the end of 2014 were 100% and 83% respectively.

Eastern Province

Kantale (Agbopura) Water Supply Project

This project meets daily requirement of 8,000 beneficiaries in Akbopura Town, Batukachchi, Sugar factory Road, Bathiyagama in Trincomalee district. The estimated total cost estimate is Rs. 275 million. The physical and financial progress at the end of December 2014 were 100% and 82% respectively and where the original scope of the works were completed and the additional requirement by politician and public are going on and received Rs.5million for 2015.

Thambalagamuwa Water Supply Project

This project intends to provide safe drinking water facilities to 30,000 beneficiaries in 96 mile post, Galmetiyawa, Mallipatana, Sarag Nagar, Mera Nagar, Kaviladi in Trincomalee District. The Total Cost Estimate is Rs. 95 million. Supply & laying of distribution mains are completed and this item was deleted from the original schdule. The physical and financial progress at end of 2014 were 100% and 89% respectively and no any allocation for 2015.

Serunuwara Water Supply Project

This is a new project proposed to serve 9,500 beneficiaries in Sumedankapura, Serunuwara, Mahaveligama, Thanganagar, Kawanchipura in Serunuwara, Kallaru and suburbs. The Total Cost Estimate is Rs. 110 million. Physical and financial progress at the end of 2014 were 100% and 96% respectively and no any allocation for 2015 and the balance works were included under the local bank funding projects.

Dehiattakandiya Water Supply Project -Stage I & II

This project intends to extend the safe water supply in Dehiattakandiya to 16,000 new beneficiaries in Kadirapura, Bakmeedeniya, Ridiella, Sandunpura. Total cost estimate Rs. 300 million and most of the original scope of work was completed. Additional requirements are ongoing. The physical and financial progress at the end of 2014 were 100% and 93% respectively and received the Rs.10 million for 2015.

Transmission Main from Kanthale to Thampalakamam

This project is to transport water from Kantale WSS to Thampalakamam reservoir. Total transmission main distance is 40km. Total estimated cost is Rs. 1,397.80 million and most of the works were completed. Physical progress and financial progress at the end of December 2014 were 98% and 90% respectively and received Rs.76 million for balance works and retention.

Wadinagala /Wan ela WSS

This project proposed to serve 14,000 beneficiaries in Jayanthipura, Pansalgodella, Soorangala and suburbs. The total cost estimate is Rs. 808.50 physical and financial progress at the end of December 2014 were 50% and 24% respectively and received Rs.152 million for balance works.

Water Supply projects for CKD areas

- This project intends to extend the safe water supply in Dehiattakandiya DS Division with new beneficiaries Sooriayapokuna & Pussalavinna GN Division from respective RWS scheme with new pipe extension work and with new beneficiaries Sandunpura, Lihiniyagama and Mawanawela GN Division (Sandunpura, Lihiniyagama and Mawanawela RWS schemes) with rehabilitation works with total beneficiaries 8,711 and Total Cost Estimate Rs. 60 million in Ampara District and works are in progress. The physical and financial progress were 10% and 8% respectively.
- This project intends to extend the safe water supply in Gomarankadawala DS Division with 1,820 new

beneficiaries. Backeemeegama GN Division from Backemeegama RWS scheme with new pipe extension work and civil works.Total Cost Estimate Rs. 30 million and works are in progress. The physical and financial progress were 70% and 60% respectively.

Installation of RO Plants in schools, hospitals and villages of CKDu affected areas.

Community Infrastructure Development Funds

This project intends to extend the safe water supply in Batticalloa district with new beneficiaries 14,000 with pipe extension and civil works. Total cost estimate is Rs. 183 million in Batticalloa District and the works are in progress. The physical and financial progress were 100% and 80% respectively.

North Western Province

Mahawa/ Wariyapola/ Nikaweratiya Water Supply Project

This is a new project planned to serve 45,000 families in the area. TCE is Rs. 996 million. Nikawaratiya and Mahawa part of the project is completed and now functioning. Capacity of Nikawaratiya/ Mahawa scheme is 6,500 cu.m/day and the water source is Magalle Wewa. Full treatment facilities are available in the scheme. Construction of Wariyapola scheme commenced in the year 2013. Capacity of the full treatment plant is 2,000cu.m/day. Water source is Maguru oya. The overall physical and financial progress at the end of 2014 were 99% and 92% respectively. It is expected to complete this project in 2015.

Ibbagamuwa Water Supply Scheme

This is a new water supply scheme to provide drinking water facilities to 11 GNDs in Ibbagamuwa DS division.

The total beneficiaries of the project are 7,400. The total estimated cost of the project is Rs. 239 million. The capacity of the treatment plant is 15,000 cu.m/day.

The overall physical and financial progress at the end of December 2014 were 33% and 75% respectively.

Dambadeniya Water Supply Scheme

This is a new water supply scheme in Dambadeniya DS division to cover 70 GNDs with a total estimated cost of Rs. 796 million. The total number of beneficiaries of the project is 51,835. The capacity of the scheme is 4,500 cu.m/day. The overall physical and financial progress at the end of December 2014 were 32% and 15% respectively.

Divulgane Water Supply Scheme

This project is to provide pipe born water to Divulgane and Dalupothagama GN Divisions by dug well with a total estimated cost of Rs. 47 million. The no. of beneficiaries of the project are 1,800. The overall physical and financial progress at the end of December 2014 were 88% and 55% respectively.

Dayata Kirula 2014 (Kurunegala)

This project intended to provde water for Dayata Kirula - 2014 exhibition, improve water supply facility for Wayamba university and Kuliyapitiya technical college and implement the distribution system for Kuliyapitiya Urban WSS , which will cost Rs. 830 million. The overall physical and financial progress at the end of 2014 were 100% and 90% respectively.

Sabaragamuwa Province

Embilipitiya Water Supply Project

This is an augmentation of existing scheme with a treatment plant which intends to serve 84,000 beneficiaries in Nindagampelessa,Embilipitiya, New town, Pallegama, Udagama, Kalagediara, Halmillaketiya, Yodagama. Kubugoda ara, Moraketiya, Higura, Thunkama ketagal ara Total cost estimate is Rs. 607.89 million. Construction of intake and water treatment plant is Completed.High lift pump to be installed The physical and financial progress at the end of 2014 was 95% and 75.3% respectively. Project has been already commissioned.

Udawalawa Water Supply Project - Stage I & II

This is an augmentation of the existing WSS. TCE is Rs. 974 million. The total beneficiaries are 62,500 in Kolombage Ara, Nindagam Pelessa, Ranchamadama, Thibulketiya and Udawalawa, yaya2, Andaluwa, Maduwanwala, Panahaduwa, rathkarawwa, Gageyaya, Sankapala Miriswelpotha, Mahagama. The physical and financial progress at the end of 2014 was 99% and 71.9% respectively. Project is already commissioned.

Godakawela Water Supply Project

This new project intends to provide safe drinking water to 22,500 beneficiaries in Godakawela, Kosnathota, Galahitiya, Masimbula, suburbs, Alpitiya, Balavinna East, Godakawela, Wara yaya, Balawinna West, Balawinna North, Kompitiya, Mawatalanda Meddegama, Ridivita, Dambawinna, Kapuhenatenna, Balawinna East, Mawathalanda, Malwatta areas. The water source is Rakwana Ganga and the water is fully treated in a WTP with the capacity of 4,500 cu.m/day. Major project components are Water intake, WTP, Storage Tank & Distribution system. Total cost estimate is Rs. 288 million. The physical and financial progress at the end of 2014 was 98% and 78.5% respectively.

Galigamuwa Water Supply Project

Currently there is no pipe borne water supply in Galigamuwa Town. This project includes construction of new intake of 5,000 cu.m/day capacity at Alawwa, a conventional WTP with the capacity of 5,000 cu.m/day, construction of ground reservoirs of capacities 225 cu.m and 1800 cu.m, pump house, supply & laying of 12 km. DI pumping mains and improvement of the existing distribution network for the Kegalle WSS & installation of

pumps. Total Cost Estimate is Rs. 841 million and 30,800 people are to be benefitted in Galigamuwa town area including Helamada, Weragoda, Palapoluwa, Ballapana, Udabage, Naberiyawa, Arandara and Boyagama. The physical and financial progress at the end of 2014 was 15% and 53.3% respectively.

Nivithigala Water Supply Project

This project intends to provide safe drinking water to 14,500 beneficiaries covering Watapotha, Sidurupitiya, Thuththiripitiya Halkandaliya, Nivithigala, Yakdehiwatta areas in Ratnapura District. Total cost estimate is Rs. 154.3 million. Major Componants of the scheme are intake, storage tank, pumping main and Distribution System are in progress. Most of the works are delayed due to issues in allocation of funds. The physical and financial progress at the end of 2014 was 82% and 58.6% respectively.

Pelmadulla Water Supply Project

This project intends to supply safe drinking water to 22,500 beneficiaries in Pelmadulla covering Ihala Bopitiya, Pelmadulugama, Pelmadulla town, Pahala Bopitiya, Kuttapitiya, Ganegama, Godagama, Rilhena, Udathula, Denawaka, Udakada, Panawenna Borala, Morathota, Nugawela east, Nugawela west, Kattange, Kotakethana, Wellandura, Yainna and Narangoda The Total Cost Estimate is Rs. 384 million. The physical and financial progresses at the end of 2014 were 100% and 93.7% respectively. Original scope of works completed.

Yatiyanthota Water Supply Project

This project intends to supply safe drinking water for 9,400 beneficiaries in Yatiyantota town, Parussella, Mahawila and Pahala Garagoda areas in Kegalle District. The revised Total Cost Estimate is Rs. 166 million. Intake improvement works were completed. Pipe laying works were delayed due to fund allocation. The physical progress at the end of 2014 was 88%.

Kiriella Water Supply Project

This project intends to supply safe drinking water to 8,000 beneficiaries in Idangoda, Kiriella areas in Ratnapura District. The Total cost estimate is Rs. 205 million. Stage I of the project was completed. The physical progress (stage - I) at the end of 2014 was 100% while financial progress considering both stages is 18%.

Madola Water Supply Project

This project is to provide pipe born water to Madola, Vikumsinhagama GN Division Under Awissawella WSS. The number of beneficiaries of the project 2,000. Total cost estimate of the project is Rs. 132 million. The physical and financial progress at the end of 2014 was 20% and 29.4% respectively.

Southern Province

Hakmana Water Supply Project

Under the proposed Hakmana WSS, it is planned to supply safe drinking water to 10,000 beneficiaries in Narawelpita, Kongala, Beruwewela and Muruthamuraya areas in Hakmana. The project was to be implemented during the period from 2010 - 2012. The water source is a bore hole and water goes under partial treatment at a water treatment plant of capacity 1,800 cu.m/day. The major project components are intake improvements, new WTP, transmission and distribution pipe lines and supply & installation of pumps. The original TCE of the project is Rs. 383 million. The physical and financial progress at the end of 2014 were 100% and 68.3% respectively.

Gonapinuwala Water Supply Project

The scope of the project is implementation of a distribution system in Gonapinuwala DS division to cover 21 GN divisions. The number of beneficiaries of the project is 20,825 and the total estimated cost is Rs. 349 million. The funding arrangements will be done by local bank. This project was started in 2013 and is being planned to complete within 2 years. Full treatment facility will be constructed using the Gin ganga as the water source by extension of Baddegama Integrated WSS. Preparation of the RFP is in progress and the funding arrangements have been changed from Capital Budget to local bank recently. Supply of PVC pipes are completed. The physical and financial progress achieved at the end of December 2014 were 14% and 9% respectively.

Baddegama Water Supply Project

This project is to provide pipe born water to 33,800 beneficiaries and total cost estimate is Rs. 441million. covered areas are Ampegama, Weweldeniya, Bataketiya, Ganegama, Baddegama and Boralukanda. The physical and financial progress of the project were about 46% and 58.6% respectively at the end of December 2014.

Kataragama Water Supply Project

The scope of the project is implementation of a distribution system in Kataragama DS area. The total estimated cost of the project is Rs. 123.8 million and will be funded by UNIHA. The water source of the project will be Kataragama River(Menik Ganga). Totally about 24,000 beneficiaries will be served. Kataragamawater treatment plant was augmented under Austrian funded UNIHA project in the year 2008. Accordingly, Kataragama WTP capacity has been increased up to 8000cu.m/day. Due to increase of turbidity of water in rainy season expected capacity couldn't be achieved by plant. Therefore it was decided to upgrade Kataragama water treatment plant by introducing following project components. Augmentation of old intake –

Kataragamawss. Augmentation of existing water treatment plant - Improvement of existing sedimentation tank, Construction of flocculaters, Construction of chemical house, Supply & placing of filter media for two number of slow sand filters Kataragama WSS. The physical & financial progress at the end of 2014 were 61% and 54% respectively.

Uva Province

Ohiya Water Supply Project

This is a new scheme which intends to serve 10,000 people in Hinnarangalla, Galedanda, Welimada, Landegama, Chandamaduwa, Mirahawatha, Guruthalawa, Mahathanna, Dabawinna in Welimada town and suburbs. Water source is Uma Oya with full treatment plant of capacity 4,000 cu.m/day. The total cost estimate is Rs. 264.7 million and the physical and financial progress at the end of 2014 were about 99% and 95% respectively. Financial constraints were faced by the contractor due to delay in payments as allocations were not received on time.

Monaragala Water Supply Project Stage II

This is an augmentation of the existing scheme to serve about 10,000 people in Monaragala town and suburbs covering Monaragala, Hulandawa Left, Hulandawa Right, Muppana, Jayasenagama, Madurakatiya and Sirigala. Water source is a stream through G-Lon estate with partial treatment of capacity of 2,850 cu.m/day. The Total Cost Estimate is Rs. 154.8 million and the physical and financial progress at the end of 2014 were about 100% and 102.6% respectively.

Ambagasdowa Water Supply Project

This is an augmentation scheme to serve 17,750 people in Ambagasdowa and suburbs covering Karagahaulpatha, Madawela and Uwaparanagama areas. Water source is Bomburu Ella with full treatment and a capacity of 3,000 cu.m/day. Total cost estimate is Rs. 382 million. The delay in the project was due to non receipt of funds. The physical and financial progress at the end of 2014 were about 96% and 87.7% respectively.

Wellawaya Water Supply Project

This project intends to provide safe drinking water to 6,000 beneficiaries of Wellawaya, Kudaoya, Handapanagala, Yalabowa, Warunagama, Thellula and Athiliwewa areas in Wellawaya in Monaragala District. The total cost estimate is Rs. 250 million and the physical and financial progress at the end of 2014 were about 96% and 71% respectively.

Badalkumbura Water Supply Project

This project intends to provide water to 22,000 beneficiaries in Badalkumbura area in Monaragala district covering Badalkumbura, Alupotha, Nakkala, Karawila, Ella, Hindikiula, Thanwatta and Mediriya areas. The total cost estimate is Rs. 124.4 million. The physical and financial progress of the project were about 100% and 94.7% as at the end of 2014 respectively.

Buttala Water Supply Project

This project intends to provide water to 38,250 beneficiaries in Monaragala area under Dayata Kirula program. The total cost estimate is Rs. 295 million. The physical and financial progress of the project at the end of 2014 were 100% and 98% respectively. This project has been completed.

Western Province

Kirindiwela Water Supply Project

This project is planned to serve 8,000 people in Kirindiwela area. The project period is 5 years. Water source is Kelani river with full treatment. The total cost estimate is Rs. 198 million. The new treatment plant of capacity 2,750 cu.m/day is constructed at the existing treatment plant site premises at Pugoda & production is in progress. The balance works at the intake, repairs to the WTP at Pugoda and pipe laying works are completed. Construction of sludge drying beds is in progress. Overall physical and financial progresses as at the end of 2014 are about 99 % and 99 % respectively.

Nittambuwa - Veyangoda Water Supply Project

This is an augmentation project which intends to serve 15,000 beneficiaries in Nittambuwa, Thihariya, Warana and Kalagedihena . The water will be extracted from Attanagalu Oya and undergo full treatment in a WTP having capacity 3,000 cu.m/day. The total cost estimate for the project is Rs. 210 million. This project is commissioned and production is in progress. The construction of sludge system is completed. Overall physical and financial progresses as at the end of 2014 are about 100% and 99% respectively.

Katunayake Water Supply Project Stage I & II

This project is planned to serve 65,000 people in 27 GNDs in Katunayake -Seeduwa Urban Council area and part of Katana Pradeshiya Sabha . Treatment plant of Raddoluwa WSS which has capacity 4,500cu.m/day and TNC WSP supply water for this project. Water sources are Dandugam Oya for augmented Raddolugama WTP and Kelani River for KRB WTP. The total cost estimate was revised to Rs. 470 million. This WSS was constructed in two stages and distribution system was commissioned on 5th Feb. 2014. Infilling pipe laying is in progress. The physical and financial progresses at the end of 2014 were 100% and 83% respectively.

Rathupaswala Water Supply Project

This project was implemented urgently to serve 53,409 people in 28 GND's in Rathupaswla, Balummahara, Nadungamuwa and Waliweria area. As a short term proposal, water is supplied by extending the transmission & distribution lines of TNC project and extending the distribution line of Yakkala WSS. The total

cost estimate for the project is Rs. 800 million for 140km new distribution system and laying of 110 km has been completed by the construction section of RSC (Western North) office. The physical and financial progresses at the end of 2014 were 85% and 53% respectively.

Udamapitigama Water Supply Project-Stage I

This project is planned to serve 9,500 people in 6 GNDs in Dompe DSD. This project supplied water from KRB WTP by extending the transmission & distribution lines of TNC project. The total cost estimate for the project is Rs. 75 million. This project was commissioned on 5th December 2014 & Infilling pipe laying is in progress. Construction work of this project is carried out by the construction section of RSC office. The physical and financial progresses at the end of 2014 were 100% and 30% respectively.

Jaltara - Ranala Water Supply Project -

Phase I Stage I & II

This project has been phased out and then again phase I, is staged out due to financial constrains. Phase I Stage I covers Jaltara and Henpita GNDs. Phase I Stage II covers Atigala East, Atigala West, Panaluwa and Batawala GNDs. Another 27 GNDs of Kaduwela and Homagama DSDs are to be covered under Phase II. It was expected to serve 7,646 population under Phase I Stage I, 10,273 under Phase I Stage II and 92,118 under Phase II in 2030. Phase I project area is by a branch off pipe line at Embulugama Junction on low level road from the existing transmission main which supplies water to Colombo from Labugama WTP. Phase I Stage I of this project was completed in 2010. The Total Cost Estimate of Phase I Stage I was Rs. 103 million. Design and material procurement of Phase I Stage II are already completed and physical progress of the project is aroud 96%. The total cost estimate for Phase I Stage II is Rs. 114 million. The project cost is 283 million at the end of 2014. Project was completed and commissioned.

Kalutara Integrated Water Supply Project - Stage II

This scheme was designed in order to extend water supply to Payagala, Maggona, Beruwala, Dharga Town, Bentota and Aluthgama areas to serve 210,000 people. Project was started in 2006. Water Source is Kalu Ganga with full treatment and capacity is 56,250 cu.m/day. The revised Total Cost Estimate is Rs. 1,366 million.

The main objective of stage II is to improve the water supply to Southern areas of Kalutara. Laying of transmission mains 600 mm DI/HDPE 9 km pipeline from central junction to Magonna, laying 600 mm DI/HDPE pipeline from Magonna to Beruwala (5 km) and transmission main from Beruwala to Darga Town are completed . In addition, to strengthen the distribution system of kalutara areas, Specially Gladiswatta, Akkara80 and Maggona, laying of pipes and rehabitation of Maggona pump house are in progress.

The physical and financial progress at the end of 2014 were 92% and 82% respectively.

Northern Province

Madu Water Supply Project

The objective of this project is to provide water supply facilities for Madu church about 450,000 devotees. The overall physical and financial progress at the end of 2014 were 100% and 90% respectively.

GOSL FUNDED SMALL AND MEDIUM SCALE SEWERAGE PROJECTS

Western Province

Construction of Waste Water Disposal System for Defence Head Quarters Complex at Akuregoda Battaramulla

The work consists of construction of 1200 cu.m/ day capacity wastewater treatment plant consisting of inlet pumping station, debris and grit removal facility, aeration tank, settling tank, sludge pump station, sludge thickner, sludge drying beds, compost filter, maturation ponds, distention chamber, office building and control room and electro mechanical installation. TCE is Rs. 437 million. Physical and financial progress as at December 2014 is 50.27% and 12.69% respectively.

Upgrading the Waste Water Collection and Transmission in Kolonawa

The work consists of supply and laying of 458 m long, 315mm dia. HDPE gravity sewer main from Puwakgaswatte junction to KP2 pumping station with 08 nos concrete manholes, supply & laying of 40m long 250 mm dia HDPE pipes from Salamulla housing scheme to KP1 pumping station with 04 nrs. concrete manholes including canal crossing and 458 m long permanent reinstatement of roads from Puwakgaswatte junction to KP2 pumping station. Physical and financial progress as at December 2014 is 64.2% and 26.05% respectively.

Projects in Pipeline

WATER SUPPLY PROJECTS

Greater Anuradhapura North Phase I Water Supply Project

The project covers 179 GramaNiladari Divisions located within Horowpathana, Kahatagasliyadda, Kebithigollawa, Medawachchiya, and Rambewa Divitional Secretary areas in Anuradhapura District. Those DSDs are situated at the upper boundary of Anuradhapura District, Which are located 300-350 km away from Colombo. The total coverage area of the project is about 2,354 sq.km (2,34,500 Ha).

The main objective of the project is to provide safe pipe born water supply facilities to Horowpathana, Kahatagasdigiliya, Kebithigollawa, Medawachchiya and Rambewa DS areas and enhance their health and living standards by minimizing the health effects due to poor quality drinking water. The benefitted population will be 271,526 in year 2030.This project will be carried out with Australian financing assistance and will be a great relief to the people living in the Chronic Kidney Disease affected areas.

Greater Matale Water Supply Scheme

The pipe borne drinking water supply coverage in the Matale district is only 27% and outbreak of water borne diseases such as cholera had become a common occurrence. The quantity and specially the quality of drinking water have always been a major concern and has been a issue for a long period in the Matale district. The present demand amounts to 55,000 cu.m/day against the total production capacity of 22,500cu.m/day. This makes provision of new domestic and commercial water connections impossible.

Greater Matale WSP will be covering seven divisional secretariats such as Matale, Ratota, Ukuwela, Pallepola, Yatawatta, Naula & Abanganga Korale. These seven DS divisions cover 260 GNDs. About 352,507 people living around these areas will be benefited by this project. The TCE for this project is Rs. 26,954 million. This project will be carried out with French financing Assistance.

Polgahawela, Pothuhera & Alawwa Intergrated Water Supply Project

Existing Polgahawela and Alawwa Water Supply schemes are operated at its maximum capacity catering only 33% of the present demand. Large numbers of residents are registered in waiting lists for new water connections. Therefore, it is proposed to integrate these two schemes and improve as one scheme. Covering eight divisional secretariats such as Alawwa, Polgahawela, Weerambugedara, Imbulgasdeniya, Narammala, Kurunegala, Maspotha & Mallawapitiya. These DS divisions cover 222 GNDs.

This project will be benefited to a population 260,000 in year 2030.Further it will ensure a very reliable water supply to export processing zone at Polgahawela which will be an encouragement for the prospective investors. The project has been proposed to be implemented with Indian financing assistance.

Aluthgama, Matugama & Agalawatta Intergrated Water Supply Project

The main objective of the projects is to provide drinking water to Divisional Secretariat areas of Kaluthara, Dodangoda, Beruwala, Mathugama, Agalawatta and Urban Councils of Kalutara and Beruwala in the Kalutara District and Bentota DS division in the Galle District. The existing source for Kalutara water supply scheme has not been sufficient and cannot be extended to cater future demands. Also this Project has been formulated to avoid the salinity problem of the integrated Kalutara WSS. The problem is receipt of saline water at consumers during dry seasons of the year.

The total Population of 573,500 will be served by this Project in year 2030.

SEWERAGE PROJECTS

Western Province

Sri Jayawardenapura Kotte Wastewater Collection & Disposal System

With the rapid development of Sri Jayewardenepura Kotte during the last two decades, most of the existing developed lands have been undergone sub divisions to meet the demand for housing and along the main roads for commercial development. Due to reduction of the size of building plots and existence of shallow wells near by lands, it has become very difficult to establish a proper septic tank in a given building plot.

Low lying areas have also been filled to meet the demand for lands. This has increased the water spread of marshland and waterways contributing to flooding. With the increase of ground water table and due to the low permeability of soil, large amount of wastewater from poorly functioning septic tanks and soakage pits collects to side drains and ultimately drained to near by surface water courses finally contaminating the ground water sources.

Therefore, a centralized sewerage system is essential to cater for the rapid development that has taken place in Welikada - Rajagiriya area as well as the Sri Jayawardanepura Kotte urban council area and adjacent parts of Kaduwela D.S. Division and Mahargama UC area in order to provide proper wastewater disposal for these areas. It is expected to provide about 28000 sewer connections as the total estimated cost is Rs.40,542 million.

Negombo Wastewater Disposal System

Negombo is a major coastal town on the western coasts of Sri Lanka, the Tsunami in December 2004 destroyed and rendered inoperable many elements of the existing on-site sanitation infrastructure. With continuing population growth in the town, which has resulted due to pressure on land availability and a consequent steady reduction in the sizes of building plots, the problem of septic tank effluent disposal could be aggravated with time. It is expected to provide about 15,154 sewer connections. The total estimated cost is Rs.16,477 million.

Maharagama & Borelasgamuwa Wastewater Disposal System

There are important national institutions such as University of Sri Jayawardenerpura, National Institute of Education, and National Cancer Institute are located in Maharagama area. A centralized sewerage system is essential to cater for the rapid development that has taken place in the Maharagama Pradeshiya Sabha, Maharagama and Boralesgamuwa townships, and to prevent further deterioration of the environment.

Wastewater flow of Maharagama and Boralasgamuwa will also be brought to the Rathmalana/Moratuwa treatment plant which is being constructed under Ratmalana-Moratuwa Wastewater Disposal Project. It is expected to provide about 5000 sewer connections . The total estimated cost is Rs.5,125 million.

Dehiwala/Mt.Lavinia Wastewater Disposal project

Currently three GN divisions in DMMC area have already been provided with sewerage infrastructure facilities. Therefore, the rest of the GN divisions together with adjacent three GN divisions of Kesbawa DSD is incorporated into this project area. The areas of four GN divisions belonging to Ratmalana DS division up to Temple Road from Dehiwala which are not included under the stage-1 of the Ratmalan-Moratuwa Sewerage Project are also incorporated into this project. The estimated total area covered under this project is approximately 919 ha and the expected population to be served in the year 2040 is 138,230 being the 75% of the projected population of 184,306 in year 2040. The estimated cost is Rs. 23,575 million.

Kelaniya/ Peliyagoda Wastewater Disposal Project

Kelaniya PS and Peliagoda UC are situated in Gampaha district of western Province along Colombo-Kandy Road in the interior part of the country. They are rapidly developing area as a gateway to the Colombo, the commercial Centre of Sri Lanka. Both Kelaniya PS and Peliyagoda UC are depends on septic tanks and pit latrines for disposal of night soil. Some people who have settled near canals and marshland discharge the effluent directly into the waterways, there by polluting the environment and posing health hazards. Therefore there is potential demand for sewerage services. Ground water table is very high in this area.

Wastewater collected in Kelaniya PS and Peliyagoda UC will be reticulated with series of pumping stations and finally will be disposing to the sea through a long sea outfall. The projected population in both Kelaniya PS and Peliyagoda UC in 2043 will be 227,700 at the annual growth rate of 1.1%. Tentative cost estimate is Rs. 12,766 million for the completion of the project and expected connection is 15,569.

North Western Province

Chilaw Wastewater Disposal System

Chilaw is situated 75km north of Colombo is a populous town and is famous for coconut, prawn and fishing industry.

Due to flatness of the topography in Chilaw , there is no readily identifiable drainage pattern, but there are four main storm water drainage canals that discharge directly into the sea. Drainage is particularly challenging, due to faults in canal levelling, water from the lagoon backs up into the main drainage outlets in the urban area. Chilaw Urban council emptying the septage that is collected from the pits and tanks directly on to ground surface. Waste water from the Base hospital is discharged directly into a pond situated between the rail line and sea through a pumping main.

Under the proposed scheme, a 1000 cu.m/day capacity treatment plant with 500m long sea outfall is proposed. The total cost of the project is Rs. 3,776 million and 1050 houses will be connected to the scheme.

Puttalam Wastewater Disposal System

Puttalam is situated 125 km north of Colombo is a small but very populous town and is famous foe salt and fishing industry. Puttalam lagoon is one of the largest lagoon in Sri Lanka. Norochcholai Coal power Plant is located 12 km from Puttalam on the Kalpitiya penisula.

Under the proposed scheme, a 1000 cu.m/day capacity treatment plant with 500m long sea outfall is proposed. The total cost of the project is Rs. 4,025 million and 1250 houses will be connected to the scheme.

Southern Province

Galle Wastewater Disposal Project

Galle is a major coastal town on the western coasts of Sri Lanka, the Tsunami in December 2004 destroyed and rendered inoperable many elements of the existing on-site sanitation infrastructure. Having current (2007 estimated population of 97,360 it is projected to grow to approximatly 120,600 in year 2030. It is expected to provide about 11,402 sewer connections . The project cost is Rs. 13,325 million.

Hambantota Wastewater Disposal Project

Hambantota to be developed as economic hub mainly interconnected to the natural harbour that has enormous potential to develop as an international Sea Port. Proposed infrastructure includes Oil Refinery, Industrial Zone, and Administrative Centre, International Convention Centre, Botanical Garden, International Sport Complex and International Airport. The project is awaiting for financial negotiation. It is expected to provide about 9034 sewer connections. The water supply and sewerage project is to be implemented in ports development area in Hambantota in order to cater for industries located within the port premises. The total estimated cost is Rs. 11,519 million.

Eastern Province

Kattankudy Wastewater Disposal Project

Kattankudy is a coastal town located 7.0 km South of Batticaloa Town in the Batticaloa District in the Eastern Province, consisting of 18 GN Divisions extends over a land area of 3.89 Sq.km. A world famous major tourist attraction, Pasikuda beach is situated not so far away from the project area.

The treatment plant is proposed to locate at Kallady which is approx. 3 km away from Kattankudy towards Batticaloa, a separate sewer network covering Kallady Township has to be included in the project. Hunan Construction Co. expressed the willingness to undertake development of wastewater disposal system for Kattankudy DS Division area and in response, the NWSDB called tenders for seeking technical and financial proposals for the same and was closed on 26th November, 2012. It is expected to provide about 13,308 sewer connections. The total estimated cost is Rs. 11,407 million.

Planning and Design

WATER SUPPLY SECTION

Western Section

Planning Works Carried out During 2014

The Western Sub Section of Planning & Designs Division, has carried out the planning work of following Projects;

- Preparation of RFP document for Kelani Right Bank Water Supply Project-Stage II.

Proposed Kelani Right Bank Project - Stage II comprises with 180,000 cu.m/day water treatment plant, augmentation of an existing Intake, laying of 2 km of 1200mm dia. treated water pumping main to Churchill Reservoir, 19.1 km of 800 mm transmission from Kadawatha to Ekala, 4.4 km of 1000mm pumping main to Biyagama, 1.1 km of 800mm dia. pumping main to Tyre Junction, Kelaniya, 3 Nrs. of 800mm dia. PE pipes to downstream of KRB intake and 9.6 km of 500 mm PE pipeline to BOI Zone.

Aerial view showing KRB WTP & Intake constructed under Stage I

- Preparation of 03 bid documents for Towns East of Colombo District Water supply Project Packages 1, 2 and 3
- Preparation of bid documents for 1200mm dia. Pumping main from Ambatale Water Treatment Plant to Ellie House Reservoir, 1200/1000 mm dia. Pumping main from Gothatuwa to Maligakanda Reservoir, RFP document for Ingiriya and Handapangoda Water Supply Project, the boundary fence of the NWSDB head office and the storm water drainage system and land scaping works at NWSDB head office.
- Preparation of RFP document for Anuradapura North Water Supply Project–Phase I, Planning of Maha Oya Water Supply Scheme-Stage II (under JICA Funded Eastern Province WSS) and preparation of Feasibility Report on Proposed Mulliativu WSS. Preparation of feasibility study for the augmentation of jubilee System which includes the construction of 22,000 cu.m capacity ground reservoir, laying of 1000 mm dia. transmission main from jubilee to Wellawata and laying of 800 mm dia. transmission main from Gothatuwa system as an alternative source of supply.

Design Review Work Carried out During 2014:

- Rehabilitation of Labugama water treatment plant and rehabilitation of Kalatuwawa water treatment plant

Detailed Designs Carried out During 2014:

- Detailed design for construction of five storied office building at the head office premises which consists of office area, auditorium, library, canteen and other service facilities covering total area of 3240 sq.m., architectural, structural design, service design, procurement works and all other related works were done by P&D.

Transmission extension to Katunayake International Airport and BOI, under BOI funds, preparation of network model, designing of distribution & feeder mains for Towns East of Colombo district water supply project-Package 01 contract, Network model, designing of distribution & feeder mains, drawings, bill of quantities for Towns East of Colombo district water supply project-Package 03 contract under local bank funding, Designing of 1000mm dia. 8 km long DI transmission main, 18,000 cu.m capacity ground reservoir and other civil works, preparation of drawings, and bill of quantities for Towns East of Colombo District water supply project- Package 02 contract and under local bank funding, 1000 mm dia. Pumping main from the Ambatale water treatment plant to Ellie House Reservoir were carried out during the year.

Institutional Development Activities undertaken by the Division (source of funds, results, etc.)

Procurement works for supplying and installation of partition works and improvement works at P&D section has been completed.

Southern/Eastern Section

Planning Works Carried out During 2014

- Preparation of RFP document for consultancy works and design build works for Ruwanwella WSP which include intake at Kelani Ganga, Treatment Plant of 4000 cu.m/d capacity, 03 nrs. Water Towers and 01 nr. Ground reservoir, bidding document for stabilization of the slope at the site of Panamura ground reservoir of Kolonna water supply project, proposals for water quality improvements of Deniyaya, Kirinda, Pitigala WSS and improvements to Bandagiriya water supply scheme.

Design Review Works Carried out During 2014

- Design review of Monaragala – Buttala integrated water supply project, which includes Intakes at Okkampitiya and Buttala, Water treatment plant (6000 cu.m/d), 3nrs. Ground Reservoirs (2000, 450 and 650 cu.m), both treated & raw water transmission mains (HDPE-17km), M&E works, Office building and quarters to supply safe drinking water to the Monaragala, Buttala, Kumbukkana, Okkanpitiya & Madulla areas.

650cu.m Ground Reservoirs at Horombuwa, Monaragala

- Design review of preliminary and final design reports for Demodara water treatment plant (15,000 cu.m/day) Badulla, Haliela & Ella water supply project including M&E works. The proposed coverage area includes 22 GN divisions in Badulla and 8 GN divisions in Hali Ella 17 GN divisions in Ella.
- Design review of Greater Ratnapura water supply project which includes intake at Kaluganga, 13,000 cu.m/d capacity water treatment plant, 2500 cu.m Ground Reservoir, Raw water and treated water transmission mains and office building.
- Design review of 7,000 cu.m treatment plant, intake, ground reservoirs, distribution main and transmission main for Kolonna-Balangoda WSP Stage I.

Detailed Designs Carried out During year 2014

- Design of pumping main from Eachchalampattu water treatment plant to Serunuwara feeder main, prepared design drawings for balance pipe requirement of yard piping for WSS for un-served areas of Ampara Phase III, Detailed designs of distribution system of Greater Ratnapura water supply project (185 km), preparation of drawings, BOQ and tender document.
- Detailed design to improve the water quality of water treatment plant and to improve the capacity up to 6,000 cu.m/d of Kirindi Oya WSS.

North/ North Central/North Western Section

The North/ North Central/North Western sub section of Planning & Designs Section has carried out the planning works of following projects.

Thadduwankoddi Water Supply Scheme

Planning of Thadduwankoddi water supply scheme (under JICA funded Killinochchi Rehabilitation WSS), Planning of Additional 45 km of Distribution System (under JICA Funded Killinochchi Rehabilitation WSS).

Deduru-Oya Water Supply Project

Carried out planning and coordinating works with the Donor the Korean Exim Bank and prepared the Request for proposals for selection of supervision consultants for Deduru Oya water supply project (Cost: Rs. million 351 approx.) and design - build Contract for Civil and M&E Works of Deduru Oya water supply project (Cost: Rs. 8,600 million approx.)

Design Review Work Carried out During 2014:

- Review of conceptual designs & detailed designs of transmission main, distribution system & weir structure of Grater Kurunegala water supply & sanitation project and the conceptual designs, process designs, transmission and distribution networks of Anuradhapura North water supply project – Phase -I carried out by the project consultant.
- Review of conceptual designs & detailed designs and bid document review of Jaffna Kilinochchi water supply project.
- Review of the transmission and distribution networks of Jaffna Kilinochchi water supply and sanitation project funded by the ADB and the procurement documents and conceptual designs of designing, supplying and installation/construction of water intake, raw water transmission and water treatment plant contract package.

Detailed Designs Carried out During 2014:

- Designs of transmission main, distribution system, 50 cum tower & Pump House for Thadduwankoddi water supply scheme, 45 km of distribution system under JICA Funded Killinochchi Rehabilitation WSS.

Documentation Works Carried out During 2014

The documentation section under takes preparation and updating of standard bidding documents, standard, specifications, pre–qualification documents, Drafting of technical circulars and board papers.

Items completed in year 2014 have been summarized as follows:

Preparation of 2 new standard bidding documents, 2 new standards for request of proposals, revisions of 51 standard bidding documents, preparation of 2 new Specifications, preparation of 2 new pre-qualification documents, drafting a technical circular and a Board Paper, Preparation of 22 nrs. of bidding documents including 18 nrs. of bidding documents to enhance the service coverage by providing 400,000 service connections.

In addition to the above activities the documentation sub section also functioned as the Secretariat for the Standard Bidding Document Review Committee which was re – established in year 2008 to review the bidding document and to resolve the procurement issues in National Water Supply & Drainage Board. The Standard Bidding Document Review Committee held 11 meetings, Further the documentation sub section has been acting as the secretariat for the monthly progress review meeting conducted by the P&D Section.

Design manual updating sub section operating under documentation section of P&D undertakes updating/ preparation of Procedure/ Design Manual of NWS&DB. During year 2014 following works have been carried out under the guidance and instructions of the Planning & Design Manual Review Committee (PDMRC).

- The PDMRC reviewed the P1 Manual – Project Planning & Feasibility and amendments are in progress.
- Committees for preparation of Design/ Procedure Manuals have been appointed for following manuals

i) D3 Manual – Water Quality & Treatment.

ii) D4 Manual – Ground Water

iii) D5 Manual – Mechanical Electrical and instrumentation Aspects of Water Supply and Sewerage Designs.

iv) P10 – Pipeline Repairs

- The completed chapters of the first draft of the D3 Manual are being reviewed by the PDMRC.
- D4 Manual – 75% has been completed.
- Manuals for Occupational Health and Safety, Commissioning and handing over and completed parts of D2 Manual to be reviewed by the PDMRC.

Quantity Surveying Carried out During 2014

The quantities work includes the preparation of BOQ of all the design works carried out by the P&D Section at the head office, Preparation of engineers' estimates, rate book, water & sewerage work studies to prepare work norms for pricing of work items and reviewing of engineers' estimates prepared by the Projects.

During year 2014 this sub section has prepared 51 BOQs, 49 engineers' estimates for local funded contracts and 03 engineers' estimates for foreign funded contracts and cost proposals for design & build project for partially treated water supply schemes, while preparing, compiling and distribution of Annual Rate Book 2014 for Water and Annual Rate Book for Sewerage.

SEWERAGE SECTION

Development Activities

Outlook of the Planning and Design works for Wastewater Disposal Systems in 2014

The year 2014 could be marked as a significant year in terms of the planning and design works aimed for starting numbers of wastewater disposal systems in several parts of the country. The areas of works starts from Kataragama sacred city, Hambantota new urban city, Galle, Sri Jaywardhanepura-Kotte Area, Maharagama-Borelasgamauwa, Negombo, Chillaw, Puttalam, Kattankudy, Batticaloa and Matara while extending technical support for the design inputs required for the on-going sewerage projects in Kurunagala water and sewerage project, Jaffna-Kilinochchi water supply and sanitation project and Kandy waste water management project. Design works for wastewater disposal system for training centre at Dambulla, belong to the Sri Lanka Bureau of Foreign Employment and improvement of Global Partnership Output based Aid Project in various locations of Colombo and suburbs were successfully carried out in the year 2014.

Request For Proposals (RFP) regarding several wastewater disposal systems in the above key Towns were issued as tender documents and offers for the proposals were received. The evaluation of technical and financial offers was conducted during the year 2014. Further, the P&D-Sewerage Section has contributed for the development of wastewater disposal facilities for major institutions such as defense head quarters and Maharagama cancer institute etc.

Scope of P&D Works Done for Major Projects in Pipe line During 2014

The offers received for the RFP on Sri Jayawardanapura Kotte Wastewater System were evaluated with several rounds of meetings between Project Committee (PC) and Standing Cabinet Appointed Procurement Committee (SCAPC). Scope of Micro-Tunneling was incorporated to the project items in Sri Jayawardanapura Kotte project for the first time in a sewerage project. Sri Jayawardanapura Kotte project was planned to be divided in to 2 phases with the common sea outfall and the cost revision was carried out during the year for both phases. The RFP was prepared for the Project incorporating the previous addendums.

In Kurunegala water and sewerage project was commenced. Investigation and detailed designs are in progress.

The feasibility study and the revision of cost estimation were completed for wastewater disposal project for Ratmalana/ Moratuwa and JaEla/Ekala Phase I Stage II, PAC and Board approvals were obtained and it was sent for NPD approval. The CEA clearance is available for the entire project which was obtained in project preparation in Stage I. Draft project proposal for Phase I Stage II was submitted for JICA funding.

PAC, NPD and Cabinet approval were obtained and contract was awarded to M/s STRABAG for implementation of upgrading the wastewater collection and disposal system in Kataragama Sacred City area. The project was commenced on August, 2014 and preliminary design works are completed. The detailed design works are in progress. The IEE study for the project is being carried out by the University of Ruhuna and will be completed soon.

Except one land all other lands for the pump houses have been identified and handed over to the contractor to start the work in Dehiwala- Mt. Lavania project. PAC and Board approval were obtained for expansion of pipeborne sewerage coverage in Dehiwala/ Mt. Lavinia Municipal Council area and NPD approval is sought. Lands were identified for the proposed pumping stations and land acquisitions are to be done. Also, RFP for the project was called. EIA study is to be commenced and the decision has been already taken to award the consultancy assignment to University of Moratuwa by the DPC.

Feasibility study was completed for wastewater collection, treatment and disposal system for Badulla urban area. PAC approval has been obtained and the Board approval is sought. IEE studyhas to be carried out for the project. Identification of lands for pumping stations and treatment plant is in progress.

Kelaniya-Peliyagoda wastewater collection and disposal project will be considered under AFD funding in year 2016. Feasibility study for Kalaniya- Paliyagoda wastewater disposal system was submitted to AFD for funding.

Cabinet approval for the award of the Kattankudy wastewater Disposal Project has been received. The contract has been awarded for the project and the agreement was signed between both parties. The loan negotiation for the project is in progress. Field visits were arranged to identify lands and all the lands for the pump houses were identified and finalized. Identification of the land for the treatment plant is in progress. The contract for the IEE (Initial Environmental Examination) was already awarded to the University of Peradeniya and the study is in progress.

The Environmental Impact Assessment (EIA) of the Galle & Negombo wastewater disposal project was awarded to the EML Consultants and the field works and investigation were completed. The Draft EIA study report for Galle and Negombo has been almost completed. Cabinet approval to be sought. RFP is amended to incorporate a treatment plant and issued to the bidders. Bids received in the year 2013. TCE is revised and NPD clearance is sought for the revised scope and the TCE by incorporating WWTP instead of long sea outfall. Feasibility studies for Galle Municipal Council and Negombo Municipal council was submitted to AFD for funding.

Chilaw Puttalam wastewater disposal project was awarded to M/s CCOEC-GSE and loan negotiations are in progress. EIA study is about to proceed.

For Maharagama-Boralasgamuwa wastewater disposal project, estimate was revised and second revised offer by M/s CCOEC-GSE is being evaluated. EIA and land acquisition works are in progress for proposed Maharagama Boralessgamuwa Wastewater disposal system.

Feasibility report was prepared for the Batticaloa wastewater disposal project. PAC and Board approvals

were obtained for the project. NPD approval is sought. The exact locations of the identified lands for the pumping stations and treatment plant have to be prepared with the help of the RSC (East) and it is in progress.

Feasibility study was completed and Board approval was obtained for expansion of piped sewerage coverage in Dehiwala/Mt. Lavinia. Scoping meetings were held and Field visit with CEA, UDA and other relevant agencies were completed.

Feasibility study is underway for Gampaha wastewater disposal Project.

The EIA Study of Hambantota wastewater disposal project is in progress. Land acquisition is also underway. Loan negotiation and cabinet approval are pending.

The feasibility study was started for Matara wastewater treatment and disposal System and PAC, Board and NPD approvals are to be obtained.

After the series of detailed discussions with AFD, they agreed to finance for wastewater disposal systems for Negombo MC, Galle MC and Kelaniya–Peliyagoda area under two stages named as SHIFT 1 & 2 (Sanitation and Hygiene Initiative for Towns south of Sri Lanka). SHIFT 1 will be covered the schemes for Galle and Negombo, ie. Implementation of Wastewater Disposal System (WWDS) for Negombo MC, Preparation works of WWDS for Galle MC and Kelaniya-Peliyagoda area. SHIFT 2 will be covered Implementation of WWDS for Galle MC and Kelaniya-Peliyagoda area. SHIFT 1 will be started in year 2015. Lands for the treatment plants and pumping stations were identified and acquisition is in progress.

Design Review Work Carried out for the On-going Wastewater Projects During 2014

The P&D section involved in reviewing detailed designs and provided specialized technical assistance for three ongoing foreign funded projects, namely Jaffna Kilinochchi water and sanitation project, sanitization component of Dry Zone ADB 5th Project, Sanitization component of Grater Kurunegala water supply and sanitation project and Kataragama Sacred City Sanitation Improvement Project.

The design work of solar sludge drying bed for Ratmalana/Moratuwa Phase I was carried out by P&D Sewerage section and the construction works were commenced.

Rechargeable Sewerage Projects with Detailed Designs Carried out during 2014

In terms of re-chargeable sewerage projects, sewerage Section of the P&D Section has continued to engage with the wastewater disposal systems in defense head quarters at Akuregoda, Cancer Hospital at Maharagama, Sri Lanka Bureau of Foreign Employment at Dambulla, improvement works in Kolonnawa, sewer network, Base hospital at Karawanella, Jaffna University female hostel & Rehabilitation of the following wastewater treatment plants; Himbutu Uyana Housing scheme, Raddolugama Housing complex and Modarawila industrial zone. Some of the schemes mentioned above are ongoing whereas for others comprehensive BOQ and tender documents were prepared and the document evaluation and tenders are underway.

Planning and designs of wastewater treatment and disposal for Sripadastana was awarded and is at the implementation stage.

Cancer Hospital and Maharagama – Internal Network design have been completed during the first quarter of the year 2014. Tender for rehabilitation of internal wastewater collection and storm water drainage system has been awarded. Finalized the construction works of previously awarded contracts of construction of pump house, supply and laying of pumping main from Cancer Hospital to Ratmalana / Moratuwa treatment system and construction of Iodine delay tanks for radio active treated waste water. Sri Lanka Bureau of Foreign Employment and Dambulla – Wastewater treatment and disposal system were completed and commissioned. Kolonnawa Salamulla Project – Detailed Designs in progress for improvement of existing Kolonnawa Network to connect the Salamulla and Government Factory Lands Housing complexes, Karawanella Base Hospital Disposal System – completed detailed designs for augmentation of existing wastewater collection, treatment and disposal system and construction is in progress.

Design of wastewater treatment & disposal facilities to Kilinochchi Hospital and the Army Camp – Detailed design was done partly and by the way a third party constructed a plant for the Hospital with external funding. The treatment analyses and advices were given for improvement.

Technical Proposals prepared for Rechargeable Sewerage Projects.

In Unawatuna tourist resort WWDS - Preliminary proposal was developed. In Raddolugama Housing Scheme - PAC and board approval for the short term proposal and medium term proposals were obtained and short and medium term proposals were implemented. The implementation of the long term proposal is in progress.

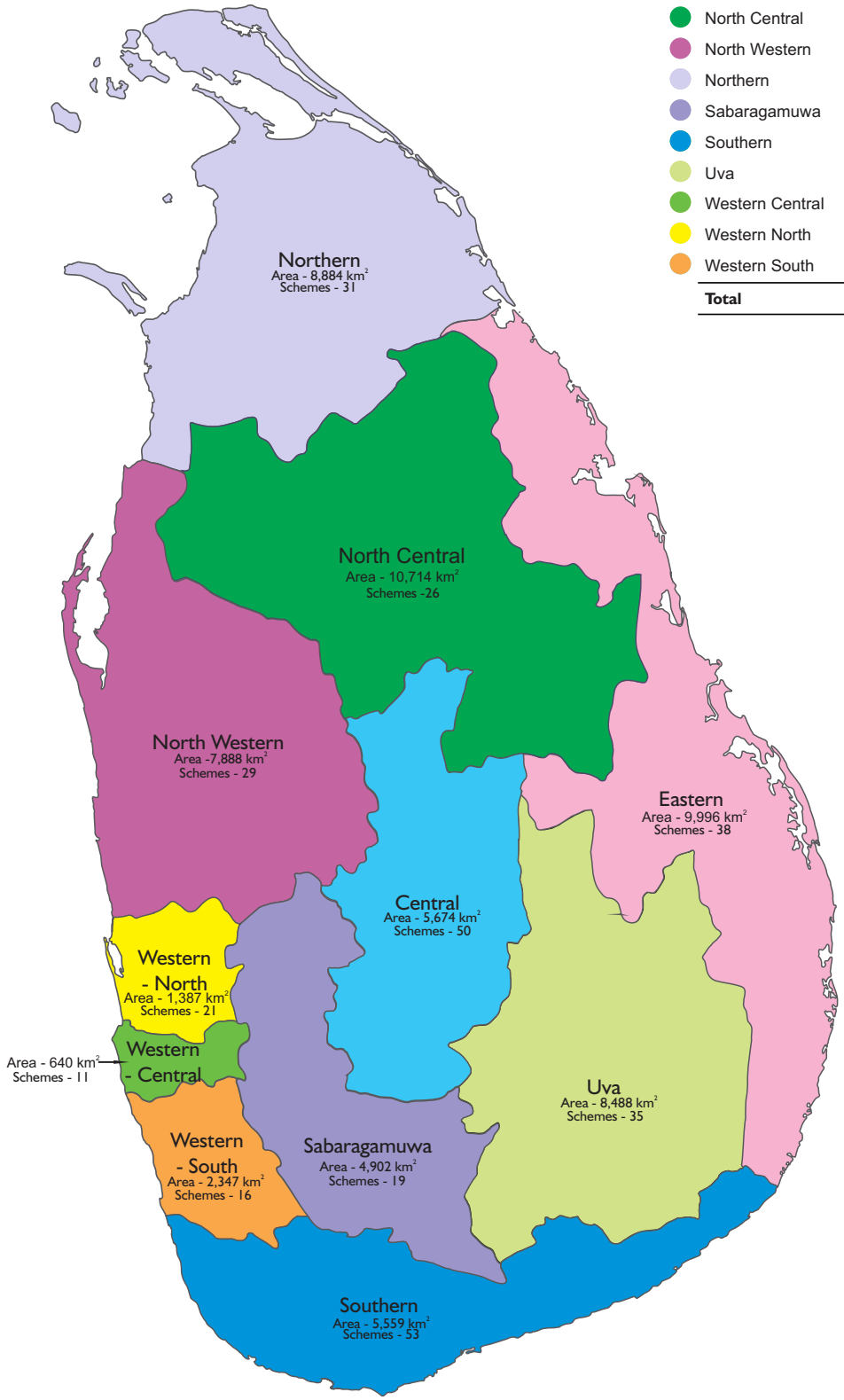
Other Productivity Improvement Activities

As the Sewerage Section of NWSDB is currently implementing consultancy service to obtain ISO Quality Management Status, the P&D Section is too being engaged with the process improvements by enhancing the documentation systems and introducing the new documentation systems. By doing so, P&D Section is expected to obtain the ISO Quantity Management Status in year 2015, joining with whole Sewerage Section of NWSDB.

Moreover, P&D Section is too engaged with 5-S system being implemented by the Head Office to enhance the productivity of the activities.

Regional Support Centres

Province/ RSC	Connections
Central	224,217
Eastern	163,349
North Central	91,900
North Western	64,030
Northern	12,189
Sabaragamuwa	90,267
Southern	276,334
Uva	76,064
Western Central	404,731
Western North	221,045
Western South	207,872
Total	**1,831,998**



REGIONAL SUPPORT CENTRES

New projects are originated from the 11 Regional Support Centers of the NWSDB. As representatives of the Project Review Committee, the staff of RSCs' closely coordinate the planning and regulatory procedures of new projects. Also, the existing WSSs and Sewerage Schemes are Operated and Maintained by them. Infrastructure Development, Reduction of Non Revenue Water, Energy Management and Institutional Development works and performance in water supply and sanitation sector of the RSCs have been included under appropriate sections. Some other important information which are not included in aforementioned sections are summarized below.

Western - Central

The western Central Office consists of Colombo City, Kotte & Maharagama regions. Many special events took place in the RSC in 2014. Special programmes such as Sinhala & Hindu Aluth Awrudu & January 1st New Year celebrations , Vesak & Poson Festival Celebrations were arranged. Bana programmes, Cricket tournament, Eye clinic programme for staff members were conducted by the RSC (WC) welfare society.

Many NRW reduction activities were carried out within the region (RSC – WC) and NRW was reduced to 46.1% in Colombo City.

Pipe Line Extensions

Pipe line extensions & common line improvement at Kaduwela, Kotte, Kolonnawa, Battaramulla 30.01km and Maharagama 30.01 km.

Hanwella Water Supply scheme-Augmentation Pipe laying works along High level road. Total length of the pipe line is 5.2km.

Godagama Improvements - The projects included enhancing the existing branch off and laying of 225mm diameter uPVC T1000 pipes approximately 1.2km along High Level road. The project cost was Rs. 39 million. Physical progress was 85%

Jaltara-Ranala WSS Phase I Stage II - Atigala East, Atigala West and part of Batawala&PanaluwaGramaNiladhari Divisions in Homagama DS are covered by this project. The project cost is Rs. 283 million.The project was completed and commissioned.

Colombo City

46.5 km of 160mm and 110mm new PVC lines were laid Under the Kalu Ganga water supply project phase 1 stage 2 package 8A. Total pressure tested pipe line length was 39 km. 410 connections were transferred along the main roads. 758 water meters have been transferred. Finally 400 connections were handed over to the O&M.

2.7 km of new PVC lines were laid in Slave Island area under Kalu Ganga Water Supply Project phase 1 stage 2 package A. 1033 connections were transferred in tenement gardens under the above project.

7 km of new PVC lines were laid along Galle road from Galle face roundabout to Wallawatta under Metro Colombo urban development project. 810 nrs. of connections were transferred to the newly laid line. All old lines were abundant in above roads.

4 km of new PVC lines were laid along Duplication road from Liberty roundabout under Metro Colombo urban development project. 350 connections were transferred to the newly laid line. All old lines were abandoned.

Rural Water Supply & Sanitation Activities

Rehabilitation works on Community Managed Water Supply Schemes under National Community Water Trust (CWT). Funds for rehabilitation works received from National Community Water Trust (CWT).

- Rehabilitation works for two CMWSS, CMWSS Kadugoda& CMWSS Pinnawala were completed.
- 14 pumps for 12 CMWSS were supplied and installed. Tender awarded for supply & installation of pump for one CMWSS. Bidding Document was prepared for Supply & installation of 14 pumps for 9 CMWSS.

Bulk water supply was given to five CMWSS.

SACOSAN 2014

This programme was implemented with the Ministry of water supply & drainage. 200 numbers of beneficiaries were identified by the Ministry. Progress of the programme is 60%.

Western - South

The Western -South RSC consists of Dehiwala, Rathmalana, Moratuwa DS divisions and Kalutara district. Many special events took place in the RSC in 2014. Special programmes pirith chanting on 1st of January, New Year, Vesak and Poson Festival celebration were arranged. Eye clinic for staff members were conducted at the RSC(W-S), by the welfare society. RSC (W-S) office achieved 2nd place of the best office competition under 2014 World Water Day.

Many NRW reduction activities were carried out within the region (RSC-WS). And the NRW was reduced by 5.98% in Kalutara Region, 1.67% in Dehiwala Region and 1.69% in Panadura-Horana Region during the year 2014.

Water quality surveillance and water security activities were carried out in several areas including few RWS schemes and water safety plan modules were being implemented in four Water Supply Schemes (Bombuwela-Pilaminawatta, Mathugama, Panadura Zone 02 and Nimalagama-Ingiriya) and two RWS schemes (Uggalbada and Pahala Kudaligama) during the year 2014.

Furthermore pipe line extensions for a total of 105 km were completed which consists of 41km in Kalutara Region, 60km in Panadura-Horana Region and 4km in

Dehiwala Region. Many rechargeable and rehabilitation activities also carried out in all the regions throughout the year. Also RSC (W-S) is providing new connections under an accelerated pipe laying programme under the 3.5 Billion connection enhancement with Local Bank Funding project.

During year 2014, 600mm-630mm diameter DI/PE pipe line of 3.5km from Kalutara, Maggona junction to Beruwala sump was completed using capital budget funds and 225mm uPVC pipe replacement project of 18km from Maliban Junction to Nalluruwa along the Galle Road under World Bank Funding was completed. Also more pipe replacing works at RDA, PRDA and Municipal Council roads were completed within the year 2014.

Western - North

Katunayake – Seeduwa WSS was commissioned on 5th February 2014 and Udumapitigama WSS was commissioned on 5th December 2014.

AC Pipe replacement, repairing of reported leaks in the distribution system, replacement of DI/CI valves & washout valves, installation of flow meter, Bulk meter, leak repair of Ground reservoir at Saunders Place, Negombo WSS were some of the NRW reduction activities carried out in the year 2014. NRW monitoring work was carried out in Negombo area. 19 DMAs were established out of 29 total estimated DMAs during last year. WAM offices were started at RSC (Western North) Office, Ja Ela area engineer office, Raddoluwa OIC office and Gampaha Manager office. In parallel to WAM programme, hydraulic modeling work of the distribution net work are in progress.

Many energy saving activities were carried out throughout the year such as improved back wash recovery system of Raddolugama, installation of power improvement capacitors for Negombo production plant at Bambukuliya & Negombo Booster Pump Station too.

Obtained training for corporate membership recognition of Institution of Engineers Sri Lanka (IESL) for professionally qualified Engineers of the region. Construction of Area Engineer (Kelaniya) Office, renovated existing two Quarters and Security Office at Church hill, organized trainings/ awareness programmes on water treatment, Open office, water safety plans, Rural Water Supplies and on the job training were some of the Institutional development activities.

Ordered digital instruments, pressure meters, flow meter, portable generators & IT equipments, tenders called for vertical turbine pumps, bore hole type submersible pumps for intakes were done under other productivity improvement activities

Pipe laying at Minuwangoda WSS, Police academy at Thimbirigaskatuwa, pipe relocation for OCH, Kandy road etc were the rechargeable work carried out during the year.

Katunayake- Seeduwa, Rathupaswala and Udamapitigama pipe laying were done under capital funded projects.

Detailed designs were done for Divulapitiya WSS and Giridara WSS too.

Construction of stores & work shop for Bambukuliya WSS and stores for OIC office Kadawatha were the progress of rehabilitation & stores improvements in the region.

Rural water supply & sanitation activities such as new rural water supply schemes, improvement of sanitary facilities, installation of pumps were done.

Leak repair of NaOH tanks for chlorine neutralization system at Bambukuliya & Raddolugama WSS were the other development activities done by the RSC (W/N).

According to the engineer's estimate, the total value of the work done by direct labour in RSC (W/N) was Rs.218 million for the length of 105 km during the year 2014. The actual expenditure was Rs. 123 million and savings to the board was Rs. 95 million.

Southern

Many special events such as health programme, "Positive thinking" awareness programme, field trips, plantation programme, cricket tournaments and some awareness programmes for the school children were taken place in the RSC during the year 2014. Relocating the water meters and sealing the defective meters, improvements to new connection practices, NRW measurement with adequate accuracy, reduction of leakage, distribution improvements, ensuring the quality of materials used and disconnecting illegal connections were some of the NRW reduction activities carried out throughout the year.

Furthermore, many energy saving activities were also carried out during the year 2014. Introducing VFD drive to new high lift pumping station, laying cable from new pump house to old pump house, power factor correction at Wakwella Water Treatment Plant in Galle Water Supply Scheme were some of the examples for energy saving activities.

Water quality surveillance, water security activities and water safety plans were carried out in Wakamulla WSS, Tangalle WSS, Kirinda – Puhulwella WSS, Matara group WSS, and Pitigala WSS. Further more pipeline extensions were carried out for a total of 105.6 km which include 16.6 km in Galle region, 16km in Matara region and 73 km in Hambantota region.

Hakmana WSS, Kataragama WSS and Gonapinuwala WSS are some of the projects under construction stage in the province. Construction works of Hakmana WSS was completed.

North Central

29 water supply schemes are in operation in the North Central Province up to 31/12/2014 providing 91,900 number of connections. Number of connections given in the year 2014 alone is 5,988.

Anuradhapura regional stores, RWS unit at Polonnaruwa, Thuruwila water treatment plant and DE office Polonnaruwa were awarded 1st place at the world water day programme. Commercial section and Thalawa water supply scheme were awarded 3rd place at the world water day programme.

Water quality parameters of 24 schemes are according to the SLS standard. Some water quality parameters are higher than the permissible level (eg. Alkalinity, Hardness, fluoride etc.), since all the schemes in Northern part of North Central province are supplied with ground water sources and surface water of Malwathu Oya. Due to inadequate yield in wells in drought period it was unable to ensure 24hrs supply in most of the water supply schemes. Water safety plan for Thuruwila water supply scheme was completed. Water safety plan for Gallella scheme is being prepared. Relevant staff for above task was identified and initial training was given. Basic physical, chemical and bacteriological quality analyses were done throughout the region including water quality analysis in lakes for heavy metal and algae at quarterly basis.

Institutional development works such as improvements of laboratory and repairs of regional stores were carried out. Two package plants were established at Thissawewa and Thambuththegama. NRW reduction activities such as regularization of unmetered connections, replacement of defective meters, regulations of illegal connections, use of appropriate equipment and accessories to reduce leakages, installation of valves and construction of valve chambers were carried out. About 52 kms of pipe line extensions and infilling works were carried in North Central region under O&M budget. Rural water supply units were also improved in Anuradhapura & Polonnaruwa District.

Chronic Kidney Diseases of unknown etiology (CKDu) preventive programmes were carried out mainly in six DS divisions such as Rambewa, Madawachchiya, Kebithigollewa, Padaviya in Anuradhapura District and Dimbulagala, Medirigiriya in Polonnaruwa District where highest CKDu patients were recorded. Under that, 20 numbers of RO plants were installed in NC region. 1136 families were covered by providing Rain Water Harvesting Systems in Anuradhapura district, 450 PE water tanks were placed to provide treated water through browser supply system. Under well screening programme, 1,584 numbers of wells water samples were analyzed. As a special programme of CKDu, a school programme was initiated in April, 2014 and 103 numbers of schools were covered by providing RO plants with suitable capacity. As a major part of CKDu Programme, pipe line extension of 19.9 km in Anuradhapura and 0.44 km in Polonnaruwa district were carried out. School awareness programmes, community awareness programmes and CBO establishment were also carried out in the same area, parallel to these works.

Several project appraisal reports were prepared by the sector planning section. Tender for Thambuththegama WSP was awarded and awarding the tender for Greater Anuradhapura North IWSP and Anuradhapura South (phase II) IWSP are at the negotiation stage. Pre feasibility reports for Eppawala, Galenbindunuwewa, Palugaswewa and Towns East of Polonnaurwa water supply projects have been sent for the approval of National Planning Department. Preparation of pre feasibility reports for Rajanganaya Nochchiyagama WSP has been completed and the approval from the project appraisal committee to be obtained.

Ground water section has carried out 44 Hydrogeological investigations, 90 feasibility studies, 60 hand pump rehabilitations, 150 well flashings, 60 HPTW drillings and 60 PWs drillings.

RFPP were prepared for providing safe water to Medirigiriya, Sewagama, Bendiwewa and Thamankaduwa areas and awarded. Preparation of tender documents for major extensions in Thirappane, Oyamaduwa, Kebithigollewa, Kekirawa, Hingurakgoda and Padaviya areas under CKD budget were completed and to be awarded while the tender for Ihala Bisokotuwa was awarded. During this year RSC (NC) completed all the procurement work under capital funds and could complete number of Civil & M&E contracts in Medirigiriya, Minneriya, Ipalogama and Parasangaswewa areas. These include construction of water treatment structures, storage Towers, transmission and distribution pipe laying works. In addition to that several contracts were completed under rehabilitation budget.

Seven one day training programmes and five 02 day training programmes were also carried out during the year 2014.

North Western

Deyatakirula programme was completed in 2014 March. CKDu programme commenced in September 2014 and 90% was completed by end of the year. Supply of Rainwater Harvesting Tanks for CKDu Patients in Polpithigama & Mahawa DSD was completed. Except Kurunegala, Nikaweratiya, Alawwa, Maho, Polgahawela, Galgamuwa,Udagama & Ambanpola, all other schemes are facing water quality issues & Nattandiya, Dankotuwa, Rahamathnagar & Kakkapalliya Schemes in Puttalam are up to the standard.Treatment works in Chilaw, Puttalam and Anamaduwa needs major improvements. It has become a major challenge to maintain water supply of Anamaduwa, Puttalam, Chilaw, Nattandiya & Udappuwa WSS since there is no enough quantity of water. Chilaw & Puttalam were included in the ADB 5th project to ensure the water availability.

NRW reduction activities were carried out in the region

and the average NRW obtained in the year was 12% in the RSC. Pump replacement was done in Wariyapola & tender awarded for replacing in Rambadagalla, Alawwa

& Polgahawela to save the energy. Customer relationship development programmes for pipe fitters & technical programmes were conducted in the RSC. A productivity programme was also conducted parallel to year end progress meeting & productivity programmes are conducted with the objective of achieving "National productivity Award.

Out of seven assessors ,two were selected from RSC for auditing water safety plans. New laboratory test of "Analysis of BOD" for waste water samples were started in the RSC & initiated the process of ISO 17025 for Kurunegala Laboratory.

Proposals and BOQs were prepared for Kottakele, Dedurunadeegama, Pallehorombuwa, Galatharaya, Habaralagashinna, Nugawela Purana Viharaya, Wilgamuwa & Nahakotamada RWS Schemes. School awareness programmes & community awareness programmes in Giribawa, Galgamuwa, Mahawa & Polpithigama DSD were completed.

Pipeline extensions of 131 km in Kurunegala and 66 km in Puttalam districts were carried out.

Two Bowsers and plastic water tanks are being kept stand by to meet flood/ drought situation in the region. Spare pumps for intake which is vulnerable to flood are kept stand by. There is an operational plan for maintaining residual Chlorine in WSSs at a flood situation in the region.

One major project, Mahawa/ Nikaweratiya/ Wariyapola WSS under capital funds was completed while Divulgane WSS was 88% completed & Ibbagamuwa & Dabadeniya/Giriulla WSSs are ongoing.

Request for Proposals were prepared for Anamaduwa, Makandura- Pannala, Dankotuwa WSSs & proposals for Galagedara-Mawathagama, Melsiripura, Galgamuwa & Alawwa-Polgahawela were prepared under local bank funding. Galagedara –Mawathagama WSP was commenced in November.

Central

At the Commencement of Year 2014, Religious Activities were held at RSC(C) as usual. The New year festival celebration, "Wesak Dansala" and Wesak Lantern display , Medical Camp , Blood Donation Camp were held with the active participation of the staff members. A shrine room has been constructed at the Greater Kandy Water Treatment Plant. The annual trip to Ritigala was organized by the welfare society.

The most important activity held in Kandy within year 2014, was the " 3rd International Conference on Water , Community Development and Prosperity -2014 " which was held at International Buddhist Academy, Pallekelle from 22nd to 24th August 2014. An exhibition was also held in parallel to this programme at Kandy City Centre, which ended up with a Cultural show.

Furthermore, Greater Matale Water Supply Project under French funds, Laggala New Town, Wilgamuwa-Heenganga and Pathahewaheta Water Supply Projects under Local Bank Funds were ceremonially inaugurated during the latter part of year 2014.

Many land slides occurred at Paradeka (Gampola), Thedeniya and Hantana during the rainy season at the end of this year which resulted severe damage to pipe lines . Pumps at University scheme were damaged due to unexpected flooding. Due to Naula Nalanda tank repair, consumers were fed by boreholes. Further, proposed Kandapola water supply project had to be temporarily suspended due to issues regarding water sources.

Leak detection using advanced equipment, leakage database preparation, updating main pipe bursts on a GIS maps, Installation of air valves, pressure reducing valves and ball valves at identified locations to reduce pipe bursts were carried out under NRW reduction activities. Further , under the short term proposal to overcome CKD problem in Wilgamuwa area, new bowser points were constructed, 302 plastic water tanks provided, pumps and 12 Clorinators were installed, 8 RCL kits provided for CBOs. Under the Medium Term proposal, Package plant construction and transmission main laying are in progress. Fluorescent lamps were replaced with CFL/LED bulbs at offices and yards as a remedial measure for energy saving.

A new RWS unit was opened at RSC (C) and the unit won the 3rd place at the International Water Day Competition. Awareness programs on registration of CBOs in NWSDB & water meter repairs were organized. Technical support for the awareness program for school children on "Sanitation and Rain Water Harvesting" conducted by Netwater Organization was delivered by RWS Section. 23 chlorinators, 06 Centrifugal Pumps, 01 Submersible Pump, 01 Dewatering pump were handed over to the CBOs. A new sanitation project was commenced in Hantana Uduwela area. Estimates for rehabilitation works, small rural water supply schemes for Rantambe fisheries Village and Thalatu oya - Batagolla area, Ferro cement tanks, gravity mains, etc were prepared at the request of CBOs and other organizations. Furthermore, under the Development Section, 20 wells were flushed and developed and 56 hand pump tube wells were rehabilitated within this year.

Meewatura water treatment plant was selected as the best NWSDB treatment plant of the year 2014 at the World Water Day competition. A document on Water Safety Plan was prepared and a field visit with relevant authorities was organized at the catchment area to find out waste disposal to the water sources at Meewatura.

Pipeline extensions were carried out at water supply schemes at Kandy South, North & East regions and the

total length was 164 km approximately.

Pipeline shifting and connection transferring due to road widening were done at Rikillagaskada, Ragala/ Walapane and Matale A 9 road under RDA funds. Construction of ferro cement tank and installation of pumps at Girakaduwa WSS were done under Rechargeable funds. Pipe lines were laid at Haragama WSS under funds from "Prime lands."

Intake improvements, treatment plant improvements, distribution pipe line improvements, and M&E works were carried out at Kundasale, Marassana, Matale, Palapathwala, Thalawakele WSSs under Capital Budget. Construction of chlorine bath at Nillambe, fencing at Prospect Hill Reservoir, modification of chlorinator house, and supply and installation of chlorinator at Doluwa, Supply and installation of alum dosing system at Gampolawatta, repairs to gas chlorinators and cleaning of intake at Pussellawa, construction of retaining wall and pipe laying at Girakaduwa tank and renovation to staff quarters at Polgolla were completed within this year under Rehabilitation Funds.

At the commencement of the rainy season, disaster management committees were appointed , and round the clock on call duty staff were appointed in order to face any difficulty . Early preparedness helped to rectify the damages occurred due to flooding and earth slips, with minimum interruption to water supply within less time. During this period bowser supply was provided to affected areas. Also, under the drought management program, 49 hand pump tube wells were rehabilitated in Medirigiriya Pradeshiya Sabha.

Training programmes on operation & maintenance of Gas Chlorinators, familiarization and team building training for new comers, Internet & e-mail Management, GIS, Water Safety Plan, Time management, Quantity Surveying, safety, new connections, trouble shooting and computer maintenance were held within 2014 .

International Conference - 2014

Sabaragamuwa

Many special events took place in the Kegalle, Ratnapura regions, and the RSC office of Sabaragamuwa. World Water Day, mobile services at several places, Cricket tournament, Annual trips and get together were some of the special events.

Many NRW reduction activities were carried out in the RSC such as distribution improvements, replacing of bundle pipes, changing the damaged valves, construction of new valve chambers, pipe replacements, connection transferring. Furthermore several energy saving activities were also carried out such as replacing the old pumps with new pumps, controlling of pumps operation hours to save the electricity bills and preventive maintenance for all pump stations in Ratnapura and Kegalle regions.

Productivity improvement activities were also taken place in the region and RSC office which included awareness programmes for basic productivity concepts and implementation of "5S" programmes in the regional offices.

Implementation of Quality Management System (QMS) in the water treatment plants at Rathnapura and Kegalle regions were also commenced. This is to get the ISO 9001 -2008 certification for treatment plants in the region having more than 10,000 cu.m/ day..

Implementation of water safety plan in the region also commenced in the year 2014. The Eheliyagoda water supply scheme is the pilot project for this programme. The international conference was held at Eheliyagoda based on the above programme.

Accreditations for laboratories in the region were also commenced in the year 2014.

During the year 2014 several RWS schemes were technically supported covering 21 RWS schemes in Kegalle region and 24 in Ratnapura region. Furthermore, the total pipeline extension work was 28 km which includes Ratnapura (12 km) and kegalle (16 km) .

Data collection from CBO schemes in the region, water quality testing in CBO schemes were some of the other activities carried out in the year 2014.

Uva

Commissioning of Haliela Water Treatment Plant, foundation stone laying of Badulla Haliela Ella Integrated Water Supply Project, Attampitiya Water Supply Project, Muthukandiya Water Supply Project, Buttala Monaragala Integrated Water Supply Project were some of the special events took place in 2014. During the drought season of 2014, some water supply schemes were affected and immediate arrangements were carried out to supply water such as bowser water supply, plastic tank distribution, zonal water supply etc. Water quality problems also occurred in some schemes and remedial actions were taken to remove blocks at intakes, reducing turbidity, install chlorinators in small WSS and to fabricate and install two package treatment plants.

Furthermore, energy saving activities were also carried out. Reducing electricity cost by adjusting to the tariff system, implementation of preventive maintenance programme at pumping stations and avoiding pumping during peak hours were some of the energy saving activities practiced during the year. Replacement of bundled pipes and relaying of old pipes were the NRW reduction activities conducted in the RSC. The water quality improvement was assured by introducing package

treatment plants at Okkampitiya and Haliela. Furthermore 26 training programmes were conducted including seven technical programmes, five Non-technical programmes, two computer training programmes, six CBO training programmes and six school awareness programmes. The progress of the water safety plan was also satisfactory in 2014.

Total of Rs. 200 million worth RWS projects have been formulated for Monaragala and Badulla districts for the year 2014 and those projects are ongoing. Those water supply schemes are Kiriibbanwewa left, Buduruwagala Temple, Ruhunudanawwa extension, Muthukandiya, Okkampitiya, Gangodaarawa Kolladeniya, Maligawila temple, Pallewela Govindupura, Kumaragama, Kukurampola, Siyambalanduwa Dugwell construction, Wellawaya Block 3, Supplying low cost chlorinators to CBOs, Samagipura, Kowl ara North in Monaragala district and Bogoda, Makul Ella, Sinnamaligathanna, Galauda, Rahangala, Ketawela, Palgahathanna, Lunugala, Belaganwewa, Nayabedda State, Rathkinda, Eladaluwa Extention, Kolatenna, Bathalayaya, Kandana and Rahuppola Badulla district.

Pipeline extension works were carried out for 55 km in Bandarawela region and 95 km in Monaragala region. Safe drinking water was provided to the CKDu areas only for cooking and drinking purposes through bowsers. Pipe line extension to CKD areas are ongoing in Girandurukotte.

Northern

Except Killinochchi district 27 water supply schemes were in operation in the province by 31.12.2014 supplying water for 11,400 connections. Connections given in the year 2014 alone is 2,500.

Ground water section of RSC has done 126 Hydrological Investigations, 78 well drillings, 38 HPTW installations, 101 HPTW repairs and 27 well flushing with finances received from capital budget, institutions, District secretaries and private establishments.

Some of water quality parameters are higher than the SLS permissible levels (eg. Alkalinity, Hardness etc.) due to all the schemes in northern region are supplied with ground water sources. Due to inadequate yield in wells in drought period in most of the schemes it was unable to ensure 24 hrs supply. Water safety plans for Araly Water Supply Scheme was completed. Murunkan water safely plan is under preparation. Relevant staff for the above task was identified and initial training was given. Several water quality tests were done throughout the region including inputs given to water quality determination in oil contaminated ground water in Chunnakam area due to oil from power plant.

Institutional development works such as establishment of cashier point at Regional Manager Office – Vavuniya, Laboratory improvements, repairs to the Ground Water Office and RSC Office were carried out. Construction of 1st floor of existing bachelor quarters at vavuniya was completed.

By sending unserviceable and non moving items to relevant section in head office, stock levels were brought down. Further, Ground Water & O&M stocks were separated to ease the management. Regional Manager Office – Vavuniya was awarded 3rd place of efficient office management and production and improvement. Office filing system was improved in most of the offices.

Special water supply programs were carried out for Madhu church and Thirukeriswaran temple for gazetted festivals. During drought Period water supplies were arranged in Mannar, Killinochchi and Kayts areas. Study was carried out and identified CKDu affected areas in Vavuniya and Mulathivu districts. Priority list has been prepared. One day plumber training programme was carried out with the assistance from GKWSSP.

Rural water supply units were established in both Vavuniya and Jaffna regions. 5 rural water schemes have been already commissioned in Mannar.

NRW reduction activities such as regularization of unmetered connections, replacement of defective water meters, regulation of illegal connections, use of appropriate equipment and accessories for reducing leakages, installation of valves and chambers and initial works for replacement deteriorated pipe line were carried out. Pipe line extensions and infilling work were carried out for about 18.8 km in Mannar, Jaffna and Mulathivu Districts. Under the rechargeable programme 7 km of pipe line was laid under BOI project in Mannar.

Several Project Appraisal Reports were prepared and received approval for Jaffna, Mulaltivu and Kilinochchi districts for new schemes such as Mulankavil, Kokilai, Anavilunthan, Kallaru, Jeyapuram, Valaipadu, Kanthinagar etc. Several studies were carried out for schemes such as Pandaraweli, Aruviyalnagar and Mulaitivu Town WSS etc. A contract has been awarded to enhance the no of connections with local bank funded 400,000 connection program. Further enhancement of connections in Araly, Irupalai, Cheddikulam, Thalaimannar and Kombawil area, a contract has been formulated under local bank funded project , tender called and evaluation completed and awaiting for onward processing. This will provide 10,000 connections when completed.

In order to establish a commercial section in the Northern Province several actions were taken including installation of line printer to print Water bills in house.

Eastern

Operations and Maintenance (O&M) activities are divided into four regions namely Ampara, Akkaraipathu, Batticalloa and Trincomalee in RSC – East office. Awareness programmes to Shramadana for avoiding of Dengue spreading at regional premises, Water safety and CKDu, school programme, and organizing handing over programme of new water bowser in Trincomalee and Ampara regions were held within the RSC.

Plantation of trees, Mobile services at several places, the special events of Independence day at the RSC were also organized.

RDA & NWSDB Coordination meeting was organized. insufficient water quantity at Thirukkovil Water Supply Scheme and Insufficient water quantity at Kanthale reservoir during the dry period were identified and solutions were provided by identifying another source of water at Allai (Mahaweli). Contamination of more wells during the flood in Dec- 2014 and water quality problem at Kallar WSS, at Navihanveli WSS during dry season were some of the issues faced during 2014 and all the problems were solved.

NRW reduction activities such as purchasing of pneumatic valve, butterfly valve & sluice valve for Kondawatuwan, Raising of valve chambers, Intake improvement at Padiyatalawa Water Supply Scheme, Laying of DI pipes for protection of pumping line from Konduwattuwan to Nintavur BPS, Supply of DI pipes, bulkmeter installation & chamber construction at Ninthavur & Irrakkamam in Akkaraipathu region, Supply of DI fittings & specials for dedicated line for Thuraineelawanai in Batticalloa region, raising and construction of valve chambers, purchasing of submersible water pump and generator, raising and construction of valve chambers and bulk meter chambers, supply & installing of bulk meters, construction of Bulk meter valve chambers and purchasing of submersible water pump and dewatering pump in Trincomalee region and attending minor and major leaks in all regions were carried out during the year.

Five energy saving projects are being implemented with cost of Rs. 21,612,000.00 in Akkaraipathu region and arrangement have been taken to minimize the operational cost of VSD pumping system in Ampara, Batticalloa and Trincomalee regions and energy auditing works, replacement of bulbs, replacement of pumps, Improvement of power factor, usage of single pump instead of double pumps and minimization of operational costs were some of the energy saving activities carried out during the year 2014.

Regional store keepers and Cost Accountants are monitoring the each and every stock during the verification and utilizing the exceeding items and keeping the stocks at optimal level in all regions.

Training programmes were held for Water Quality Management, Water Safety Plan and CKDu Awareness programme in school and village level under the WHO allocation.

The activities of ISO certification for all plants and productivity arrangements for schemes were commenced and in progress from 2014.

Many rural water schemes such as improvement and rehabilitation of Sooriayapokuna & Pussalavinna RWSS, rehabilitation of distribution at Sandunpura, Lihiniyagama and Mawanawela in Amara Region and construction of Backemeegama WSS in Trincomalee region, installation of RO Plants in Schools, Hospitals and Villages of CKDu affected areas in Ampara and Trincomalee districts and community infrastructure development activities were also commenced and implemented in Batticaloa District

Pipeline extensions were done for a total of 84km. extension works at Ampara, Akkaraipattu, Batticaloa and Trincomalee regions were 6 km, 7 km, 43 km and 28 km respectively. Under the Domestic funded projects, Kantale WSS, Dehiattakandiya WSS and Wan-Ela WSS are in progress.

Pipeline extensions and providing new connections were done at Ampara, Akkaraipattu, Batticaloa and Trincomalee under the rechargeable allocation of World Vision and UNICEF.

Pipeline extensions, distribution and transmission, construction of tower in Wan-Ela was done under the domestic funded projects. Transmission main from Kantale to Thampalagamam, Kantale WSS, Dehiattakandiya WSS and Wanela WSS are in progress.

Rehabilitation works such as replacement of pumps, distribution improvement, building refurbishing, pipe extension and CIPC activities were completed with Rs.130.50 million in Ampara, Akkaraipattu, Batticaloa and Trincomalee regions.

Due to the flood the Dehiyattakandiya, Mahaoya in Ampara district, Echalampattu and Mutur Water Supply Scheme in Trincomalee District Water Supply Schemes are damaged.

Report of the Audit and Management Committee

"During the year under review the Audit & Management Committee Meetings were held 6 times."

The Audit & Management Committee was formed as per PF/PE/3 circular dated 19th November 1999, obtaining concurrence of the Board of Management of National Water Supply & Drainage Board via Board Decision Nr. 2965(b) of Board Meeting Nr. 590.

The purpose of Audit & Management Committee is to extend its assistance to Board of Management as per the guidelines of PED 55 dated 14/12/2010.

The prescribed roles & responsibilities of the committee have been cited as follows.

- The Audit Committee is required to review the continuing impartiality of the internal auditors and their effectiveness.
- The Audit Committee should also address relevant issues concerning the subsidiaries of the enterprise, if any, on a regular basis.
- Terms of Reference of the Audit Committee should be issued by the Board of Directors.
- The Audit Committee should assist the Board in the task of overseeing to ensure that financial reporting is done in compliance with relevant Sri Lanka Accounting Standards and other applicable legal requirements.
- The Audit Committee should assist the Board to ensure that all relevant rules & regulations and circulars issued by the government are adhered to with continuously reviewing and monitoring, also making recommendations to the board on non compliance.
- The Audit Committee should review the Internal/External Audit Reports, Management Letters and the recommendations of COPE, and help the Board to take remedial actions.
- The Audit Committee should assist the Board to introduce and implement adequate internal control system.

In the year 2014 the committee was consisted of the following members.

01.	Mr. A. K. Seneviratne Board Member	- Chairman of the Committe
02.	Mr. K. D. Gamini Gunaratne Vice Chairman	- Member
03.	Mr. B. W. R. Balasuriya General Manager	- Member
04.	Mr. D. Thotawatte Addl. GM (Finance)	- Member
05.	Mr. G. K. Iddamalgoda Addl. GM (HRM)	- Member
06.	Mr. D. U. Sumanasekara Addl. GM (CS) (Up to July 2014)	- Member

07.	Mr. W. B. G. Fernando Addl. GM (CS) (with effect from August 2014)	- Member
08.	Mr. R. M. A. S. Weerasena DGM (IA)	- Member
09.	Mr. B. W. D. Lasantha Audit Superintendent	- Member
10.	Mrs. S. W. Gunawardene Chief Internal Auditor	- Member
11.	Mrs. W. P. Sandamali de Silva Secretary to the Board	- Secretary to the Committee

During the year under review the Audit & Management Committee Meetings were held 6 times & among the matters discussed the following were noted as important highlights.

a. Reconciliation of non-operating Ledger balance.

b. Financial statements for the year ended 2012 and 2013.

c. Non capitalized amount of JBIC funded NRW new projects.

d. Online stores management system.

e. Delay in project accounts and project finance procedure manual.

f. Annual Report 2010, 2011, 2012, 2013.

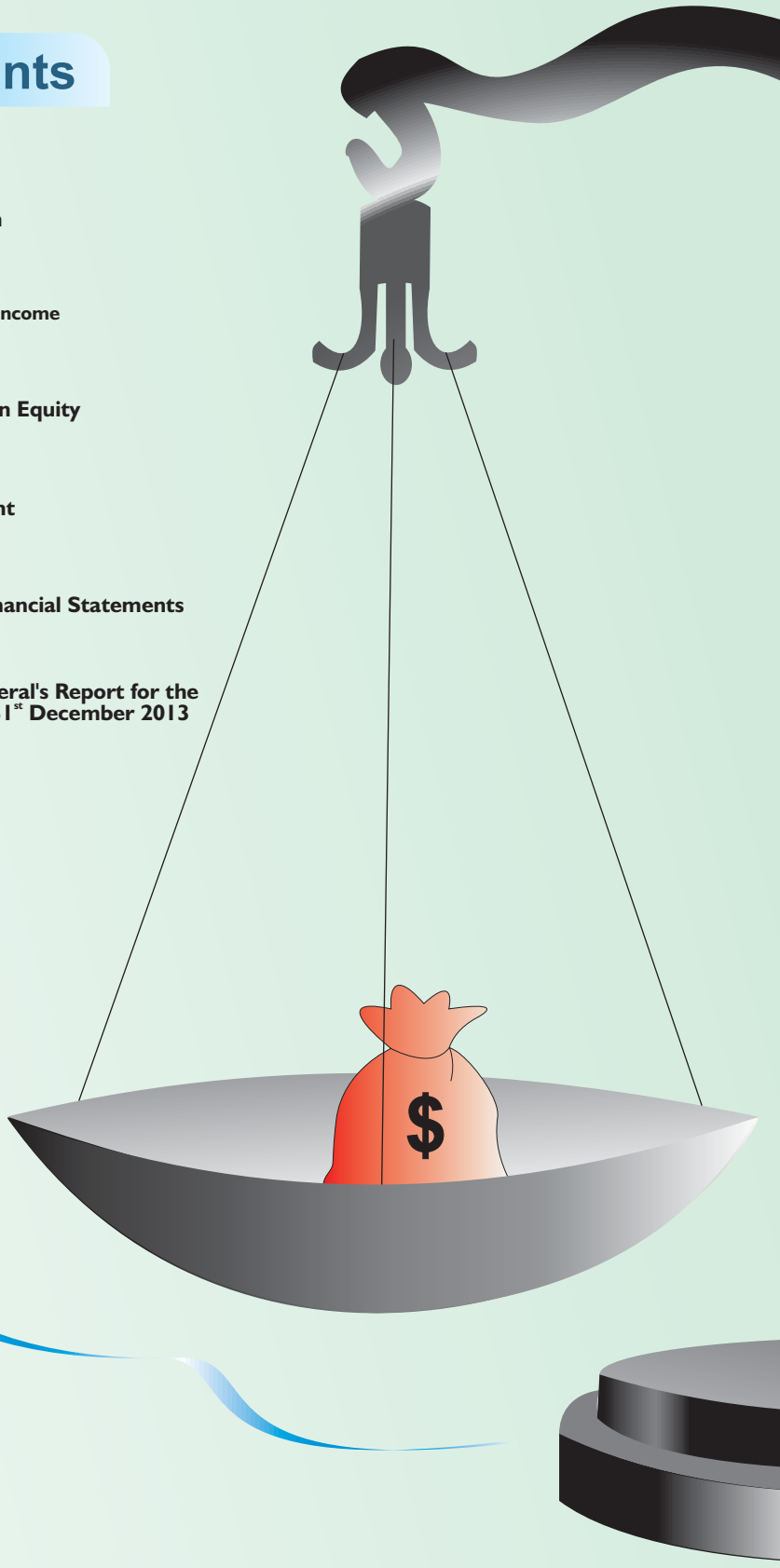
g. Review of Internal Audit Report of 2011, 2013 (2nd half)

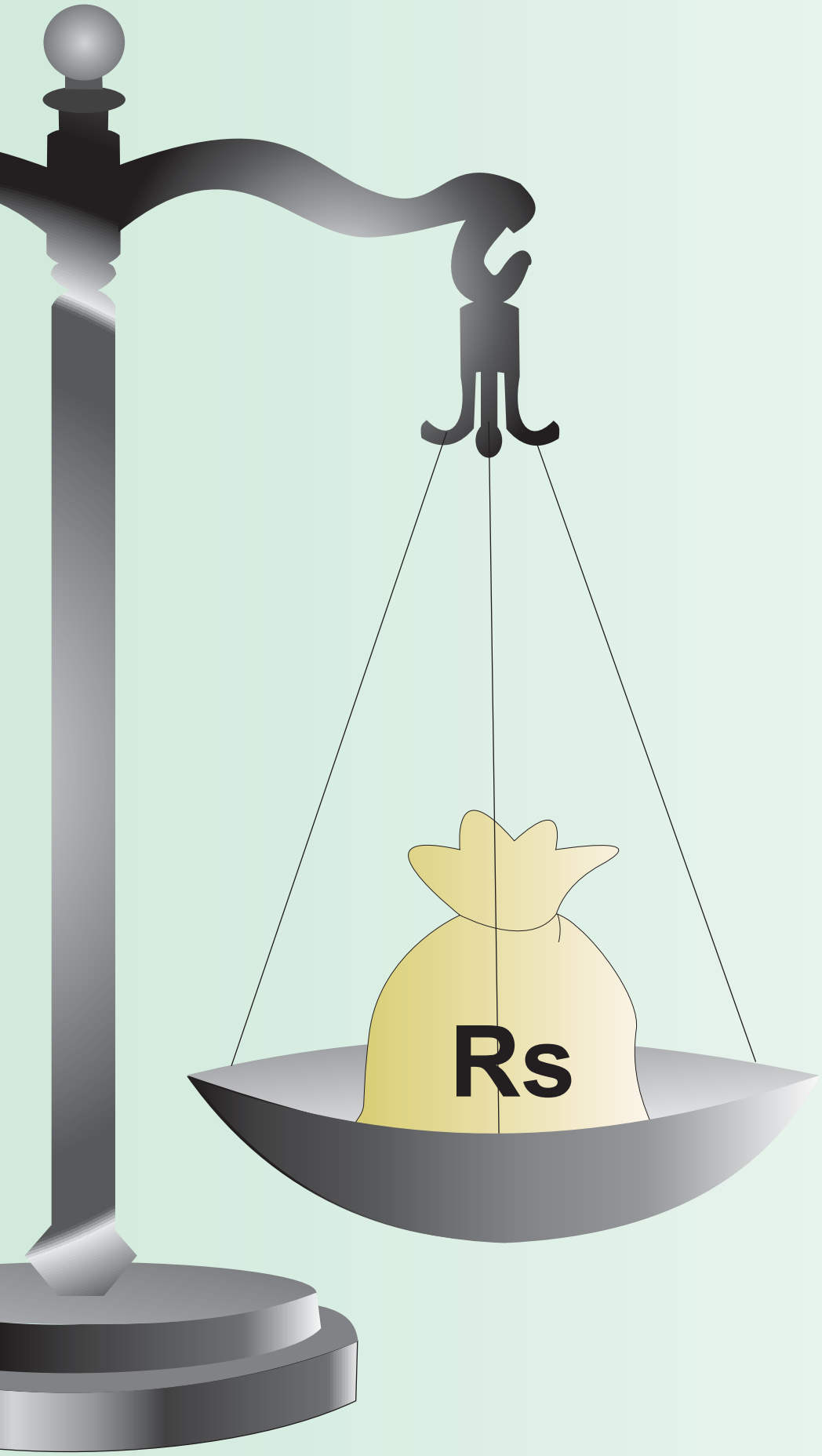
h. O & M Budget of year 2015.

i. Corporate Governance

j. MPA guidelines

Financial Statements

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National Water Supply And Drainage Board

STATEMENT OF FINANCIAL POSITION

Year ended 31 December 2014

Assets	Notes	2014 Rs.	2013 Rs. (Restated)
Non- Current Assets			
Property ,Plant & Equipment	15	109,865,635,167	107,458,091,203
Intangible Assets	16	52,964,022	102,025,883
Capital Work in Progress	17	149,059,338,602	121,418,014,631
Other Financial assets	18	22,810,677	31,008,001
Total Non Current Assets		259,000,748,468	229,009,139,718
Current Assets			
Non Operating Assets		117,895,068	117,895,068
Inventories	19	5,623,798,032	3,876,757,449
Trade & Other Receivables	20	5,544,274,105	5,388,788,826
Deposits & Advances	21	9,530,557,311	4,286,653,401
Investments	22	244,262,510	340,970,189
Cash & Cash Equivalents	23	2,756,518,649	1,879,876,757
Total Current Assets		23,817,305,676	15,890,941,691
Total Assets		282,818,054,144	244,900,081,409
Equity and Liabilities			
Equity			
Assets taken over from Government Dept.	24	185,480,387	185,480,387
Staff Welfare Fund	25	15,239,298	15,101,490
Retained Earnings		(10,814,258,221)	(12,240,036,367)
Government Grant	26	88,161,757,133	81,069,995,266
Capital Grants	27	151,974,122,319	129,350,331,843
Total Equity		229,522,340,916	198,380,872,619
Non-Current Liabilities			
Loan Payable	28	37,715,434,998	32,146,717,058
Other Deferred Liabilities	29	2,194,044,137	2,152,117,268
***Total* Non Current Liabilities**		39,909,479,134	34,298,834,326
Current Liabilities			
Trade & Other Payables	30	6,961,191,773	5,246,171,344
Loan Capital Payable		3,440,617,294	4,470,617,294
Loan Interest Payable		2,912,497,278	2,431,658,078
Non Operating Liabilities		71,927,749	71,927,749
Total Current Liabilities		13,386,234,094	12,220,374,464
Total Equity and Liabilities		282,818,054,144	244,900,081,409

D. Thotawatte
Addl.G.M.(Finance)

The Board of Directors is responsible for the preparation and presentation of these financial statements.

K. A. Ansar
Chairman

B.W.R.Balasuriya
General Manager

Accounting Policies & Notes from pages 7 to 28 form an integral part of these Financial Statements.

Colombo

National Water Supply And Drainage Board

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2014

	Notes	Budget 2014 Rs.	Actual 2014 Rs.	Actual 2013 Rs. (Restated)
Revenue	7	18,733,888,000	**18,710,049,680**	17,216,624,417
Cost of Sales	8	(10,993,514,984)	**(11,325,829,471)**	(10,156,774,994)
Gross Profit		7,740,373,016	**7,384,220,209**	7,059,849,424
Other operating income and gains	9	2,475,745,000	**1,390,066,559**	1,195,405,502
Administrative Expenses	10	(6,311,835,016)	**(5,985,331,888)**	(5,832,372,763)
Other Operating Expenses	11	(490,000,000)	**(334,370,432)**	(559,425,320)
Operating Profit / (Loss)		3,414,283,000	**2,454,584,449**	1,863,456,843
Finance Income	12	145,000,000	**213,239,303**	225,687,464
Finance Cost	13	(1,237,834,000)	**(1,242,530,161)**	(1,039,762,873)
Profit / (Loss) before tax		2,321,449,000	**1,425,293,591**	1,049,381,435
Provision for Income Taxation	14	(60,000,000)	**(53,113,301)**	(47,466,069)
Profit / (Loss) for the Year		2,261,449,000	**1,372,180,290**	1,001,915,366
Other Comprehensive Income for the Year				
Revaluation surplus		-	53,710,538	-
Total Comprehensive Income for the Year		2,261,449,000	1,425,890,828	1,001,915,366

Accounting Policies & Notes from pages 7 to 28 form an integral part of these Financial Statements.

National Water Supply And Drainage Board

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2014

	Note	Assets from Government Departments	Govt Grants	Capital grants	Staf Welfare Fund	Accumulated Profit/Loss	Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 January 2013		185,480,387	77,931,820,155	116,361,732,845	14,415,579	(13,466,806,100)	**181,026,642,866**
Prior Year correction -							
Assets recognised and derecognised	34.1					256,835,393	**256,835,393**
Depreciation adju.for assets recognised and derecognised	34.1					(30,084,394)	**(30,084,394)**
Reversal of depreciation for the year 2013	34.1					945,040	**945,040**
Rehabilitation & Construction works	34.2					(7,412,230)	**(7,412,230)**
Grant amortization	34.2					74,750	**74,750**
Restated balance as at 1 January 2013		185,480,387	77,931,820,155	116,361,732,845	14,415,579	(13,246,447,541)	**181,247,001,425**
Net profit for the year		-	-	-	-	1,001,915,366	**1,001,915,366**
Receipts / Transfers during the year		-	3,138,175,111	12,988,598,998	-	-	**16,126,774,109**
Transfers to Staff welfare fund		-	-	-	685,911	(685,911)	**-**
Correction of Ambatale creditors control	34.2					12,046,391	**12,046,391**
Correction of stock verification	34.2					(51,136,985)	**(51,136,985)**
Depreciation adju.for assets recognised and derecognised	34.1					43,683,984	**43,683,984**
Grant amortization	34.2					588,330	**588,330**
Restated balance as at 31 December 2013		185,480,387	81,069,995,266	129,350,331,843	15,101,490	(12,240,036,367)	**198,380,872,619**
Net profit for the year		-	-	-	-	1,425,890,828	**1,425,890,828**
Opening balance Adjustment - 9233/536/1 RCNo.-2678		-	-	-	-	25,126	**25,126**
Receipts / Transfers during the year		-	7,091,761,866	22,623,790,477	-	-	**29,715,552,343**
Transfers to Staff welfare fund		-	-	-	137,808	(137,808)	**-**
Balances as at 31 December 2014		**185,480,387**	**88,161,757,133**	**151,974,122,319**	**15,239,298**	**(10,814,258,221)**	**229,522,340,916**

Accounting Policies & Notes from pages 7 to 28 form an integral part of these Financial Statements.

National Water Supply And Drainage Board

STATEMENT OF CASH FLOW

Year ended 31 December 2014

For the year ended	Notes	2014 Rs.	2013 Rs.
Cash Flows from/(used) in Operating Activities			
Net Profit/(Loss) before Tax		**1,425,293,591**	1,049,381,435
Adjustments for			
Interest Income	**12**	**(213,239,303)**	(225,687,464)
Profit on disposal of Fixed Assets		**(3,922,353)**	(14,647)
Depreciation	**10.2**	**2,730,436,009**	2,587,035,099
Amortization of Intangible Assets	**10.2**	**293,841**	-
Grant amortization against depreciation	**10.2**	**(699,693,512)**	(590,253,350)
Retiring gratuity provision	**29.1**	**227,136,696**	241,659,234
Opening balance Adjustments		**25,126.00**	-
Interest Expense	**13**	**1,242,530,161**	1,039,762,873
Operating Profit before Working Capital Changes		**4,708,860,256**	4,101,883,179
(Increase)/Decrease in Inventories		**(1,747,040,583)**	(607,663,128)
(Increase)/Decrease in Debtors, Rece'bles & Deposits		**(5,402,599,585)**	(1,264,090,309)
Increase/(Decrease) in Creditors & Provisions		**1,756,947,297**	335,176,667
Cash Generated from Operations		**(683,832,614)**	2,565,306,409
Tax Paid	**14**	**(53,113,301)**	(47,466,069)
Gratuity Paid	**11**	**(227,136,696)**	(241,659,234)
Net Cash from Operating Activities		**(964,082,611)**	2,276,181,106
Cash Flows from/(used) in Investing Activities			
Investments in Fixed Assets & Work-In-Progress		**(31,619,414,419)**	(21,594,999,438)
Withdrawal of other financial assets		**8,197,324**	6,810,864
Sale proceeds for disposal assets		**7,995,275**	51,000
Investment Income Received		**216,449,698**	240,834,475
(Investment) / Withdrawl of Investments		**96,707,679**	(328,628,877)
Net Cash Flows used in Investing Activities		**(31,290,064,442)**	(21,675,931,977)
Cash Flows from/(used in) Financing Activities			
Government Grant during the Period		**7,768,323,405**	5,147,344,801
Capital Grant during the period		**23,177,800,979**	13,530,554,067
New Loans		**5,569,216,314**	4,213,780,952
Loan Repayments		**(1,030,498,375)**	(200,741,478)
Interest Paid		**(1,871,942,868)**	(1,376,381,658)
VAT payments through treasury funds		**(482,110,508)**	(1,909,195,386)
		33,130,788,947	19,405,361,298
Net Increase in Cash & Cash Equivalents		**876,641,893**	5,610,428
Cash & Cash Equivalents at the begining of the year		**1,879,876,757**	1,874,266,329
Cash & Cash Equivalents at the end of the period		**2,756,518,649**	1,879,876,757

The accounting policies and notes on Pages 6 throug 28 Form an integral part of the financial statements.

NATIONAL WATER SUPPLY AND DRAINAGE BOARD

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

CORPORATE INFORMATION

1.1 General

National Water Supply & Drainage Board is a statutory board enacted by the Parliament under the National Water Supply & Drainage Board Law No. 2 of 1974. The registered office of the Board is located at Galle Road, Ratmalana, and the principal place of business is situated at the same location.

National Water Supply & Drainage Board (NWS&DB) is an institution under the purview of Ministry of Urban Development and Water Supply & Drainage

1.2 Principal activities

The principal activity of the Board is to produce and sell treated drinking water to the community.

The objectives of the National Water Supply & Drainage Board are to develop treated drinking water throughout the country and it's accessibility among the people of Sri Lanka.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by The Institute of Chartered Accountants of Sri Lanka.

For all periods up to and including the year ended 31st December 2011, the NWS&DB prepared its Financial Statements in accordance with Sri Lanka Accounting Standards (SLAS). From the financial year ending 31st December 2012 onward Financial Statements are being prepared in accordance with the new Sri Lanka Accounting Standards (SLFRS/LKAS).

2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for financial instruments and other financial assets and liabilities held for trading that have been measured at fair value and liabilities for defined benefit obligation is recognized as at the present value of the defined benefit obligation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property Plant and Equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, NWS&DB recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, it's cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

3.1.1Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Plant Property and Equipment	Rate
Building & Structures	1.67% - 2%
Plant & equipment pumping treatment	5%
Service & Bulk water meter	10%
Transmission & Distribution:	1.67%
Equipments	10%
Furniture & fittings	10%
Computers Peripherals & Mobile Phones	20% - 33.3%
Motor Vehicles	10% - 20%
Lease hold Vehicles	14.3%

3.1.2 Investment Property

When the use of a property changes from owner-occupied to another party is classified as Investment Property and the Investment Property is measured at cost less accumulated depreciation.

3.1.3 Capital Work In Progress

Capital expenses incurred during the year, which are not capitalized as at the reporting date are shown as capital work in progress, whilst the capital assets which have been capitalized during the year and put to use have been transferred to Property Plant & Equipment.

3.1.4 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

3.1.5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

3.1.6 Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when NWS&DB can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is completed and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

3.1.7 Impairment of Non-Financial Assets

The NWS&DB assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the NWS&DB estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.2.1 Inventories

Inventories are valued at cost or net realizable value whichever is lower after making due allowance for obsolete and slow moving items which are valued at 'First In First Out' basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Measurement of inventories

3.2.2 Cost of Inventories

Raw Materials

Cost of purchases together with any incidental expenses.

Other Stocks

Cost is arrived at weighted average basis.

3.3. Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and bank balances and short term investment, net of outstanding bank overdrafts if any

4. LIABILITIES, PROVISIONS AND EQUITY

4.1. Retirement Benefit Obligation

4.1.1 Retirement Benefit Obligations (LKAS 19)

a) Defined Benefit Plan – Gratuity

Provision has been made for retiring gratuity from the first year of service for all employees, in conformity with Sri Lanka Accounting Standard No. 19 (LKAS 19).

a) **Retirement Benefit Cost**

NWSDB operates a defined benefit pension plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in retained earnings and are not reclassified to profit or loss in subsequent periods.

Unvested past service costs are recognized as an expense on a straight line basis over the average period until the benefits become vested. Past service costs are recognized immediately if the benefits have already vested immediately following the introduction of, or changes to, a pension plan.

The defined benefit asset or liability comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less unrecognized past service costs and less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the NWSDB, nor can they be paid directly to the NWSDB. The value of any defined benefit asset recognized is restricted to the sum of any unrecognized past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

b) **Defined Contribution Plans- EPF & ETF**

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective Statutes and Regulations. The Board contributes 12% and 3% of gross emoluments of employees to EPF and ETF respectively.

4.2 Provisions

General

Provisions are recognised when NWS&DB has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When NWS&DB expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the income statement net of any reimbursement.

4.3 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When NWS&DB receives non-monetary grants, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual installments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant.

5. INCOME STATEMENT

For the purpose of presentation of the Income Statement, the function of expenses method is adopted, as it represents fairly the elements of NWS&DB performance.

5.1.1 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the NWS&DB and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment.

The following specific recognition criteria must also be met before revenue is recognized.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Sale of Water

Revenue from sale of water is recognised according to the number of consumed unit within 30 days of time by the consumer, when the meters are read and when bills are processed within the system.

Other Income

Other income is recognised on an accrual basis.

Interest income

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

Rechargeable Works

Revenue from fixed price construction contracts is recognized on the percentage of completion method, measured by the work done of the contract.

5.1.2 Expenses

All expenditures incurred in the running of the business have been charged to income in arriving at the profit for the year. Repairs and renewals are charged to profit and loss in the year in which the expenditure is incurred.

5.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

6. FINANCIAL INSTRUMENTS- INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

6.1 Financial asset

6.1.1 Initial recognition and measurement

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets, as appropriate and determine the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

The financial assets of NWS&DB include cash and short term investment, trade and other receivables, staff loans and other receivables.

6.1.2 Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows

6.1.2.1 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. NWS&DB did not have any financial assets at fair value through profit or loss during the years ended 31 December 2014 and 2013.

6.1.2.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the income statement. The losses arising from impairment are recognized in the income statement in finance cost.

6.1.2.3 Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to- maturity when the NWS&DB has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised as finance cost in the income statement in finance cost. NWS&DB did not have any held –to- maturity investments during the years ended 31 December 2014 and 2013.

6.1.2.4 Available-for-sale financial investments

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available for- sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealized gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognized. NWS&DB did not have any available for –sale financial investments during the years ended 31 December 2014 and 2013.

6.1.2.5 Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when,

i) The rights to receive cash flows from the asset have expired

ii) NWS&DB has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) NWS&DB has transferred substantially all the risks and rewards of the asset, or

(b) NWS&DB has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

6.1.2.6 Impairment of financial assets

The NWS&DB assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

6.1.2.7 Financial assets carried at amortized cost

For financial assets carried at amortized cost, the NWS&DB first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the NWS&DB determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The NWS&DB performed specific impairment for each debtor categories during the year 2014

6.2 Financial Liabilities

Initial recognition and measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, at amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. NWS&DB determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs. NWS&DB's financial liabilities include trade and other payables.

Subsequent measurement

Subsequent measurement of financial liabilities is at amortised cost.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

			2014	2013
			Rs.	Rs.
7.	**REVENUE**			
	Metered Sales		**17,190,548,690**	15,943,128,990
	Bulk Sales		**186,952,902**	160,163,490
	Bowser Supply		**69,515,149**	57,223,248
	Income from main operations	**7.1**	**1,263,032,939**	1,056,108,689
			18,710,049,680	17,216,624,417
7.1	**Income from main operations**			
	Income related to New connection		**1,261,020,050**	1,170,271,387
	Expense related to New connection		**(895,759,712)**	(869,312,576)
	Income related to other main operations		**897,772,600**	755,149,878
			1,263,032,939	1,056,108,689
8.	**COST OF SALES**			
	Personnel Cost		**4,631,740,022**	4,245,514,239
	Pumping Cost		**3,801,834,059**	3,356,523,999
	Chemicals		**630,582,551**	579,044,942
	Repairs & Maintenance		**955,992,424**	825,725,856
	Establishment Expenses		**430,648,961**	385,168,186
	Rent, Rates,Taxes, Security & Other Expenses		**734,500,154**	623,159,830
	Rebates		**140,531,301**	141,637,941
			11,325,829,471	10,156,774,994
9.	**OTHER OPERATING INCOME**			
	Capital Recovery Charges		**616,231,430**	545,105,713
	Other Income	**9.1**	**726,471,076**	610,708,626
	Staff loan benefit		**47,364,054**	39,591,163
			1,390,066,559	1,195,405,502
9.1	**Other Income**			
	Incom related to other operations		**784,443,122**	664,017,926
	Expenses related to other operations		**(57,972,046)**	(53,309,300)
			726,471,076	610,708,626

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

			2014 Rs.	2013 Rs.
10.	**ADMINISTRATIVE EXPENSES**			
	Repairs & Maintenence		**153,728,144**	160,576,714
	Establishment Expenses		**524,384,794**	505,176,409
	Rent,Rates,Taxes, Security & Other Expenses		**241,181,755**	255,334,016
	Staff Cost	**10.1**	**3,035,000,857**	2,914,503,874
	Depriciation	**10.2**	**2,031,036,338**	1,996,781,749
			5,985,331,888	5,832,372,763
10.1	**Staff cost**			
	Staff Cost		**47,364,054**	39,591,163
	Personnel Cost		**2,987,636,803**	2,874,912,711
			3,035,000,857	2,914,503,874
10.2	**Depreciation**			
	Building and structure		**677,626,798**	635,374,490
	Plant & Machinery		**776,691,309**	741,971,331
	Equipments		**1,030,041,202**	968,676,110
	Furniture and Fittings		**27,845,827**	25,820,730
	Computers & Periparels		**56,320,228**	48,532,479
	Motor Vehicles		**161,910,646**	166,659,961
			2,730,436,009	2,587,035,099
	Less: Depn. for Grant funded Assets		**(699,105,182)**	(590,253,350)
	Less: Depn. for Rechargable funded Assets		**(588,330)**	-
	Add: Amortization of Intangible Assets		**293,841**	-
			2,031,036,338	1,996,781,749
11.	**OTHER OPERATING EXPENSES**			
	Bad & Doubtful Debts		**83,294,669**	320,141,327
	Provision for Irrecoverable Staff Loans		**3,616,235**	1,864,720
	Provision for Obsolete Stock		**20,322,832**	(4,239,961)
	Retiring Gratuity		**227,136,696**	241,659,234
			334,370,432	559,425,320
12.	**FINANCE INCOME**			
	Investment Income		**213,239,303**	225,687,464
			213,239,303	225,687,464
13.	**FINANCE COST**			
	Interest On Loans		**2,352,782,069**	1,983,547,681
	Less: Capitalised Interest on Construction Projects		**(1,110,251,908)**	(943,784,808)
			1,242,530,161	1,039,762,873
14.	**TAXATION**			
	Economic Service Charge		**53,113,301**	47,466,069
			53,113,301	47,466,069

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

15. PROPERTY, PLANT AND EQUIPMENT

15.1 Gross Carrying Amounts		Restated Balance As at 01.01.2014	Additions	Transfers	Disposals	Balance As at 31.12.2014
Cost		Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Assets						
Land Freehold		7,445,523,235	145,942,336	75,727,507	-	**7,515,738,064**
Land Leasehold		587,058,964	-	-	-	**587,058,964**
Infrastructure		3,807,457,985	67,817,062	1,185,609	-	**3,874,089,439**
Building - Freehold		7,556,362,645	160,575,408	6,719,000	-	**7,710,219,053**
Structures		26,651,538,326	1,862,740,127	158,996,164	-	**28,355,282,289**
Plant & eq: pumping treatment		16,001,105,693	183,260,625	368,333,691	-	**15,816,032,627**
Service meter		5,421,254	-	-	-	**5,421,254**
Bulk water meter		180,842,212	2,309,458	64,000	-	**183,087,670**
Transmission & Dist:		51,019,856,599	3,133,261,452	318,979,590	-	**53,834,138,461**
Mobile Eq:		279,502,048	51,598,073	5,106,663	-	**325,993,458**
Survey Eq:		8,509,287	12,496,945	-	-	**21,006,232**
Laboratory		310,539,832	37,502,911	3,487,415	-	**344,555,328**
Other Equipment		1,133,641,330	35,749,466	1,745,085	-	**1,167,645,710**
Furniture & fittings-computer		265,208,879	64,612,212	7,907,610	315,000	**321,598,481**
Computers & Periparels		272,573,804	54,795,075	1,318,424	-	**326,050,455**
Motor vehicles cars	**34.2**	110,117,155	15,758,286	1,306,500	475,000	**124,093,940**
Van busses & jeeps		353,736,563	13,921,600	975,000	2,200,000	**364,483,163**
Lorries & trucks		1,107,888,255	214,990,708	42,463,111	4,550,000	**1,275,865,852**
Tractors & trailers		66,803,460	-	7,000,000	400,000	**59,403,460**
Water bowsers,Heavy veh:		680,754,771	52,048,307	1,581,398	900,000	**730,321,679**
Motor cycles		16,641,345	88,421	273,444	45,000	**16,411,322**
Three Weeelers		1,338,240	-	-	-	**1,338,240**
Lease hold Vehicles		22,671,376	-	-	-	**22,671,376**
Total Value of Depreciable Assets		117,885,093,258	6,109,468,471	1,003,170,211	8,885,000	**122,982,506,517**

15.2	Depreciation	Restated Balance As at 01.01.2014 Rs.	Charge for the Period Rs.	Adjustments Rs.	Disposal Rs.	Balance As at 31.12.2014 Rs.
	Depreciation					
	Freehold Assets					
					-	
	Land Freehold	-	-		-	-
	Land Leasehold	-	-		-	-
	Infrastructure	301,289,599	76,341,692		-	**377,631,29**
	Building - Freehold	640,043,547	151,575,190		-	**791,618,73**
	Structures	1,900,776,964	449,709,917	5,796,109	-	**2,344,690,77**
	Plant & eq: pumping treatment	2,777,400,335	758,210,587	7,170,940	-	**3,528,439,98**
	Service meter	1,234,914	536,704	-	-	**1,771,61**
	Bulk water meter	56,052,443	17,944,018	-	-	**73,996,46**
	Transmission & Dist:	3,180,807,094	852,082,185	22,787,585	-	**4,010,101,69**
	Mobile Eq:	78,502,656	27,402,601	-	-	**105,905,25**
	Survey Eq:	1,369,271	894,801	-	-	**2,264,07**
	Laboratory	131,393,171	31,436,222	-	-	**162,829,39**
	Other Equipment	280,568,734	118,225,393	-	-	**398,794,12**
	Furniture & fittings-computer	128,558,967	27,845,827	-	190,119	**156,214,67**
	Computers & Periparels	153,228,470	56,320,228	-	-	**209,548,69**
	Motor vehicles cars	96,709,570	15,717,526	-	451,702	**111,975,39**
	Van busses & jeeps	290,391,694	48,114,263	-	2,092,090	**336,413,86**
	Lorries & trucks	230,676,381	54,342,718	-	1,512,875	**283,506,22**
	Tractors & trailers	37,599,624	6,290,912	-	266,000	**43,624,53**
	Water bowsers,Heavy veh:	120,126,986	32,670,249	-	256,500	**152,540,73**
	Motor cycles	5,308,427	1,565,261	-	42,793	**6,830,89**
	Three Wheelers	333,653	129,809	-	-	**463,46**
	Lease hold Vehicles	14,629,556	3,079,906	-	-	**17,709,46**
		10,427,002,054	2,730,436,009	35,754,634	4,812,079	**13,116,871,35**

15. PROPERTY, PLANT AND EQUIPMENT (Contd...)

15.3	Net Book Values	2014 Rs.	2013 Rs.
	At Cost		
	Land Freehold	**7,515,738,064**	7,445,523,235
	Land Leasehold	**587,058,964**	587,058,964
	Infrastructure	**3,496,458,149**	3,506,168,387
	Building - Freehold	**6,918,600,316**	6,916,319,098
	Structures	**26,010,591,517**	24,750,761,362
	Plant & Eq: pumping treatment	**12,287,592,645**	13,223,705,358
	Service meter	**3,649,636**	4,186,340
	Bulk water meter	**109,091,209**	124,789,769
	Transmission & Dist:	**49,824,036,767**	47,839,049,505
	Mobile Eq:	**220,088,201**	200,999,392
	Survey Eq:	**18,742,160**	7,140,015
	Laboratory	**181,725,935**	179,146,661
	Other Equipment	**768,851,584**	853,072,597
	Furniture & fittings-computer	**165,383,805**	136,649,911
	Computers & Periparels	**116,501,756**	119,345,334
	Motor vehicles cars	**12,118,547**	13,407,585
	Van busses & jeeps	**28,069,296**	63,344,869
	Lorries & trucks	**992,359,627**	877,211,874
	Tractors & trailers	**15,778,924**	29,203,836
	Water bowsers,Heavy veh:	**577,780,945**	560,627,786
	Motor cycles	**9,580,427**	11,332,919
	Three Wheelers	**874,778**	1,004,587
	Lease hold Vehicles	**4,961,914**	8,041,820
Total Carrying Amount of Property, Plant & Equipment		**109,865,635,167**	107,458,091,203

15. PROPERTY, PLANT AND EQUIPMENT

15.4 Investment Property

The Building constructed by the Board at Sunil Mawatha, Battaramulla currently occupied by the Ministry of Water Supply & Drainage is recognized as Investment Property according to the LKAS 40 - Investment Property.

This Investment Property is included under the Property, Plant & Equipment

	Land	Building	Total
Cost			
Balance as at 01.01.2014	138,500,000	211,605,945	350,105,945
Additions	-	-	-
Disposals	-	-	-
Balance as at 31.12.2014	138,500,000	211,605,945	350,105,945
Depreciation			
Balance as at 01.01.2014	-	10,227,621	10,227,621
Charge for the Period	-	4,232,119	4,232,119
Balance as at 31.12.2014	-	14,459,740	14,459,740
Net Book Value	**138,500,000**	**197,146,205**	**335,646,205**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

			2014	2013
			Rs.	Rs.
16.	**INTANGIBLE ASSETS**			
	Indian IT Solution Software		**102,025,883**	153,038,825
	Soft Ware SAP 7000		**263,250**	-
	Soft Ware - Sewerage		**2,056,886**	-
	Amortisation		**(51,381,997)**	(51,012,942)
			52,964,022	102,025,883
17.	**CAPITAL WORK IN PROGRESS**			
	Construction Work		**127,855,775,365**	98,135,944,290
	Rehabilitation		**21,203,563,236**	23,282,070,341
			149,059,338,602	121,418,014,631
18.	**OTHER FINANCIAL ASSETS**			
	HDFC Investment for Staff Housing Loans		**21,691,344**	29,932,486
	Bank of Ceylon Saving - II		**1,119,333**	1,075,515
			22,810,677	31,008,001
19.	**INVENTORIES**			
	PVC Steel Pipe		**2,669,416,046**	2,243,322,508
	Water Meter & Fitting & Brass Items		**700,971,396**	290,257,873
	Chemical Material		**106,028,250**	109,323,685
	Electricals		**399,525,157**	275,817,998
	Building Material		**31,748,687**	24,202,573
	Pump & Spare Parts		**781,103,254**	576,807,727
	Vehicle Spare Parts		**83,172,286**	130,750,561
	Stationary & Office Equipment		**41,252,984**	35,011,100
	Other Items		**487,159,103**	427,216,619
	Stock in Transit		**645,606,587**	360,610,544
	Stock Adjustments		**3,994,431**	(283,694)
	Property Plant and Equipment at Stores	**34.2**	**(273,432,521)**	(563,855,248)
	Provision for Obsolete Stock		**(52,747,628)**	(32,424,796)
			5,623,798,032	3,876,757,449

			2014 Rs.	2013 Rs.
20.	**TRADE AND OTHER RECEIVABLES**			
	Trade Debtors		**4,013,821,617**	3,838,854,731
	Other Debtors		**282,195,544**	272,108,436
	Less : Debtors Impairment (Collective)	(1,067,358,668)		(996,113,340)
	Less : Debtors Impairment (Specific)	(50,201,782)	**(1,117,560,450)**	(51,084,939)
	Debtors Collection Control		**414,324,843**	553,014,331
	VAT Receivable		**6,652,511**	16,120,916
	WHT Receivable		**28,452,205**	20,609,164
	Advances to Staff		**24,376,293**	24,768,881
	Loans To Employees		**1,878,673,515**	1,693,962,224
	Receivable on Interest & Others		**13,338,027**	16,548,423
			5,544,274,105	5,388,788,826
21.	**DEPOSITS AND ADVANCES**			
	Rechargeable Project Work		**37,525,499**	37,610,168
	Pre Payments		**25,000**	550,000
	Advances		**9,417,218,575**	4,176,010,605
	Deposits		**75,788,238**	72,482,629
			9,530,557,311	4,286,653,401
22.	**INVESTMENTS**			
	Held to Maturity		**244,262,510**	340,970,189
			244,262,510	340,970,189
23.	**CASH AND CASH EQUIVALENTS**			
	Cash In Bank		**612,293,709**	559,293,751
	Cash Imprest Head Office		**3,189,348**	2,411,399
	Cash Imprests Regions		**4,246,706**	1,980,633
	Cash In Transit		**336,341,611**	101,197,995
	Call Deposits		**1,628,058,432**	1,075,046,090
	Savings Account		**172,388,843**	139,946,890
			2,756,518,649	1,879,876,757
24.	**ASSETS TAKEN OVER FROM GOVERNMENT**			
	Assets taken over from Government Dept.		**185,480,387**	185,480,387
			185,480,387	185,480,387

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

			2014 Rs.	2013 Rs.
25.	**STAFF WELFARE FUND**			
	Opening Balance		**15,101,490**	14,415,579
	Received during the year		**137,808**	685,911
			15,239,298	15,101,490
26.	**GOVERNMENT GRANT**			
	Tresuary Grant		**88,161,757,133**	81,069,995,266
			88,161,757,133	81,069,995,266
27.	**CAPITAL GRANTS**			
	Foreign Grants		**151,416,090,457**	128,841,159,332
	Local Grants		**558,031,863**	509,172,511
			151,974,122,319	129,350,331,843
28.	**LOAN PAYABLE**			
	Foreign Loans through Treasury		**36,397,895,995**	32,116,788,047
	Local Loans		**1,317,539,003**	29,929,012
			37,715,434,998	32,146,717,058
29.	**OTHER DEFERRED LIABILITIES**			
	Provision for defined benefit plan	29.1	**2,096,769,746**	2,096,769,746
	Customer and Employee Security Deposits		**97,274,390**	55,347,521
			2,194,044,137	2,152,117,268
29.1	**Movement of Retiring Gratuity Provision**			
	Balance at the Beginning of the Period		**2,096,769,746**	2,096,769,746
	Add Provision for the Period		**227,136,696**	241,659,234
	Less: Gratuity Payments during the Period		**(227,136,696)**	(241,659,234)
			2,096,769,746	2,096,769,746
30.	**TRADE AND OTHER PAYABLES**			
	Rechargeable Work - Customer Advances		**2,386,334,108**	1,756,768,079
	Contractors Retention		**2,525,408,496**	1,894,039,445
	Lease Hold Creditors		**164,547**	5,923,133
	Less: Interest in Suspense		**(2,297)**	(447,963)
	Creditors Control		**1,158,282,524**	629,942,385
	Other Creditors		**71,026,920**	58,666,367
	Accrued Expenses		**294,900,920**	296,267,247
	Deposits		**106,405,671**	96,280,841
	VAT Payable		**282,340,601**	375,175,632
	With Holding Tax		**205,867**	729,623
	Salaries and Other Payables		**136,124,416**	132,826,555
			6,961,191,773	5,246,171,344

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

31. DEFERRED TAXATION

Deferred Tax Assets, Liabilities and Income Tax relates to the followings

	Balance Sheet		Income Statement	
	2014	2013	2014	2013
	Rs.	Rs.	Rs.	Rs.
Deferred Tax Liability				
Capital Allowances	**8,129,594,181**	6,704,854,243	**1,424,739,938**	205,017,196
Intangible assets	**14,829,925**	28,567,247	**(13,737,322)**	(14,283,624)
Effect of rate change	**-**	-	**-**	-
	8,144,424,106	**6,733,421,490**	**1,411,002,615**	**190,733,572**
Deferred Tax Assets				
Defined Benefit Plans	**-**	-	**-**	28,192,630
Debtors Impairment	**278,911,735**	189,186,739	**89,724,996**	-
Revaluation Deficit	**-**	-	**-**	217,514,121
Effect of rate change	**-**	-		
	278,911,735	189,186,739		
Deferred income tax charge/(reversal)			**1,500,727,612**	436,440,323
Net Deferred Tax Liability/ (Asset)	**7,865,512,371**	6,544,234,751		

The existence of unused tax losses is strong evidence that future taxable profit may not be available. NWSDB has a cumulative tax loss of Rs.58,107,763,338 as at 31/12/2014. Therefore paying Income Tax by NWSDB is very unlikely, resulting in not recognising a net deferred tax asset /liability.

32. RELATED PARTY TRANSACTIONS

Transactions with State and State Controlled Entities

In the normal course of its operations, the Corporation enters into transactions with related parties. Related parties include the Government of Sri Lanka (State: as the ultimate owner of the Corporation), various government departments, and State controlled entities. Particulars of transactions, and arrangements entered into by the Corporation with the State and State controlled entities which are individually significant and for other transactions that are collectively, but not individually significant are as follows:

Key Management Compensation

National Water Supply and Drainage Board's key management personnel include the Board of Directors, Minister and the Secretary to the Ministry of Water Supply & Drainage.

	2014	2013
	Rs.	Rs.
Short term employment benefits	780,000	1,005,395

33. EVENTS AFTER THE BALANCE SHEET DATE

All the material events after the balance sheet date have been considered and appropriate adjustment and disclosures have been made in to the financial statement, where necessary.

34. PRIOR YEAR ADJUSTMENTS

34.1 Board assets were revalued as at 31.12.2007 by obtaining the service of Department of Valuation. Revalued amount of assets were taken to the books during the year 2010 and those values are continuing as deem cost of PPE at present. There were some duplications and omissions occurred in 2010 due to the immensity of the assets base and have been rectified as prior year adjustments with retrospective effect. Accordingly net effect of Rs. 256.8 million had been adjusted for carring amount of PPE and Rs.13.5 million(Depreciation amount to Rs. 0.945 Mn related to year 2013 has been included under administration expeses) had been adjusted for depriciation as at 31.12.2013 as follows.

34.1.1 Gross Carrying Amounts

Cost / Freehold Assets		Balance As at 31.12.2013 Rs.	Prior Year Adjustments Rs.	Restated Balance As at 31.21.2013 Rs.
Land Freehold		7,445,414,443	108,792	7,445,523,235
Land Leasehold		587,058,964	-	587,058,964
Infrastructure		3,807,457,985	-	3,807,457,985
Building - Freehold		7,561,037,645	(4,675,000)	7,556,362,645
Structures		26,629,892,922	21,645,404	26,651,538,326
Plant & eq: pumping treatment		15,983,345,501	17,760,192	16,001,105,693
Service meter		5,421,254	-	5,421,254
Bulk water meter		180,842,212	-	180,842,212
Transmission & Dist:		50,792,435,594	227,421,005	51,019,856,599
Mobile Eq:		279,502,048	-	279,502,048
Survey Eq:		8,509,287	-	8,509,287
Laboratory		310,539,832	-	310,539,832
Other Equipment		1,133,641,330	-	1,133,641,330
Furniture & fittings-computer		265,208,879	-	265,208,879
Computers & Periparels		272,573,804	-	272,573,804
Motor vehicles cars	34.2	110,342,155	(225,000)	110,117,155
Van busses & jeeps		353,736,563	-	353,736,563
Lorries & trucks		1,113,088,255	(5,200,000)	1,107,888,255
Tractors & trailers		66,803,460	-	66,803,460
Water bowsers,Heavy veh:		680,754,771	-	680,754,771
Motor cycles		16,641,345	-	16,641,345
Three Weeelers		1,338,240	-	1,338,240
Lease hold Vehicles		22,671,376	-	22,671,376
Total Value of Depreciable Assets		117,628,257,865	256,835,393	117,885,093,258

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

34.1.2	Depreciation Freehold Assets	Balance As at 31.12.2013 Rs.	Prior Year Adjustments Rs.	Restated Balance As at 31.12.2013 Rs.
	Land Freehold	-	-	-
	Land Leasehold	-	-	-
	Infrastructure	301,289,599	-	301,289,599
	Building - Freehold	640,604,547	(561,000)	640,043,547
	Structures	1,898,608,095	2,168,869	1,900,776,964
	Plant & eq: pumping treatment	2,781,256,469	(3,856,134)	2,777,400,335
	Service meter	1,234,914	-	1,234,914
	Bulk water meter	56,052,443	-	56,052,443
	Transmission & Dist:	3,158,019,509	22,787,585	3,180,807,094
	Mobile Eq:	78,502,656	-	78,502,656
	Survey Eq:	1,369,271	-	1,369,271
	Laboratory	131,393,171	-	131,393,171
	Other Equipment	280,568,734	-	280,568,734
	Furniture & fittings-computer	128,558,967	-	128,558,967
	Computers & Periparels	153,228,470	-	153,228,470
	Motor vehicles cars	129,366,480	(32,656,910)	96,709,570
	Van busses & jeeps	290,391,694	-	290,391,694
	Lorries & trucks	232,158,381	(1,482,000)	230,676,381
	Tractors & trailers	37,599,624	-	37,599,624
	Water bowsers,Heavy veh:	120,126,986	-	120,126,986
	Motor cycles	5,308,427	-	5,308,427
	Three Wheelers	333,653	-	333,653
	Lease hold Vehicles	14,629,556	-	14,629,556
	Total Value of Depreciation	10,440,601,645	(13,599,591)	10,427,002,054

34.2 In addition to the prior year adjustments for Property Plant & Equipments, the following items also have been adjusted retrospectively.

	Balance As at 31.12.2013 Rs.	Prior Year Adjustments Rs.	Restated Balance As at 31.12.2013 Rs.
Capital Work In Progress			
Construction Work	98,139,089,879	(3,145,590)	98,135,944,290
Rehabilitation	23,286,336,981	(4,266,640)	23,282,070,341
	121,425,426,860	(7,412,230)	121,418,014,631
Inventories			
PVC Steel Pipe	2,294,459,493	(51,136,985)	2,243,322,508
Property Plant and Equipment at Store:	690,885,204	(127,029,956)	563,855,248
Capital Grants			
Foreign Grants	128,841,234,082	(74,750)	128,841,159,332
Local Grants	509,760,841	(588,330)	509,172,511
	129,350,994,923	(663,080)	129,350,331,843
Trade and other payables			
Creditors Control	641,988,776	(12,046,391)	629,942,385
Property Plant & Equipment			
Motor vehicles	237,372,111	(127,029,956)	110,342,155

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கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය எனது இல. My No. WSS/A/NWSDB/01/2014 ඔබේ අංකය உமது இல. Your No.

දිනය திகதி Date 26 April 2016

The Chairman
National Water Supply and Drainage Board

Report of the Auditor General on the Financial Statements of the National Water Supply and Drainage Board for the year ended 31 December 2014 in terms of Section 14 (2) (c) of the Finance Act, No 38 of 1971

The audit of financial statements of the National Water Supply and Drainage Board (NWSDB) for the year ended 31 December 2014 comprising the statement of financial position as at 31 December 2014 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No.38 of 1971. My comments and observations which I consider should be published with the annual report of the Board in terms of Section 14 (2) (c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7) (a) of the Finance Act will be issued to the Chairman of the Board in due cause.

1.2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Standards of Supreme Audit Institutions (ISSAI 1000-1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Sub-sections (3) and (4) of Section 13 of the Finance Act, No 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

1.4 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 2.2 of this report.

2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the National Water Supply and Drainage Board (NWSDB) as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Accounting Standards (LKAS)

The following non-adhering with Sri Lanka Accounting Standards were observed in audit.

(a) **LKAS 1, Presentation of Financial Statements -** Although the profit for the year should be brought to the statement of changes in equity, instead of that the total comprehensive income for the year under review had been brought as retained earnings in the statement of changes in equity. As a result the Profit for the year under review had been overstated by Rs. 53.71 million and the revaluation reserves understated by similar amount in the statement of changes in equity prepared for the year under review.

(b) **LKAS 20, Accounting for Government Grants and Disclosure of Government Assistance** - The following deficiencies were observed in this connection.

(i) Foreign grants received for Jaffna Killinochchi Water Supply Project and Improving Community Based Rural Water Supply and Sanitation Project were amounting to Rs.447.3 million and Rs. 167.6 million respectively. Nevertheless, the related work-in-progress had not been brought to the accounts of the Board.

(ii) Foreign grant balances aggregating Rs.10,358.39 million in relation to 29 projects which remained unchanged over a period of 8 years had been brought to the accounts as at 31 December 2014 without being amortized. The impact to the financial statements due to non-amortization could not be ascertained in audit as there were no details available relevant to those foreign grants.

(iii) Further, unallocated transactions relating to specified projects aggregating Rs. 2,457.5 million accounted for as foreign grants had not been amortized as at 31 December 2014.

The Chairman of the Board had stated in this connection that ***"The Treasury has approved to convert the outstanding loan and interest as at 31December 2014 into Government Equity to NWSDB".***

(iv) The financial gain on Government loans granted at the interest rates below the market rates had not been treated as Government grants in the financial statements.

In this connection the Chairman of the Board had stated that ***"The Government is the sole shareholder of capital provider which provides loan schemes along with grants and other assistance incorporated into the loans and subsidies loans. Therefore, there are no competing organizations which provide loans based on the same conditions which the Government provides. Hence, the National Water Supply and Drainage Board could not obtain the market rate of the interest rates of the loan schemes offered by the Government."***

(v) The foreign grant amounting to Rs.39 million received as fixed assets had not been amortized during the year under review

2.2.1 Accounting Deficiencies

The following observations are made.

(a) Debit balances shown under current liabilities and income accounts aggregating Rs.47.3 million and credit balances shown under current assets and expenditure accounts aggregating Rs.24.1 million appeared to be abnormal and as such the financial results and financial position of the Board for the year under review had been distorted.

(b) New water supply connections given on credit basis had not been accounted. However, the monthly installments amounting Rs. 14.9 million recovered from the water consumers had been only credited to the New Connection Debtor Control Account.

(c) The sea water purification plant constructed in the year 2009 under the Project of the Design and Construction of Drinking Water Treatment Facility for Moratuwa, Panadura and Negombo using Spanish Tsunami Facility Fund costing Rs. 363 million had not been capitalized even elapsed of five years as at 31 December 2014 and as such the Property, Plant and Equipment (PPE) amounting to Rs.109,865.63 million shown in the financial statements had been understated by similar amount. It was further observed that, the facility had not been in operation since July 2010 due to problems in the intake. However, a sum of Rs. 14.8 million had been spent for the electricity, hiring of motor vehicles and service agreements for office equipment for the period of 2010 to 2014.

(d) The stock of water pumps spare parts costing Rs. 331.86 million had been classified as non-current assets during the previous year and depreciated accordingly. Out of the depreciation charges of Rs. 47.26 million, only a sum of Rs. 11 million had been reversed during the year under review. In the meantime, the respective cost of those assets had not been reversed as prior year adjustment and as such the water pumps spare parts balance shown under PPE and accumulated depreciation as at 31 December 2014 had been overstated by Rs.331.86 million and Rs.36.26 million respectively.

(e) Two lands, three laboratories, one structure, two bulk meters, three furniture items and five computers and other equipment which were used in six Regions had not been valued and brought to the financial statements.

(f) Stocks valued at Rs.38.24 million received from completed foreign funded projects had not been brought to accounts.

(g) Although 20 schemes of rechargeable works had been completed and handed over to the customers as at 31 December 2014, the un-cleared balance of Rs. 20 million was observed in Rechargeable Customer Advances Account in respect of those schemes.

(h) Even though, the stock balance brought to the financial statements as at 31 December 2014 was 5,300.38 million, the physically verified balance as at that date was Rs.5,360.13 million. Hence, the stock balance shown in the financial statements as at 31 December 2014 was understated by Rs.59.75 million.

(i) Even though there was a net difference of Rs.10,969.57 million observed between the work-in- progress balance shown in the financial statements and the corresponding balances shown in the individual financial statements of three foreign funded projects, it had not been reconciled. Further, the work-in- progress balance of Rs. 149,059.34 million shown in the financial statements had been understated by Rs. 650,382 due to negative balances including therein.

(j) Two outside projects worth Rs. 129.1 which completed and handed over to the respective parties as at 31 December 2014 million and certain expenditure relating to three completed and capitalized projects costing Rs.159.1 million had remained in the work-in-progress without being cleared.

(k) Balances aggregating Rs. 1,588 million shown under the work-in-progress in respect of 64 projects had remained unchanged over a period ranging three to seven years without being investigated in order to make necessary adjustments in the financial statements.

(l) The cost of completed and commissioned 109 water supply projects amounting to Rs.3,667.39 million had remained in the work-in- progress as at 31 December 2014 without being capitalized.

(m) The expenditure not related to the work-in-progress amounting to Rs. 669.1 million had been included in the work-in-progress balance of the Regional Office in Ratnapura.

(n) Although constructions of 72 water supply schemes were completed, the debit balance of Rs.14.19 million and credit balance of Rs.13.47 million in respect of those schemes had been inappropriately shown under deposits and advances in the financial statements.

(o) The sub-loan agreements for 17 foreign loans obtained by the Government of Sri Lanka for water supply schemes amounting to Rs. 14,705.34 million had not been entered into with the General Treasury and as a result, the loan and grant portions of such loan could not be separately identified in audit. Further, the accuracy and completeness of the loan balances, grants, amortization of the grants and the interest expenses and liabilities thereon shown in the financial statements as at 31 December 2014 could not be ensured.

In this connection the Chairman of the Board had stated that "The ***NWSDB has informed this to the Treasury to arrange subsidiary loans but the Treasury has not favorably responded to our request. Hence, the Board is not in a position to provide a reply to this query.***"

(p) The interest payables on loans obtained for under mentioned projects aggregating Rs. 955.22 million for the years 2011, 2012, 2013 and 2014 had not been accounted for. Details are shown below.

Name of the Project	Amount of Interest Payables	Relevant Period
	Rs. million	
Jaffna Killinochchi Water Supply Project	873.3	2012, 2013 and the first half of the year 2014
Integrated Water Supply Scheme for the Unsaved Areas of Ampara District–Phase III	77.24	2010 and 2012
Project on Consultancy Services of Non-revenue Water (NRW) Engineering Study/Master Plan	4.68	2011 and 2012 and the first half of the year 2013

Further, the interest due for the second half of the year 2013 in respect of Project on Consultancy Services of Non-revenue Water (NRW) Engineering Study/Master Plan had also not been ascertained and brought to accounts.

In this regard the Chairman of the Board had stated that ***"The Treasury has approved to convert the outstanding loan and interest as at 31December 2014 into Government Equity to NWSDB".***

(q) A difference of Rs.17.36 million was observed between the actual interest payments and interest payments shown in the cash flow statement.

(r) A debit balance of Rs. 23.48 million relating to a rechargeable work was observed as at 31 December 2014, thus the customer advances balance had been understated by similar amount in the financial statements

(s) The value of stationary stocks had been overstated by Rs. 4.5 million due to system error.

(t) Receivable balance of the construction cost incurred in relation to rechargeable works amounting to Rs. 37.53 million had been inappropriately shown under deposits and advances in the financial statements without being set off against the related customer advances.

(u) Although an expenditure of Rs.4 million had incurred for rechargeable scheme of Timbirigaskatuwa Police Centre, according to the information made available only Rs.2 million had been brought to the financial statements for the year under review.

2.2.2 Un-reconciled Differences

The following observations are made.

(a) Differences amounting to Rs.1,181.38 million, Rs. 106.4 million and Rs.101.17 million were observed between the amounts shown in the financial statements and the schedules of trade debtors, other debtors and debtors collection control accounts respectively.

(b) The work-in-progress balances amounting to Rs. 826.25 million shown in the financial statements in respect of eight foreign funded projects had not been reconciled with the corresponding balances shown in schedules furnished by the Regional Support Centre (RSC) and a net difference of Rs.30.40 million was observed in this connection.

(c) The capitalization work-in-progress balances shown in the financial statements for the year under review had not been reconciled with the capitalization amounts shown in the schedules furnished by the RSC for six foreign funded projects. Hence, a net difference of Rs.32.69 million was observed.

(d) A difference of Rs.3.97 million was observed between the value of rechargeable works shown in the financial statements of Kalutara, Kandy and Anuradhapura Region's and the corresponding amounts shown in the relevant schedules. Further, a difference of Rs.759,187 was observed between the balance shown in the financial statements and balance shown in relevant schedule of Advance Account

(e) The information in relation to income from sales is being maintained by the Commercial Division of the Board. However, significant differences of Rs. 57 million, Rs. 276,000 and Rs. 2.4 million were observed between the financial statements figures and the figures in the records maintained by the respective Divisions in respect of Meter Sales, Bulk Supply and Bowser Supply respectively.

(f) An un-reconciled difference of Rs.886,102 had been observed between the loan interest shown in the financial statement of Kaluganga Project and financial statements of the Board for the year under review.

2.2.3 Unidentified Balances

The following observations are made.

(a) Unidentified long outstanding debit and credit balances shown under current assets and current liabilities in the statement of financial position yet to be identified as at 31 December 2014 were Rs. 236.23 million and Rs.190.26 million respectively. In addition to that, there were several balances already being categorized as inactive and other unidentified balances aggregating Rs. 7,263.59 million existed as at 31 December 2014 as well.

(b) Action had not been taken with regard to the unidentified balances totalling Rs.37.75 million remained in the accounts since the period of 1996 to 2004.

(c) The debit and credit balances of two Collection Control Accounts of the Board as at 31 December 2014 amounting to Rs. 11million and Rs.43.2 million respectively had remained without being cleared over a period of three years. Although internal Cash Transfer Control Accounts should be cleared at the year end, debit and credit balances of Rs.1,028,061 and Rs. 232,146 had remained over a period of three years.

(d) Unidentified balances totalling Rs.2.17 million were remained in the accounts of Rathnapura and Matara Regions for a longer period of time without being identified and settled.

2.2.4 Accounts Receivable and Payable

The following observations are made.

(a) Value Added Tax payable amounting to Rs. 5.33 million, Rs. 6 million and Rs.3.19 million for the period of 2003 to 2006 and for the years 2009 and 2011 respectively had not been paid even up to 31 December 2015

In this regard the Chairman of the Board had stated that ***"A request letter has been sent to the Commissioner General of Inland Revenue for clarifications. A response has not been received yet for it"***

(b) The balances of trade debtors, debtor collections, sewerage debtors, new connections debtors, Colombo Municipal Council debtors and other debtors aggregating Rs. 1,295.09 million had remained over a period of 3 years without been recovered.

(c) Short Term Deposits balance of Rs.17.93 million kept by the Board at the Road Development Authority (RDA), Provincial Road Development Authority (PRDA) and Urban Councils had remained unrecovered since the year 1999.

(d) Advances given to than Ministry of Water Supply and Drainage prior to the year 2002 amounting to Rs.19.61 million had not been settled even at the end of July 2015 and any recovery action thereon had not been taken by the Board.

(e) Although the land had been acquired, action had not been taken to recover the advances granted to acquisitions of such land amounting to Rs. 2.17 million during the period of 2010 to 2012.

(f) An advance of Rs 47.54 million granted to a contractor during the period from 1999 to 2013 had not been recovered.

(g) Advances granted to officers and organizations for purchases during the period of 1995 to 2009 amounting to Rs. 248,165 had not been settled even at the end of July 2015.

2.2.5 Lack of Evidence for Audit

The evidence indicated against the each items shown below had not been furnished to audit.

Item	Value	Evidence not made available
	Rs. million	
(a) Short term security deposit balances	26.67	Detailed schedules
(b) Unpaid Output Value Added Taxes (Three Regional Offices)	27.22	Reasons for not paying
(c) Debit balance in the Value Added Tax account (Western Central Regional Support Centre)	9.36	Reasons for un settlement
(d) Customer advances for rechargeable works	2.73	Detail schedules
(e) Semi and half year interest of 57 foreign funded projects		Methods of calculations
(f) Long outstanding loan balance of UDA project –ADB	20.71	Reasons for not paying
(g) Estimated cost of 30 projects	29,010	Decision of Cabinet of Ministers
(h) Cost of Colombo North Town Water Supply Project(pakage-01) and Ruhunupura Water Supply Project (done by local banks loans)	6,808.97	Bid evaluation reports and details with regard to selections of contractors.

2.3 Non – compliance with Laws, Rules, Regulations and Management Decisions

The following instances of non-compliance were observed in audit.

Reference to Laws, Rules and Regulation etc.	Non-compliance
(a) Management Services Circular No. 30 of 22 September 2006	The approval of the Department of Management Services for the Scheme of Recruitment and Promotion Procedure of the Board had not been obtained
(b) Department of Public Enterprises Circular No 12 of 02 June 2003	
Section 8.3.9	(i) A sum of Rs.9.4 million had been obtained from five foreign funded projects for incurring the expenditure of third international conference on community and water services. However, this expenditure is contrary to the objectives of the projects and the approvals had not been sought from the Secretary to the General Treasury to utilize the project funds for the above purpose.
Section 8.3.9	(ii) Eleven motor vehicles had been released to line Ministry and Rs.1,108,564 had been incurred by the Board for renewal of license and insurance policies of these vehicles.
Section 8.3.9	(iii) Seven employees had been released to the line Ministry during the year under review contrary to the provisions in the Circular.
(c) Financial Regulation 387	Overdrawn balances totalling Rs.96.47 million were observed in the cash books in respect of 8 current accounts.
(d) Stores Management Guide of the Board	Obsolete items should be disposed or destroyed within 3 months after getting the Board approval. Nevertheless, the obsolete stocks valued at Rs.14.66 million remained in the stock over a period of more than two years as at 31 December 2014.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the working of the Board for the year ended 31 December 2014 had resulted in a pre-tax net profit of Rs.1,425.29 million as compared with the corresponding pre- tax net profit of Rs.1,049.39 million for the preceding year, thus indicating an improvement of Rs. 375.9 million in the financial results. The significant increase of metered sales income and new connection income as compared with the previous year were the main reasons attributed for this improvement in the financial results.

3.2 Analytical Financial Review

The following table gives a summary of the financial result at various stages.

	For the year ended 31 December			
	2014	2013	Variance	
	Rs. million	Rs. million	Rs. million	Percentage
Income	18,710.05	17,216.62	1,493.43	8.67
Cost of Sales	(11,325.83)	(10,156.77)	(1,169.06)	11.51
Gross Profit	7,384.22	7,059.85	324.37	4.59
Other Operating Income and Gains	1,390.07	1,195.41	194.66	20.78
Administrative Expenses	(5,985.33)	(5,832.37)	(153.90)	2.64
Other Operating Expenses	(334.37)	(559.43)	225.06	40.23
Operating Profit / (Loss)	2,454.59	1,863.46	591.13	34.55
Finance Income	213.24	225.69	(12.45)	-5.52
Finance Cost	(1,242.53)	(1,039.76)	(202.77)	19.50
Profit / (Loss) before tax	1,425.3	1,049.39	375.91	35.82
Taxation	(53.11)	(47.47)	(5.64)	11.88
Profit / (Loss) for the Year	1,372.19	1,001.92	370.27	36.96

The following observations are made in this connection.

(a) The gross profit and other operating income and gain of the year under review had increased by 4.59 per cent and 20.78 per cent respectively as compared with the preceding year while other operating expenses had decreased by 40.23 per cent as

compared with the preceding year. In this favorable effect has provided sufficient strength to manage the increase of administrative expenses by 2.64 per cent and financed cost by 19.5 per cent.

(b) The contribution of Rs. 709,319 per employee in the year 2013 had decreased by 0.69 per cent in the year 2014, while net profit of Rs. 100,759 per employee in the year 2013 had increased to Rs. 136,019 in the year 2014 reflecting a 35 per cent increase.

(c) The revenue of Rs.44.74 per unit of water consumed in the year 2013 had increased by 1.77 per cent in the year 2014, while production cost of Rs. 26.24 per unit of water consumed in the year 2013 had increased to 27.56 in the year 2014 reflecting a 5 per cent increase.

3.2 Operating Review

3.2.1 Performance

(a) Financial Performance

The balance of total foreign loans obtained by the Board through General Treasury as at 31 December 2014 for water supply schemes amounted to Rs. 41,156 million or 14.55 per cent of the total assets. As analyzed below, the loan installment in arrears as at 31 December 2014 amounted to Rs. 6,353 million and accordingly the additional interest paid for the delays amounted to Rs. 245 million.

Year	Installment in Arrears			Additional interest paid due to non-payment of interest in due date
	Capital portion Rs. million	Interest Rs. million	Total Rs. million	Rs. million
2014	1,078	2,349	3,427	-
2013	1,005	563	1568	60
2012	990	-	990	119
2011	368	-	368	66
Total	**3,441**	**2,912**	**6,353**	**245**

(b) Implementation of Rechargeable Works

The following observations are made in this connection.

(i) Rechargeable works are the jobs which can be completed within a shorter period i.e. in most cases less than one year. However, advances aggregating Rs. 419.33 million obtained from customers in respect of 130 rechargeable works undertaken over a period of two years as at 31 December 2014 had been shown in the financial statements without being any changed. In the meantime, the progress reports and the reasons for delays in relation to individual jobs were not made available for audit.

(ii) Although a sum of Rs. 39.14 million received as advances from the period of 2010 to 2014, the constructions works of 11 rechargeable schemes had not been commenced even up to end of the year under review.

(c) Production and Distribution of Clean Water

The Board had produced 575 million cubic meters of clean water during the year 2014 as compared with the production of 547 million cubic meters in the year 2013, which indicated 4.85 per cent increase. The number of water supply connections given at the end of the year under review had been 124,251, thus indicating an increase of 3.35 per cent as compared with that of previous year.

(d) Non - revenue Water (NRW)

The loss incurred by the Board due to non-revenue water which had not been identified and accounted separately, but had been brought to the accounts as a normal cost. Details of non-revenue water of the year under review and the last four years are given below.

Description	2014	2013	2012	2011	2010
Water Production (Cu. m.)	547.99	547.0	525.6	490.0	469.0
Water Consumption (Cu.m.)	410.92	381.6	368.5	344.5	321.5
Non-Revenue Water (Cu.m.)	137.07	165.4	157.1	145.5	147.5
NRW as a Percentage of Water Production	**28.24**	**30.24**	**29.89**	**24.64**	**31.45**

The following observations are also made in this connection.

(i) Out of the quantity of water produced by the Board in the year 2014, non-revenue water represented 28.24 per cent due to leakage, unlawful connections, free supply and administrative reasons etc. The portion of the non-revenue water in the city of Colombo in 2014 had been 46.65 per cent.

(ii) Even though the Board had taken certain course of action during the past period to minimize the unlawful connections and expediting the systems of repairing the temporary breakdowns of water distribution lines, the rate of non-revenue water in the current year as compared with the year 2011 had increased by 3.6 per cent.

(iii) As there is a need for the modernization of the main water distribution systems in the city of Colombo, which is older than 75 years, special attention of the Board is drawn to the urgency for the preparation and implementation of plans for that purpose. Even though two foreign funded Projects are being implemented in this connection at present, an adequate reconstruction of water mains had not been achieved therefrom.
The water distribution mains that should be replaced due to water leakages have not been specifically identified to date. Even though the proposals for the implementation of the several major projects have been made, their implementation is moving at a very slow pace.

(iv) The attention of the Board for reducing the non-revenue water in the areas other than the city of Colombo was also inadequate and it was observed that the targets included in the Corporate Plan were also not realistic.

(v) Although 6 projects with the estimated expenditure of Rs.3,100.17 million had been commenced to reduce the non-revenue water, considerable reduction could not be identified.

(e) Sewerage System

The need for carrying out improvements to the infrastructure facilities for the disposal of sewerage in the cities has arisen due to urbanization taken place along with the economic development of the country. Even though the supply of such facilities is the responsibility of the Board, an adequate progress in this area was not shown in recent years. Although the supply of sewerage disposal facilities to 7 per cent of the population had been expected as a national policy, the information to check the achievement was not made available to audit.

(f) Foreign Funded Projects

A large number of Projects are being carried out by the Board for water supply and sanitation services using local and foreign funds. However, the following weaknesses were observed in this connection.

(i) Most of the large scale foreign funded projects had not been completed on due dates and cost had highly escalated due to additional works and price increases resulting from the extension of the project period.

(ii) Uniform accounting policies had not been followed for the preparation and presentation of financial statements of such projects.

3.2.2 Management Inefficiencies

The following observations are made.

(a) The Board had acquired 0.3895 hectares of land on May 1994 to construct a water tower and an official residence for Kakkapalliya Water Supply Project. Although the Project had completed by utilizing 9.5 perches of land, the rest of the land had not been transferred to the Pradeshiya Sabha even up to 31 December 2015.

(b) The activities for acquisition of two lands in Manipai Kattudai area had been commenced in 2010 in order to construct the Regional Office and Kattudai tank under the Jaffna Kilinochchi Water Supply Project. Nevertheless, the acquisition of lands was not completed as at 31 December 2015. Hence, the assessment value had been increased from Rs.6.17 million to 9.52 million during the period of 2010 to 2014.

(c) A difference of Rs. 9.60 million was observed between the stocks ledger balance and the computerized inventory system balance in respect of DI pipes in main stores (C Division), due to failure of generating the adequate information through the newly introduced computerized inventory management system established by incurring Rs.3.2 million.

(d) According to the information made available, the total non-revenue water production was 164,078 cubic meters for the year under review. It was further observed that the total direct expenditure of those non-revenue water around to Rs.1,291.29 million and it was loss to the Board.

(e) According to the audit test check carried out on the estimated bills of a month, it was revealed that 8,795 estimated bills out of 11,004 new connections were issued for non-operating water meters. Therefore, it was observed in audit that the water meters are not in standard level.

(f) The contract of Moratuwa/ Ratmalana and Ja-Ela/Ekala Waste Water Disposal Project funded by Swedish International Development Cooperation Agency (SIDA) awarded in 2008 had been terminated in 2013 due to bankrupt of the contractor.

The Project had not complied with the provisions in Procurement Manual of 2006 to get the confirmation from a local bank at the time of accepting performance bond and retention bond issued from a foreign bank in respect of the above contract. As a result, the Project had failed to en-cash the performance bond to the value of US $ 9.06 million and retention bond to the value of US $ 7.96 million furnished by the contractor. In view of above weaknesses, the Project had not tried to get local legal proceedings and evidence for entering into international legal proceedings were also not made available for audit. In addition to the above lapses, the loss to the Board

from the above contract had not been ascertained and its responsibility had also been not fixed even at the end of 31 July 2015.

3.2.3 Idle and Underutilized Assets

The following observations are made.

(a) The water meters valued at Rs.11.34 million and DI pipes valued at Rs.39.92 million had remained in the main stores as non-moving and slow moving for a long period of time.

(b) The stocks valued at 24.18 million received under Tsunami grant to the Board had remained at the main stores for a long period of time without being utilized for any purpose.

(c) It was observed that non-moving stocks worth Rs.368 million and slow moving stocks worth Rs.328 million had remained in stocks as at 31 December 2014, and it represent 12.39 per cent of the total stocks value of the Board.

(d) The abandoned assets valued at Rs. 9.9 million and demolished assets valued at Rs. 4.14 million had been shown in the financial statements for the year under review without being taken proper action thereon.

3.2.2 Matters of Contentious Nature

The following observations are made.

(a) Balance of Goods-in-transit amounting to Rs.17.95 as at 31 December 2014 had remained over a period of two years without being investigated.

(c) The Board had charged 20 per cent from the total monthly salary of the Project staff as overhead expenditure incurred by the Board on behalf of the foreign funded Projects without having special approval of the General Treasury. The total overhead expenditure so deducted during the year under review was Rs.444.44 million.

(d) Although the cost estimation is done by the professionally qualified staff on the basis of approved rates, the estimated initial cost of 5 water supply projects funded by local banks loans had been increased by Rs.15,286 million or between the range of 122 per cent to 338 per cent.

(e) The initial cost of 6 water supply projects had been increased by Rs .15,746 million on the approvals of Cabinet of Ministers instead of being obtained prior approvals from the Board of Directors.

(f) Although contracts had been awarded, the loan agreements had not been signed with local banks in respect of 4 water supply projects costing Rs.8,400 million.

(g) The Non-revenue Water Project (SL P – 66) funded by the Japan Bank for International Cooperation had not been succeeded and subsequently the Project had been cancelled and the consultancy fee of Rs.172 million incurred for above project had been transferred to Greater Colombo Rehabilitation Project. Hence, it was observed that this was a loss to the Board.

(h) Even though the advances amounting to Rs.3.88 million had received by the Board to laying water pumps in Police Training College and Nadurahena land at Kalutara, the overhead expenditure incurred thereon up to 31 December 2013 amounting to Rs.833,350 only had been deducted from the advances received. However, the details of direct expenditure incurred thereof had not been furnished to audit.

5. Systems and Controls

Weaknesses in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Board from time to time. Special attention is needed in respect of following areas of control.

(a) Reconciliation of Control Accounts

(b) Assets Management

(c) Stocks Control

(d) Control over Accounting of Journal Entries

(e) Project Administration and Performance Review

H.M.Gamini Wijesinghe

Auditor General

Abbreviations

AAT - Association of Accounting Technicians
ACTA - Advanced Construction Training Academy
ADB - Asian Development Bank
ADSL - Asymmetric Digital Subscriber Line
AFD - Agency of French Development
AG - Agent of Government
AGM - Assistant General Manager
ANZ - Australia and New Zealand
AusAID - Australian Agency for International Development
BOQ - Bill of Quantity
BOI - Board of Investment
BMICH - Bandaranayaka Memorial International Conference Hall
CAPC - Cabinet Appointed Procurement Committee
CBO - Community Based Organization
CD - Compact Disc
CEA - Central Environmental Authority
CFL - Compact Florescent Lamps
CESMM - Civil Engineering Standard Method of Management
CETRAC - Construction Equipment Training Centre
CHOGM - Commonwealth Heads of Governments Meeting
CI - Cast Iron
CIoB - Ceylon Institute of Builders
CKDu - Chronic Kidney Disease of Unknown Etiology
CMC - Colombo Municipal Council
CMWSS - Community Managed Water Supply Schemes
CP - Corporate Planning
CPS - Chunnakam Power Station
cu.m. - cubic meter
CWT - Community Water Trust
DANIDA - Danish International Development Agency
DE - District Engineer
Dev. - Development
Dewats - Decentralized Wastewater Treatment and Disposal System
DGM - Deputy General Manager
DI - Ductile Iron
DMA - District Meeting Area
DMAS - Department of Medical Assistance Services
DS - Divisional Secretariat
DSD - Divisional Secretariat Division
DZUWSP - Dry Zone Urban Water and Sanitation Project
EA - Engineering Assistant
EFIC - Export Finance and Insurance Corporation
EIA - Energy Information Administration
ERD - External Resources Department
FDA - French Development Agency
FFP - Foreign Funded Project
FIDIC - International Federation of Consulting Engineers
GCWWMIIP - Greater Colombo Water and Wastewater Management Improvement Investment Programme
GKWSSP - Greater Kandy Water Supply & Sanitation Project
GIS - Geographic Information Systems
GM - General Manager
GN - Grama Niladari
GND - Grama Niladari Division
GOSL - Government of Sri Lanka
GPOBA - Global Partnership on Output-Based Aid
GPS - Global Positioning System
Gr. - Grade
GT - Graduate Trainee
GW - Ground Water
HDPE - High Density Poly Ethelene
HNDE - High National Diploma in Technology
HPTW - Hand Pump Tube Well
HRM - Human Resource Management
HS Code - Harmonized System Code
IESL - Institute of Engineers Sri Lanka
HSBC - HongKong and Shanghai Banking Corporation
HS Code - Harmonized System Code
IA - Internal Audit
ICTA - Information & Communication Technology Agency
IDH - Infectious Disease Hospital
IDP - Internally Displaced Person
IEE - Institution of Electrical Engineers
IFRC - International Federation of Red Cross
IHE - Institute for Water Education

IIESL - Institute of Incorporated Engineers Sri Lanka
IT - Information Technology
IMS - Inventory Management System
IP - Internet Protocol
ITBC - Indian Technical and Economic Cooperation
ITEC - Indian Technical and Economic Cooperation
IWSS - Improved Water Safety and Sanitation
JBIC - Japan Bank for International Cooperation
JFPR - Japan Fund for Poverty Reduction
JICA - Japan International Cooperation Agency
JMC - Jaipur Municipal Corporation
KCC - Kandy City Center
KfW - Credit for Reconstruction
KMC - Kandy Municipal Council
KMnO4 - Potasium Permanganage
KOICA - Korean International Cooperation Agency
KRB - Kalaniya Right Bank
km - kilo meter
LA - Local Authorities
LCD - Liquid Crystal Display
LED - Light Emitting Diode
LKR - Sri Lankan Rupee
LS - Longitudinal Survey
m - meter
M - Million
M&E - Mechanical & Electrical
MC - Municipal Council
MCM - Million Cubic Meters
MD&T - Manpower Development & Training
mg/l - mili grams/ liter
MGD - Million Gallons per Day
MIS - Management Information System
mm - mili meter
MPDT - Marker Production Doubling Time
MOU - Memorandum of Understanding
MS - MicroSoft
MWSD - Ministry of Water Supply & Drainage
NaOH - Sodium Hydrocside
NC - North Central
NAITA - National Apprentices & Industrial Training Authority
NaOCL - Sodium hypo Chlorite
NAS - National Academy of Science
NCWT - National Community Water Trust
NDT - National Diploma in Technology
NEP - WASH New England Power Wash
NGO - Non Governmental Organization
NHDA - National Housing Development Authority
NIBM - National Institute of Business Management
NLDS - National Library and Documentation Service Board
NL&DB - National Library & Documentation Services Board
NPD - National Planning Department
Nr - Number
NRW - Non-Revenue Water
NSBM - National School of Business Management
NUFFIC - Netherland Felloship Programme
NWSDB - National Water Supply & Drainage Board
NWP - North Western Province
OCH - Outer Circular Highway
ODA - Official Development Assistance
O&M - Operation & Maintenance
OIC - Officer In Charge
P&A - Personnel & Administration
P&D - Planning & Designs
PAC - Project Appraisal Committee
PAY - Payroll System
PD - Project Director
PDMRC - Planning & Design Manual Review Committee
PE - Poly Ethelene
PEIC - Project Engineering and Institutional Consultancy
PLC - Programmable Logic Controller
PPTA - Project Prepatory Technical Assistant
PRDA - Provincial Road Development Authority
PS - Pradeshiya Sabha
PSC - Project Steering Committee
PVC - Polyvinyl Chloride
PWD - Public Works Department
PWs - Productive Wells
RCL - Resident Chlorine Lend
R&D - Research & Development

RDA - Road Development Authority
RFP - Request for Proposal
RO - Reverse Osmosis
RPE - Rate of Perceived Survey
RSC - Regional Support Centre
RSC(WN) - Regional Support Centre - Western North
RSC(NC) - Regional Support Centre - North Central
RSC(N) - Regional Support Centre - North
RWS - Rural Water Supply
SCADA - Supervisory Control and Data Acquisition
S/E - Southern/ Eastern Zone
SACOSAN - South Asian Conference on Sanitation
SCADA - Supervisory Control and Data Acquisition
SCAPC - Standing Cabinet Appointed Procurement Commettee
SEC - State Engineering Corporation
SEK - Swedish Krona
SIDA - Swedish International Development Agency
SLFI - Sri Lanka Foundation Institution
SLS - Sri Lanka Standards
SLSI - Sri Lanka Standard Institution
S&M - Small and Medium
SMS - Short Message Service
SWTP - Social Work Test Prep
T&C - Tenders & Contracts
TA - Technical Assistance
TCE - Total Cost Estimate
TEC - Towns East of Colombo
THM - Trihalomethane
TNC - Towns North of Colombo
TOT - Trainers of Training
TP - Treatment Plant
TSC - Towns South of Colombo
TWIS - This week in Science
UC - Urban Council
UDA - Urban Development Authority
UFW - Unaccounted For Water
UNICEF - United Nations International Children's Education Fund
UNOPS - United Nations Office for Projects Services
UoC - University of Colombo
UoP - University of Peradeniya
uPVC - Unplasticised Poly Vinyl Chloride
USA - United States of America
USAID - United States Agency for International Development
USD - United States Dollar
USS - Underserved Settlement Water Supply
VPN - Virtual Private Network
VSD - Variable Speed Drive
WAM - Water Asset Management
WASH - Water, Sanitation and Hygiene
WATSAN - Water and Sanitation
WB - World Bank
WHO - World Health Organization
W/N - Western/ Northern Zone
WQS - Water Quality Surveillance
WS - Water Supply
WS&S - Water Supply & Sanitation
WSP - Water Supply Project/ Water Safety Plan
WSS - Water Supply Scheme
WTP - Water Treatment Plant
WWDS - Wastewater Disposal System
WWTP - Waste Water Treatment Plant

Corporate Information

Name of the Organization
National Water Supply & Drainage Board (NWSDB)

Legal Form
Government Owned Statutory Board

Date of Establishment
1974.03.01 by Act of Parliament
NWSDB Law, No. 2 of 1974

1992.03.11 the Act was amended
NWSDB (Amendment) Act, No. 13 of 1992

Tax Identification No.
4090 31820

VAT Registration No.
4090 31820 7000

Contact, Head Office
Galle Road, Ratmalana, Sri Lanka
Tel: +94 11 2638999 (hunting),
+94 11 2637194, +94 11 2611589
Fax: +94 11 2636449
Email: gm@waterboard.lk
Web: www.waterboard.lk

Line Ministry
Ministry of Water Supply & Drainage

Call Centre
1939 (24 hours)

Customer Care Unit, Head Office
+94 11 2623623 (During office hours)

Banker
Bank of Ceylon

Auditors
Deputy General Manager (Internal Audit)
Government Audit Unit

Board of Directors

Eng. Karunasena Hettiarachchi - *Chairman (up to 11.04.2014)*

Eng, R.W.R. Pemasiri - *Chairman (from 17.04.2014)*

Mr. K. D. Gamini Gunaratne - *Vice Chairman*

Mr. N. P. Thibbutumunuwa - *Working Director*

Dr. P. G. Maheepala - *Dirctor General of Health Services, Ministry of Health*

Mr. A. K. Seneviratne - *Additional Director General Department of National Budget, Ministry of Finance & Planning*

Eng. S. Panawennage - *Director General/ CEO, Arthur C. Clarke Institute for Modern Technologies*

Mr. W. G. Premalal - *Senior Assistant Secretary Ministry of Local Government & Provincial Councils (up to 05.06.2014)*

Mr. S. A. M. L. Gunathilake - *Senior Assistant Secretary Ministry of Local Government & Provincial Councils (from 07.07.2014)*

Secretary to the Board
Mrs. W. P. Sandamali De Silva

Senior Management

Eng. B. W. R. Balasuriya - General Manager

Eng. G. A. Kumararathna (Sewerage)

Eng. D. S. D. Jayasiriwardene (Southern/ Eastern)

Eng. K. R. Devasurendra (Water Supply Projects)

Mr. D. Thotawatte (Finance)

Eng. N. M. S. Kalinga (Western)

Mr. G.K. Iddamalgoda (Human Resource Management)

Eng. D. U. Sumanasekara (Northern/ Central)

Eng. R. S. C. George (Policy and Planning)

Eng. W. B. G. Fernando (Corporate Services)

Deputy General Managers of Divisions

Eng. (Mrs.) K. T. P. Fernando (Project Co-ordination)
Eng. S. G. Jayawardena (Sewerage)
Eng. R. H. Ruvinis (Planning & Design)
Eng. S. G. J. Rajkumar (Development)
Eng. C. R. Perera (Production - Western)
Eng. S. Sumanaweera (Corporate Planning)
Eng. W. A. N. Wickramathunge (M&E)
Eng. J. Chandradasa (Information Technology)
Ms. M. M. S. Peiris (Finance)
Ms. A. P. Sirima De Silva (Costing)
Mr. R. M. A. S. Weerasena (Internal Audit)
Ms. W. A. C. Sriyani (Human Resources)
Mrs. N. Y. S. Abeygunawardena (Industrial Relations)
Mr. R. M. A. Bandara (Supplies)

Deputy General Managers of Provinces/ RSCs

Eng. W. B. G. Fernando (Western - Central)
Eng. M. K. Hapuarachchi (Western - South)
Eng. K. J. V. A. Perera (East)
Eng. (Mrs.) M. K. Bandara (Western - North)
Eng. L. L. A. Peiris (Central)
Eng. M. I. A. Lathiff (Uva)
Eng. N. E. M. S. B. Ekanayaka (North Central)
Eng. D. U. Sumanasekara (North Western)
Eng. D. F. S. de F. Gunawardene (North)
Eng. R. A. B. S. Mendis (Sabaragamuwa)

Deputy General Managers working as Project Directors

Eng. (Mrs.) C. J. D. Perera - (Kalu Ganga WSP, Phase I - Stage II)
Eng. J. R. B. Nedurana - (ADB 5th project)
Eng. R. Kulanatha - (Wastewater disposal for Rathmalana Moratuwa & Ja-Ela/Ekala Area)
Eng. B. S. Wijemanna (Greater Colombo Rehabilitation Project)