



National Water Supply & Drainage Board

**2019
Annual Report**



Ministry of Urban Development, Water Supply and Housing Facilities

Vision

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

Mission

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

Goals

- Increase the water supply and sanitation coverage
- Improve business efficiency
- Ensure greater accountability and transparency
- Facilitate safe drinking water supply and sanitation to rural and underserved communities

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► **Message from the Secretary, Ministry of Urban Development, Water Supply & Housing Facilities**



The Ministry of Urban Development, Water Supply and Housing Facilities is striving steadfast with the National Water Supply and Drainage Board (NWSDB) to serve the nation in providing piped drinking water and piped sewerage disposal facilities. As a result of all the endeavors taken so far, it has been able to provide more than half of the country's population with pipe borne water supply facilities by the end of 2019. The Ministry is working closely with NWSDB to achieve the targets already set for making 55% of the population available with pipe borne water and 2.25% of the population available with piped sewerage by 2020.

The Ministry is pleased to have worked with NWSDB in preparation of the Comprehensive Strategic Investment Programme for the Water Supply and Sanitation Sector and the Master Plan of NWSDB. This programme was realigned to be in par with the Government's policies on water supply and sanitation and to the United Nations Sustainable Development Goals on water supply and sanitation. The areas that need to be provided pipe born water supply facilities by NWSDB and other organizations separately and improvements required for other safe water sources such as dug wells and rainwater systems have been identified. The areas where pipe sewerage is required and improvements need for the on-site sanitation has also been identified. Priority criteria have been developed to envisage pipe born water supply and piped sewerage projects. Improving the existing service level by ensuring quantity and quality of service for existing consumers and infilling and distribution expansion of on-going and completed projects to enhance the service coverage have been identified as priority investments.

NWSDB has also been guided to establish strategic business plans for 2020-25 to be in line with the Strategic Investment Programme. In this context the ministry is also working closely with NWSDB for improving its business efficiency aspects. In addition to restructuring of the organization, cost reductions through efficient resource utilisation, reducing non-revenue water, efficient stock management and enhancement of productivity through modern working techniques etc. are being critically looked at currently.

The Ministry is grateful to our many funding partners who supported us in the water supply and sanitation sector development endeavors.

I would take this opportunity to express my sincere gratitude to His Excellency the President and the Hon Prime Minister & Hon Minister of Urban Development, Water Supply & Housing Facilities for their leadership and guidance in implementing government policy on Water Supply and sanitation. I thank the Hon. State Minister of Water supply for the guidance extended to all of us. I also thank the Secretary and the Heads of Departments of the Treasury for their continuous support extended in carrying out all our activities.

I wish all success to the endeavors of the NWSDB to provide the public with high quality and efficient water supply and sewerage services and for implementation of several development programmes that have been lined up for 2020 and beyond for achieving their water supply and sanitation targets.



Dr. (Eng.) Priyath Bandu Wickrama
Secretary
Ministry of Urban Development, Water Supply &
Housing Facilities





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 currently functions under the Ministry of Urban Development, Water Supply & Housing Facilities.

Notice of the Report

Hon. Minister of Urban Development, Water Supply & Housing Facilities,
Ministry of Urban Development, Water Supply & Housing Facilities,
Lakdiya Medura,
No. 35, Sunil Mawatha,
Pelawatta,
Battaramulla.

Dear Sir,

Annual Report and Financial Statements - 2019
National Water Supply & Drainage Board

In terms of Section 14 (2) of the Finance Act No. 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 2019.

Yours faithfully,



Nishantha Ranatunga
Chairman
National Water Supply & Drainage Board

Chairman's Statement



“The NWSDB was able to provide 108,850 new water supply connections during the year, bringing the total to 2,437,504 and raising the country's population served with pipe borne drinking water provided by the NWSDB to 41.5% of the total population raising the total country coverage to 51.8%.”



As the head of the National Water Supply & Drainage Board, it is my prime responsibility to spearhead NWSDB towards providing the enhanced and high quality drinking water supply and sewerage services to the existing consumers who have placed an immense trust in our prestigious organization.

The National Water Supply & Drainage Board (NWSDB) throughout the year 2019 endeavored to achieve the goals and objectives set by the Corporate Plan 2016 – 2020. The NWSDB was able to provide 108,850 new water supply connections during the year, bringing the total to 2,437,504 and raising the country's population served with pipe borne drinking water provided by the NWSDB to 41.5% of the total population raising the total country coverage to 51.8%. The NWSDB has produced 746 million cu.m of drinking water in 2019 which is a 5.52% increase compared to the 707 million cu.m produced in 2018. In addition, 2,047 piped sewerage connections were provided during the year bringing the total to 24,494 with a total wastewater treatment capacity of 70,500 cu.m/day.

The NWSDB invested Rs. 77.44 billion during the year 2019 on development activities in water supply and sewerage sector which is a 16.38% increase compared to the year 2018. Further to the direct allocation of Rs. 43.58 billion by the Government, financing strategies included Rs. 25.09 billion invested on water supply projects through loans borrowed from foreign/ local banks and Rs. 3.06 billion from local banks. This investment was made for implementation of 23 large scale water supply projects, 04 sewerage projects, 14 local bank funded water supply projects, 03 small and medium water supply projects and 06 water sector community facilitation projects. Out of these projects, the NWSDB was able to complete one large scale sewerage project and 03 local bank funded water supply projects during 2019. Further, special attention was given on providing safe drinking water for people living in the areas affected with Chronic Kidney Disease of unknown etiology (CKDu) through community facilitation projects with spending of Rs. 173.47 million.

As part of improving the business efficiency the NWSDB accelerated reducing Non-Revenue Water (NRW) and the island wide NRW rate was noted as 24.95% of production by end 2019. The NWSDB also continued its focus on Information Technology development and Energy Management programmes throughout 2019 to improve its business efficiency.

Following the recommendations of WHO guidelines for drinking water quality, Water Safety Plans have been implemented in 264 urban water supply schemes throughout the country. In addition, The NWSDB accelerated regular testing of water samples and the analytical data in the year 2019 has revealed that, 99.3% of microbiological testing was satisfactory.

The Ministry of Urban Development, Water Supply & Housing Facilities and the Finance Ministry continuously provide their support and guidance to the NWSDB in achieving its Corporate and National Goals. It is noteworthy that the NWSDB has been able to make all these achievements and continue its services facing cost recovery issues without a tariff increase since 2012. However, as the Chairman of the NWSDB I have observed that the NWSDB is in need of structural changes to achieve productivity and efficiency improvements to enhance the customer service. The new functional areas such as Commercial, Marketing and Public Relations need to be clearly demarcated to ensure accountability and improved customer satisfaction. As huge investments have been made on new projects by the NWSDB over the last 5 years, the main focus now shall be converting the investment to revenue by launching a connection drive. The existing schemes shall be put to maximum utilization through production and capacity enhancements and distribution infilling and extension programmes.

In this endeavor, it is of paramount importance that the Water Board shall develop a well-directed and well oriented Corporate Plan/Business Plan for the next 5 years. One of my first duties is to direct the NWSDB officials to develop a very comprehensive Corporate and a Business Plan aiming at providing excellent service to consumers to satisfy them beyond their expectation.

In terms of the Government's development agenda, the Vistas for Prosperity, has been very clearly spelt out, that by the end of the year 2024, the NWSDB shall develop strategies to provide safe drinking water to all the people in Sri Lanka.

Initial steps have already been taken to get the maximum benefit to provide maximum number of connections by augmenting and optimizing the utilization of existing facilities, 331 water supply schemes are now in operation. It had been observed that some of these plants can be easily augmented to produce more water and some of these schemes need quality enhancement and improvements to bring it up to the desired standards. The first step had been to identify such projects where the quality enhancement and the quantity enhancement / improvements would be made with a least amount of interventions and investment.

I am proud to say that the NWSDB staff under our direction had been tirelessly working towards , identifying these schemes of which can be quickly and speedily be converted to high quality standards and the distribution extensions would also be launched to cover areas and consumers.

I am very much confident that by developing a well-directed Corporate Plan/ Business Plan will provide very strong foundation and a clear road map for success of achieving the expected Goals with commitment and dedication of NWSDB staff for realization of Government aspirations on the drinking water sector.

I am confident that with these changes, the NWSDB can stand alone as a self-sustaining institution. I expect commitment, dedication and focus from all employees of the NWSDB in working towards this change and to be a strong and self-sufficient organization rendering an invaluable service to the country.



Nishantha Ranatunga

Chairman

National Water Supply & Drainage Board



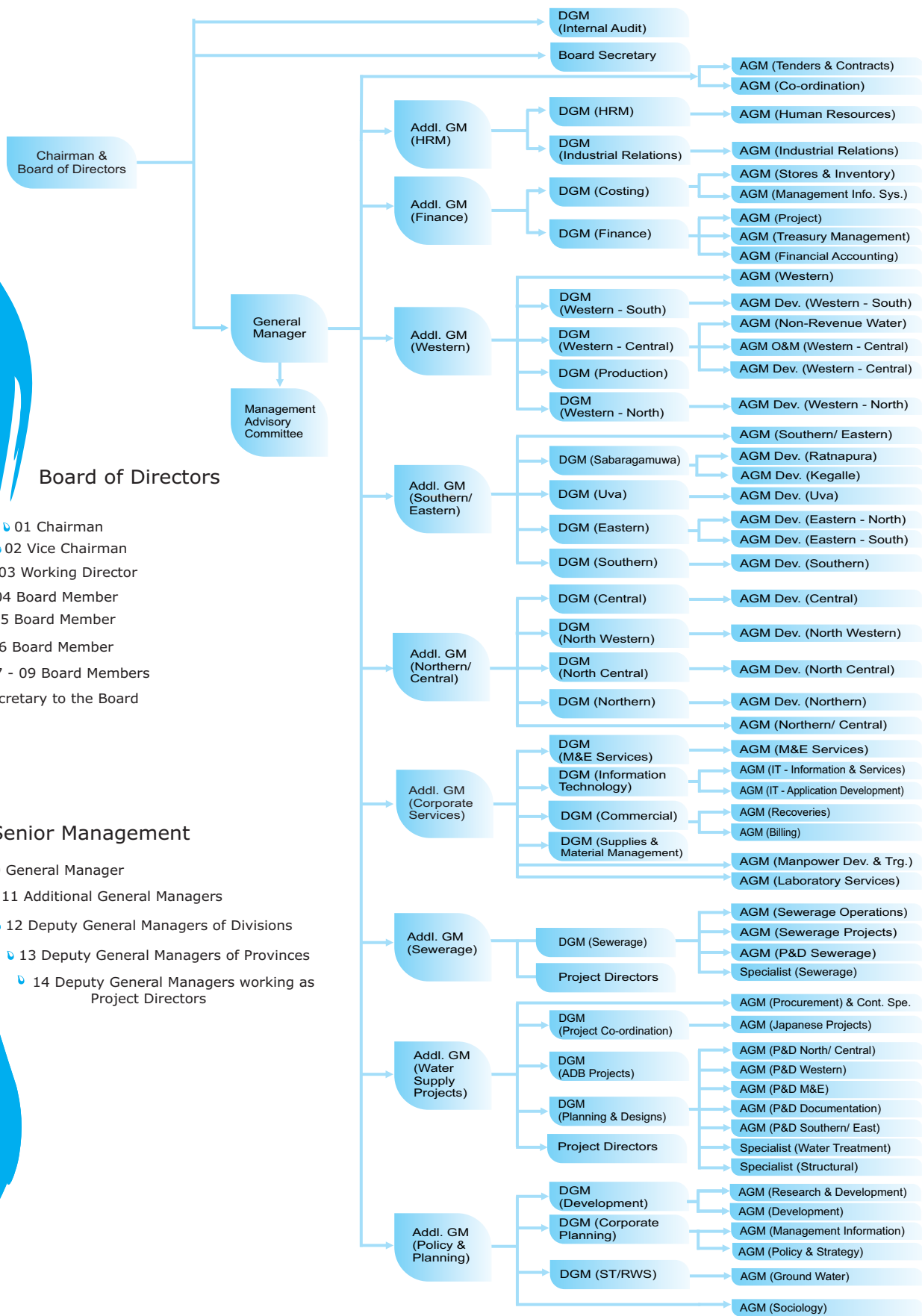


“Water is a common heritage the value of which must be recognized by all. Everyone has the duty to use water carefully and economically.”

- European Water Charter



Key Players



Board of Directors

- 01 Chairman
- 02 Vice Chairman
- 03 Working Director
- 04 Board Member
- 05 Board Member
- 06 Board Member
- 07 - 09 Board Members
- Secretary to the Board

Senior Management

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

Board of Directors

01 Eng. K. A. Ansar

Chartered Civil Engineer/ Lead Auditor (QMS)
B.Sc. Eng. (Hons), M.Sc. (Delft)
Dip. H.E. (Delft), MIE (SL)
Chairman, NWSDB
(Since 05.02.2015 - 28.11.2019)

02 Mr. M. H. M. Salman

Attorney at Law
Vice Chairman, NWSDB
(Since 24.01.2018 - 26.11.2019)

03 Mr. P. I. T. Mahilal Silva

BA, MA, M.S.Sc
Working Director, NWSDB
(Since 05.02.2015 - 25.11.2019)

04 Mr. Shantha Rathnayake

Board Member, NWSDB
(Since 12.02.2015 - 25.11.2019)

05 Ms. K. A. S. Walpola

B.Sc., M.A. (Economics)
PG Diploma (Business Administration)
(Since 13.02.2015 - November 2019)

06 Dr. T. B. Ananda Jayalal

MBBS, MSc, MD, PG Cert.in Paed. Nutrition
Acting Deputy Director General Environmental Health,
Occupational health and Food Safety
Director, Youth Elderly and Disabled Persons
Ministry of Health Nutrition & Indigenous Medicine
(Since 20.01.2017 - 03.06.2019)

07 Dr. L. T. Gamlath

MBBS, M.Sc. (Medical Administration)
Deputy Director General (Environmental Health, Occupational
Health & Food Safety),
Ministry of Health, Colombo
(Since 04.06.2019 - November 2019)

08 Mr. J. M. U. P. Jayamaha

DPFM, PGD(A&F), Fellow Member of APFASL
Additional Director General, Department of Public Enterprises
(Since 02.04.2015 - 04.04.2019)

09 Ms. P. K. A. De Silva

B.Com. (SP), MA (International Development),
PGD (Demography), SLEA (Line Member), SLPA (Line Member)
Director General
Department of Project Management & Monitoring
Ministry of Finance
(Since 13.6.2019 - November 2019)

Secretary to the Board

Mrs. W. P. Sandamali De Silva

B.Sc. Special (Hons)
Master of Public Management, IMSL (Member)

11 Nrs. of Board Meetings were held during year 2019

Senior Management

10 General Manager

Eng. D. U. Sumanasekara (up to 01.09.2019)

B.Sc. Eng. (Hons), M.Sc. (Netherlands), C.Eng. FIE (SL)

Eng. R. H. Ruvinis (05.09.2019 To Date)

B.Sc. Eng. (Hons), M.Sc. in Sanitary Engineering
MBA, C.Eng. FIE (SL), MIE (Aus). CP Eng.

11 Additional General Managers (Addl. GM) (as at 31st December 2019)

Eng. S. G. J. Rajkumar (Northern / Central)

M.Sc. (Sanitary Engineering), M.Sc. (Environ. Eng. and Mgt.)
C.Eng., FIE (SL)

Eng. N. H. R. Kulanatha (Sewerage)

B.Sc. Eng., PG Dip (Const. Mgt.), PG Dip (Environ. Engineering),
C.Eng. FIE (SL)

Eng. T. S. Wijethunga (Policy & Planning)

B.Sc. Eng., MBA, M.Sc. (Planning), MA (Financial Economics),
MIM (SL), PG Dip. (Finance) - ICA (SL), Dip (Mgt.) - DK
C.Eng. FIE (SL)

Eng. J. K. S. Pathirana (Southern / Eastern)

B.Sc. Eng. (Hons), M.Sc. (Sanitary) Delft, C.Eng. MIE (SL)

Eng. T. W. S. Perera (Water Supply Projects)

B.Sc. Eng. (Hons), M.Sc. (Development Science),
C.Eng., MIE (SL)

Eng. C. C. H. S. Fernando (Western)

B.Sc. Eng., MPM, PG Dip.(OSLO University),
C.Eng., FIE (SL), MIM (SL)

Eng. Dr. (Mrs.) Wasantha Illangasinghe (Corporate Services)

B.Sc. (Eng.), M. Eng. (Japan), Ph.D, C.Eng. MIE (SL)

Mr. G. K. Iddamaloda

(Human Resource Management)

B.Sc. (B. Admin), Dip. in Per. Mgt.,
MA (Mgt. & Admin) London

Mr. R. A. M. S. Weerasena (Finance)

B.Com (Sp.), PGDBM (Col.), ACA

12. Deputy General Managers (DGM) of Divisions (as at 31st December 2019)

Mrs. N. Y. S. Abeygunawardena (Industrial Relations)

BA, PG. Dip. in Management (PIM), Member (IMSL)

Mr. W. A. S. Sumanasooriya (Human Resources)

BB.Mgt. - HR (Special), PgdLS, MBS, NDIPM, MCIPM, MISL

Mr. R. M. A. Bandara

(Supplies & Material Management)

B.Sc., (Business Administration - Spl.),
Dip. in Purchasing and Materials Mgt.

Mrs. M. M. S. Peiris (Finance)

B.Sc. (Accountancy & Finance Mgt.), ACA (SL)

Mr. A. G. S. Kumara (Costing)

B.Com. (Sp.), M. Sc. (Management), FCA

Eng. S. G. G. Rajkumar (Commercial)

B.Sc. Eng. (Hons), M. Sc. (Denmark), MBA (PIM-US),
M. Eng. (Moratuwa), C. Eng. FIE (SL)

Eng. K. D. P. F. Siriwardene (Corporate Planning)

M.Sc. (Environ. Eng.) Denmark, PG Dip (Const. Mgt) Moratuwa,
C.Eng., FIE (SL)

Eng. I.V.W. Ediriweera (ST/RWS)

B.Sc. Eng. M.Sc.(Water Resources Management),
M.Sc. (Development Studies), C.Eng., FIE(SL), MIWA(UK)

Eng. (Mrs.) D.M.L.C. Pitawala (Development)

B.Sc. Eng. (Hons), M.Sc. Env. Eng. (DK), C.Eng., MIE (SL)

Eng. Jaliya Lalith Seekkuge (ADB Projects)

B.Sc.Eng. (Hons), MBA (PIM-SRJ), PG Dip (Const. Mgt.),
PG Dip. in Drinking Water Mgt.(Germany)
C.Eng., MIE (SL)

Eng. T. M. W. Sunil Bandara (M&E) - Act.

PG Dip. (B. Admin.), PG Dip. (Disaster Mgt.)
C.Eng., MIE (SL)

Eng. W. G. C. L. Weeraseskara (Planning & Designs)

B.Sc. Eng., MBA, PG Dip. (Const. Proect Mgt.) SL, C.Eng. MIE (SL)

Eng. J.Chandradasa (Information Technology) - Act.

B.Sc. Eng., PG Dip. (eGov), M.Sc. (GIS/RS), MPA (eGov),
C.Eng. MIE (SL), MBSC, MIEEEE

Eng. Dhanesh Gunethilake (Sewerage)

B.Sc. Eng.(Hons), PG.Dip. Env. Eng & Mgt (Moratuwa)
M.Sc. Sanitary Eng. (UNESCO-IHE, Delft)
C.Eng. Intl.P Eng., FIE (SL) MCIWEM (UK)

Eng. S. S. S. Vipulanandan (Project Coordination)

B.Sc. Eng., M.Sc. (Construction Project Mgt.),
M.BA. (University of Colombo), Dip. (Commercial Arbitration),
Dip. (Adjudication), C.Eng. FIE (SL)

Mrs. A. Sriyalatha (Internal Audit) - Covering up

B.Sc. (Busi. Admin.) University of SJR, MBA - University of Colombo
PG Dip. (Busi. & Fin. Mgr.) CUSM (UK), Ex.Dip (Acc. & Fin.) CA (SL),
Int. CA (SL), Member of IMSL

**13. Deputy General Managers of Provinces
(as at 31st December 2019)****Eng. K. P. R. S. Samarasinghe (Western Central)**

M.Sc. (Water Supply Eng.) Netherland, M.Sc. (Env. Eng.) Moratuwa,
C.Eng., FIE (SL), AM (OACETT) Canada.

Eng. M. T. M. Razil (Western South)

B.Sc. Eng. (Hon), PG Dip (Structural Engineering Design),
PG Dip (Cons. Mgt.), PG Dip (Project Mgt.), C.Eng. MIE (SL)

Eng. P. Ramawickrama (Western North)

PG Dip. (Construct Project Mgt.), PG Dip (Environ. Eng. & Mgt.)
Moratuwa, C.Eng. MIE (SL)

Eng. W. N. Premasiri (Production)

B.Sc. (Eng.), PGD (Water Resources Engineering & Management)
C.Eng. MIE (SL)

**Eng. Dr. (Mrs.) Wasantha Illangasinghe
(North Western)**

B.Sc. (Eng.), M. Eng. (Japan), Ph.D., C.Eng. MIE(SL).

Eng. G.V. Wijerathne (North Central)

B.Sc.(Eng), M.Sc(Water Resources Engineering & Management),
C.Eng. MIE (SL)

Eng.M.K.D.J.H. Meegoda (Central)

B.Sc. Eng., M.Sc. (Water Management), C.Eng. FIE (SL)

Eng. T. Barathidasan (North)

B.Eng. (India), M. Eng. (Moratuwa), M.Sc. Eng. (UNESCO-IHE)
PGD (Rajarata), C.Eng., MIE (SL)

Eng. R.S. Liyanage (Uva)

B.Sc. Eng., PGD (Management), M.Sc. (Water & Environment Resources Mgt.),
MBA, M.Sc. (Water Resources Management) Holland,
C.Eng. FIE (SL), MIM

Eng. S. S. Devaraja (Sabaragamuwa)

B.Tech. (Eng.), PG Dip. (Environ. Mgt.), M.Sc (Environ. Eng. & Mgt),
MDS (Development Studies),
C.Eng. MIE (SL)

Eng. (Mrs.) M. K. A. J. M. Wijesighe (Southern)

B.Sc. Eng., M.Sc. (Sanitary Engineering) Delft,
C.Eng. MIE (SL)

Eng. N. Sudesan (East)

B.Sc. Eng., M.Sc. (Const. Mgt.), M.Sc. (Structural Engineering Designs),
C.Eng. Intl. PEng., FIE (SL)

14. DGMs working as Project Directors**Eng. S.A. Rasheed (Colombo Water Supply Service
Improvement Project)**

B.Sc. Eng., M.Sc.(Sanitary Eng.) Netherlands,
PG.Dip.(Structural Engineering Design), Sri Lanka
C.Eng., MIE(SL)

Eng. R.A.A. Ranawaka (SHIFT Project)

B.Sc.(Eng).Hons, PG Dip. (Env. Eng & Mgt.),
C.Eng., FIE (SL)

Eng. M. M. Uma Lebbe (Anuradhapura Phase II)

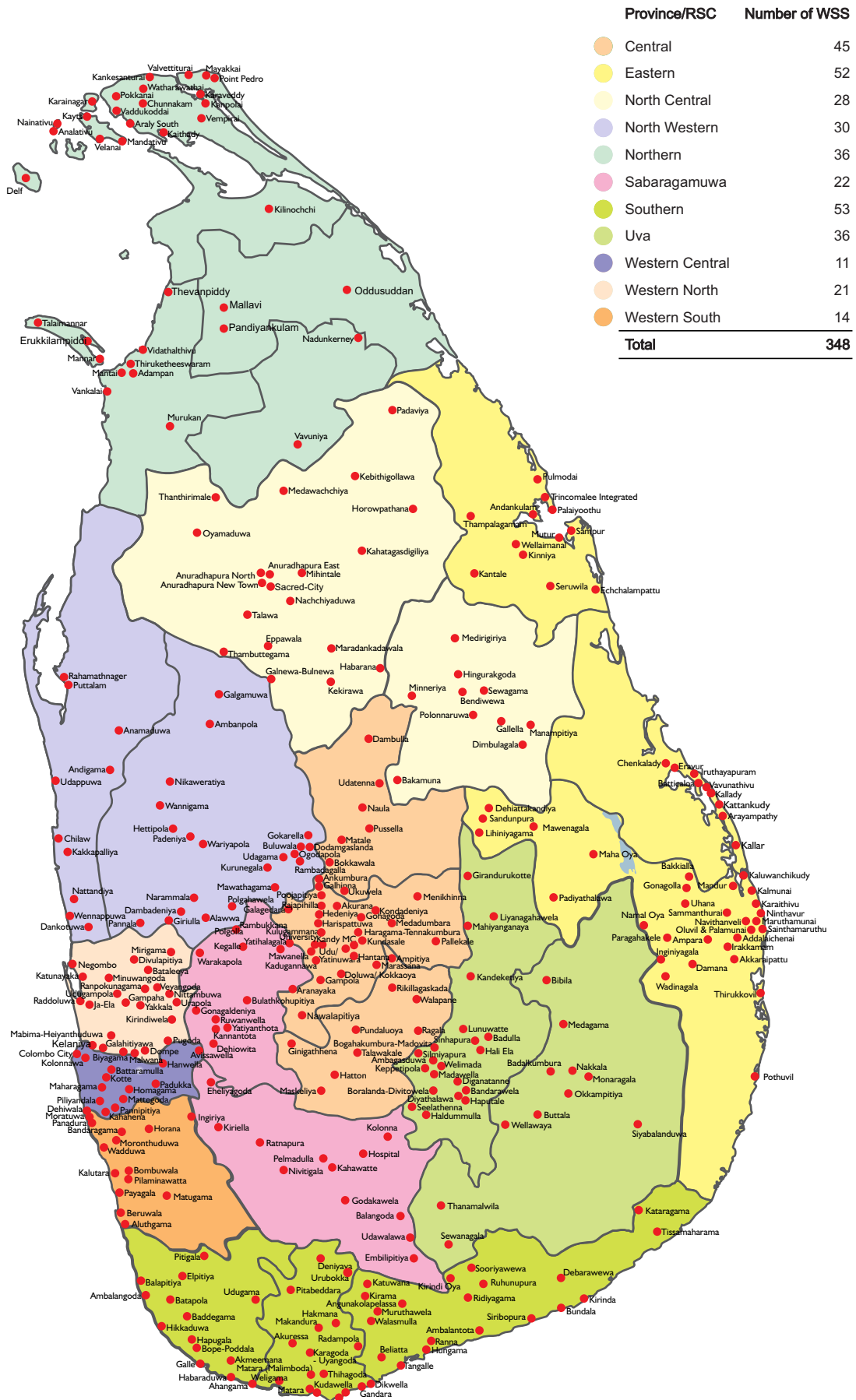
PG. Dip. (Str. Eng. Design),
PG. Dip. (Water & Waste Water Treatment)
C.Eng. MIE (SL)

Eng. N. H. D. P. Dharmapala**(Gampaha Attanagalla Water Supply Project)**

B.Sc. (Eng.), M. Sc. (Const. Project Mgt.), PG Dip. (Enviro. Eng. & Mgt.),
C.Eng., FIE (SL)



Existing Water Supply Schemes



Corporate Planning

“Activities towards the goal on water supply and sanitation coverage were carried out throughout the country.”

Implementation Status of the Corporate Plan 2016 - 2020

The year under review was the fourth year of the Corporate Plan 2016-2020. The NWSDB continued working towards the achievement of the goals and objectives set out by the Corporate Plan during the year.

Activities towards the goal on water supply and sanitation coverage were carried out throughout the country by Water Supply and Sewerage Project Divisions and all RSCs. Around 91.9 % of the population have access to the safe drinking water of which 51.8% is through piped water supply systems throughout the country. 2.07% of the population is provided with piped sewerage facilities. In achieving the goal of improving business efficiency, special efforts taken to reduce NRW and power cost during 2019 are noteworthy while customer service improvement was also given priority. Initiatives on IT improvements, R&D activities, institutional development, and staff training also contributed towards this goal. On achievement of the Goal “Ensure greater accountability and transparency”, both the Internal Audit Division and the Government Audit Branch worked on the accountability and transparency issues. With regards to the goal on social responsibility of improving drinking water and sanitation status of the population other than the NWSDB customers, the CKDu affected areas and the rural community without safe water supply facilities were given priority within the available resources. Technical assistance was provided to CBO managed schemes through the RSCs.

Water Safety Plan (WSP) implementation in Sri Lanka continued in 2019 under the advocacy and implementation support from the WHO. NWSDB strive to make sure that all the water consumed by the community is safe. Under this context Water Safety Plans (WSPs) are being implemented. As at end 2019 there were 264 urban Water Safety Plans implemented in various stages Island - wide by the DGMs of RSCs with assistance of WSP advisory unit established in Kandy.

It was considered important to have timely reviews for the successful achievement of the goals, objectives and the targets set. Accordingly, 4th quarter of 2018, 1st, 2nd and 3rd quarters of 2019 progress reports on the Corporate Action Plans were reviewed by the Members of the Board at Board meetings held in 2019.

International Water Association (IWA) – Water and Development Congress and Exhibition (WDCE) was held from 1st to 5th of December 2019 at BMICH with the participation of 78 countries, and NWSDB was the main organizer of this event. Parallel to this event, the fifth Annual R&D Symposium of NWSDB was also held on 2nd December 2019 at BMICH.

Further details including targets and achievements of the Goals for the year 2019 are presented in page 11 of this report.

Progress Towards Stated Goals

Goal	Key Objectives	Target end 2019	Achievement end 2019
1. Increase the water supply and sanitation coverage	1.1 Total Pipe-borne water supply coverage	53.2%*	51.81%
	1.2 Piped sewerage coverage	2.24%*	2.07%
	1.3 Access to safe drinking water supply coverage	89.8%	91.9%
2. Improve business efficiency	2.1 NRW (island-wide)	26.0%	24.95%
	2.2 Total staff for 1,000 connections	4.9%	3.99%
	2.3 Expenditure on power to total recurrent cost	15.45%	14.52%
	2.4 Maintenance expenses to total recurrent cost	6.47%	6.11%
	2.5 Establishment expenses to total recurrent cost	11.54%	11.00%
	2.6 Estimated bills to total number of bills	1.0%	1.26%
	2.7 Collection efficiency	100%	110%
	2.8 Accounts receivable from -		
	(a) domestic and commercial institutions	30 days	29 days
	(b) Government institutions	40 days	7 days
	2.9 Promote Human Resource Development		
	(a) In-house training (nrs. of participants)	7800	11560
	(b) In-country external training (nrs. of persons)	250	247
(c) Overseas training (nrs. of persons)	80	88	
2.10 Improve service to customers and promptly attend to public complains Public awareness programs to be carried out all island (school/other)		229 nrs.	237 nrs.
2.11 Annual savings from energy efficient projects.	30.0 million		40.6 million
2.12 Research and Development Division of the NWSDB is continuing systematic, investigative and experimental activities that are performed for the purpose of acquiring new knowledge to efficient business and O&M activities.			
2.13 The NWSDB is ready to capitalize on improving the customer and corporate relationship, which will have a web-portal as a platform for improving its business to implement comprehensive ICT development activities.			
3. 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		
	• Valuation of assets		
	• Improved Management Information and Coordination		
	• Audits on commercial operations	25 nrs.	25 nrs.
	• Audits on stores and supplies	15 nrs.	23 nrs.
	• Audits on cash/ cheque payments	25 nrs.	41 nrs.
	• Audits on construction contracts	25 nrs.	16 nrs.
	• Total Audits conducted in 14 fields	190 nrs.	224 nrs.
4. Facilitate safe drinking water supply and sanitation to rural and underserved communities	4.1 % population served through RWS Schemes maintained by CBOs, LAs and others with the NWSDB's technical support	10.3%	10.3%

* Targets were revised with approval of the Board of Directors in late 2018.

Key Performance in Water Supply & Sewerage

“With the new water supply connections provided by NWSDB during the year, altogether 51.8% of total population is served with piped drinking water supply, island wide.”

There are 348 major, medium and small water supply schemes in operation under the NWSDB's purview.

With provision of 108,850 new service connections during the year, the population that is covered with piped drinking water supply by the NWSDB only was increased to 41.5%. With these new water supply connections provided by NWSDB during the year, altogether 51.8% of total population is served with piped drinking water supply, island wide.

There were 15 large scale foreign funded water supply projects of which the loans have been borrowed by the Treasury, ongoing during the year; while 8 other large scale foreign funded projects were ongoing with the loans directly borrowed by NWSDB from Foreign/ Local Banks. In addition, 14 Local Bank Funded water supply projects, 03 Small & Medium water supply projects and 06 Water Sector Community Facilitation projects were implemented during the year to increase the pipe borne water supply coverage of the country. Of these, 03 Local Bank Funded water supply projects in different parts of the country were completed during the year, enabling to provide new service connections or to improve service level of existing consumers.

Further, there were 04 Foreign Funded sewerage projects implemented during the year to increase piped sewerage coverage and to improve the sanitation facilities, and one of them was completed during the year.

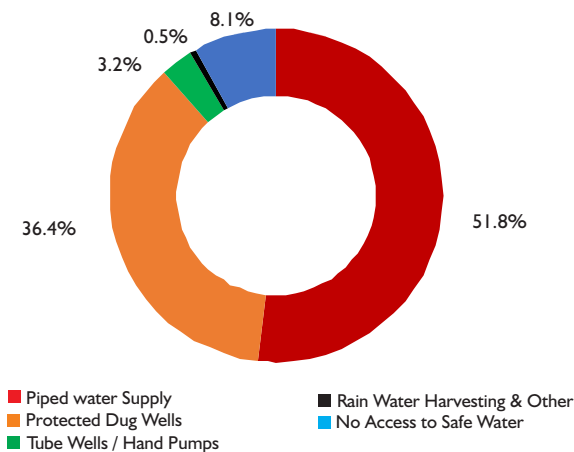
To assure the water safety, operational monitoring and verification monitoring is done by the central laboratory with the cooperation of the regional laboratories in the NWSDB. Analytical data in year 2019 revealed that out of the total test samples, 99.3% was satisfactory in microbiological testing while 87.8% was satisfactory with physical and chemical testing.

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. Accordingly, the NRW of Western Province and Island wide were noted as 26.14 % and 24.95 % respectively, by end of the year.

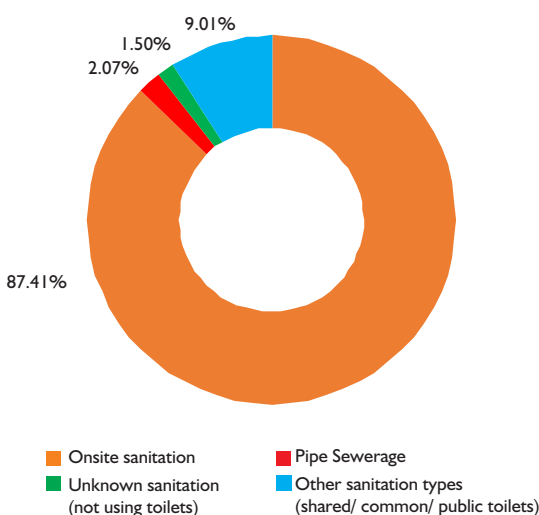
The tariff revision has not been in line with the increase in the operational expenses from the year 2012. Hence the Board has experienced difficulties in managing its' cash flow during the recent years. Despite the policy decision taken in the year 2014 by the General Treasury to convert the total outstanding debt into equity to strengthen the Balance Sheet, it had not been successful as planned due to the debt commitment of the new loans.

NWSDB has recorded Rs. 1,816,772,395 profit for the year 2017; however it turned into loss for the following two years as Rs. 568,695,429 and Rs. 1,176,834,646 in 2018 and 2019 respectively, mainly in the absence of a tariff revision since 2012.

Access to Safe Water Coverage



Sanitation Coverage



	2018	2019	Variation (%)
KEY STATISTICS: WATER SUPPLY			
No. of Water Supply Systems	348	348	-
Piped Water Production (million cu.m.)	707	746	5.52
Piped Water Consumption (million cu.m.)	531	560	5.46
Domestic Connections (Nrs.)			
(a) Western Province	936,927	967,594	3.27
(b) Other Provinces	1,206,349	1,273,049	5.53
Total Domestic Connections	2,143,276	2,240,643	4.54
Public Stand Posts (Nrs.)			
(a) Western Province	483	480	0.63
(b) Other Provinces	1,057	865	22.2
Total Public Stand Posts	1,540	1,345	14.5
Non-Domestic Connections (Nrs.)			
(a) Western Province	89,925	94,895	5.53
(b) Other Provinces	95,453	101,966	6.82
Total Non-Domestic Connections	185,378	196,861	6.19
(Including total public stand posts)			
Total No. of Service Connections	2,328,654	2,437,504	4.67
Average Monthly Household Consumption			
(cu.m. per house connection)			
(a) Western Province	17.62	17.63	-
(b) Other Provinces	13.30	13.60	-
Average Recurrent Cost of Water Production (Rs./ cu.m.)	39.60	41.20	(3.88)
Average Total Cost/ Unit Sold (Rs./ cu.m.)	50.54	51.52	(1.90)
Average Unit Revenue (Billing*/ Consumption) (Rs./ cu.m.)	42.88	42.86	(0.05)
Average Household Bill Value per Month (Rs.)			
(a) Western Province	804.37	801.57	(0.35)
(b) Other Provinces	468.38	491.32	4.90
Collection Efficiency	1.05	1.10	4.76
Deep Wells (Nrs.)			
(a) Drilled	335	201	-
(b) Successful	282	178	-
Non-Revenue Water (%)			
(a) Western Province	26.16	26.14	0.08
(b) Other Provinces	23.50	23.62	(0.51)
(c) Island-wide	24.93	24.95	(0.08)
KEY STATISTICS: SEWERAGE			
Domestic Connections			
Western Province	16,531	16,849	1.92
Other Provinces	660	2,168	228.48
Non-Domestic Connections			
Western Province	1,365	1,401	2.6
Other Provinces	225	410	8.22
Housing Scheme Connection(Bulk)			
Western Province	3,666	3,666	-
Other Provinces	-	-	-
Total Sewerage Connections			
All Island	22,447	24,494	9.12
Western Province	21,562	21,916	1.64
Other Provinces	885	2,578	191

Note : “ * “ - Without VAT

+ (Ve) Variance reflects a favorable result.

	2018	2019	Variation (%)
OTHER KEY STATISTICS			
Total Revenue (Rs. million - without VAT)	22,769	24,002	5.42
Total Recurrent Expenditure (Rs. million)	28,012	30,909	(9.37)
O&M Staff/ 1,000 Connections	3.61	3.36	7.44
Total Staff/ 1,000 Connections	4.31	3.99	8.02
Total Development Expenditure (Rs. billion)	66.54	77.44	16.38

Note : “ * “ - Without VAT

+ (Ve) Variance reflects a favorable result.

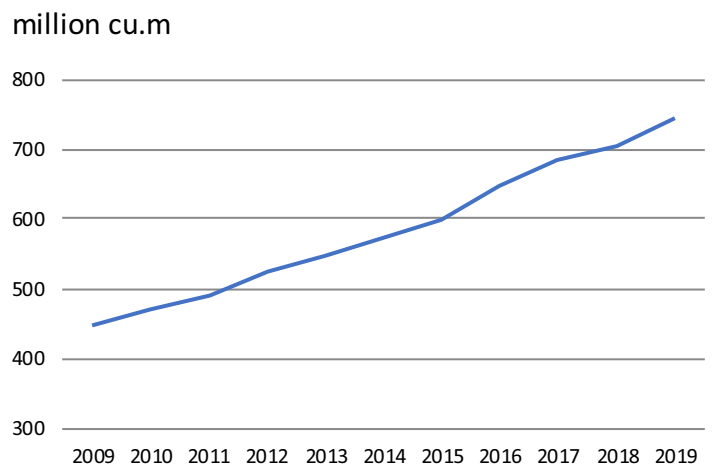
Summary of Operations

“With a 5.52 % increase compared to the production in 2018, the total quantity of drinking water produced by NWSDB during the year 2019 was 746 million cu.m.”

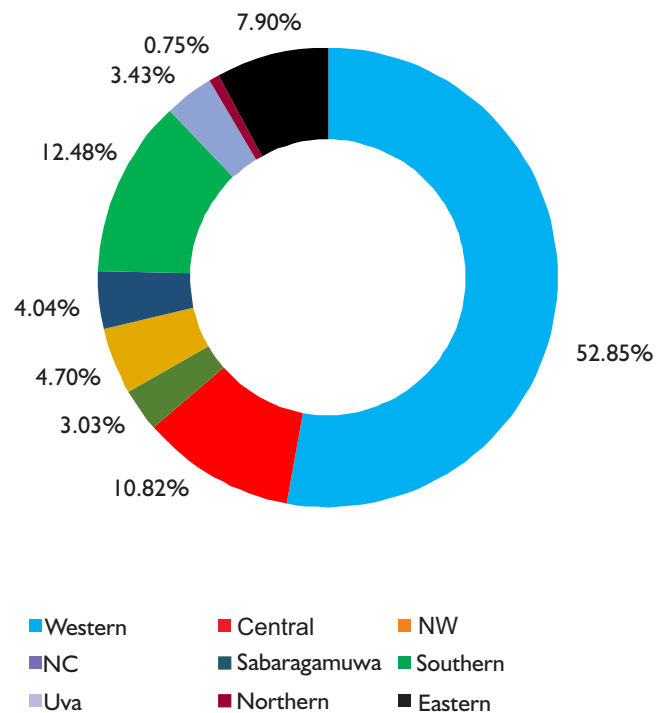
WATER SUPPLY

Drinking Water Production

With a 5.52 % increase compared to the production in 2018, the total quantity of drinking water produced by NWSDB during the year 2019 was 746 million cu.m. The trend in drinking water production during the last 10 years is given in the chart. The Western Province water supply system claims the major share of production mainly through the centers at Ambatale, Labugama, Kalutuwawa, Biyagama, Bambukuliya, and Kandana & Kethhena in Kalutara amounting to 52.85% of the total water production of the NWSDB during the year.



Water Production by Provinces during 2019

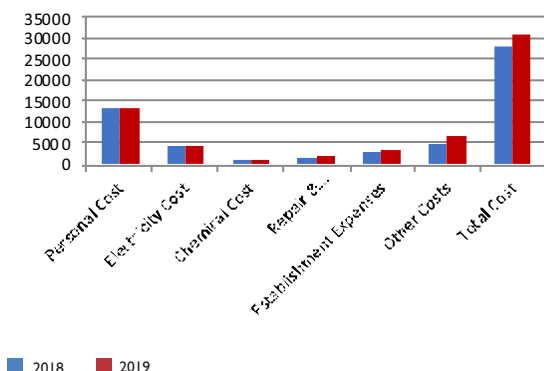


Cost of Production

Breakdown of the total production cost (Rs. million) in comparison with 2018 is shown below:

Cost of Production

Rs. million



Cost of Production Rs. /cu.m.

2018
50.54

2019
51.52

Cost of Production = Total Cost / Units Sold

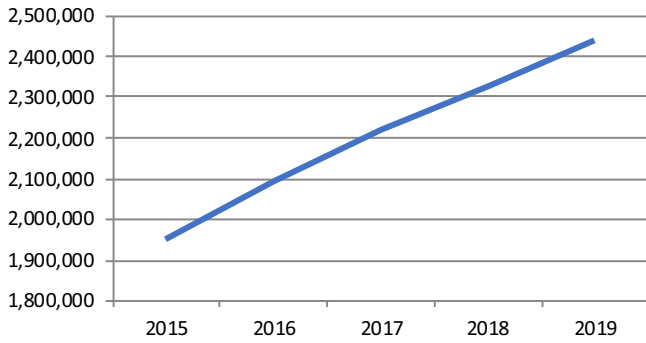
Comparison of Service Connections

Province/ RSC	No. of Connections Province/ RSC-wise			NWSDB Region	No. of Connections NWSDB Region-wise		
	As at end December 2018	As at end December 2019	Change %		As at end December 2018	As at end December 2019	Change %
Western - Central	478,438	494,037	3.26	Priority**	1,874	1,879	0.27
				Colombo City	144,712	145,607	0.62
				Kotte	171,952	177,054	2.97
				Maharagama	159,900	169,497	6.00
Western - North	284,106	293,704	3.38	Kelaniya	203,924	210,942	3.44
				Gampaha	80,182	82,762	3.22
Western - South	264,308	274,748	3.95	Dehiwala	109,321	111,302	1.81
				Kalutara	70,074	72,903	4.04
				Panadura	84,913	90,543	6.63
Central	272,559	282,214	3.54	Kandy North	104,222	108,741	4.34
				Kandy South	88,838	91,498	2.99
				Kandy East	79,499	81,975	3.11
North Western	82,548	87,855	6.43	Kurunegala	82,548	87,855	6.43
North Central	121,541	131,995	8.60	Anuradhapuraya	121,541	131,995	8.60
Sabaragamuwa	112,466	118,854	5.68	Ratnapura	55,264	59,182	7.09
				Kegalle	57,202	59,672	4.32
Southern	320,351	330,915	3.30	Hambantota	109,766	113,066	3.01
				Matara	99,446	101,954	2.52
				Galle	111,139	115,895	4.28
Uva	103,307	109,115	5.62	Bandarawela	59,316	63,010	6.23
				Monaragala	43,991	46,105	4.81
Northern	24,199	28,064	15.97	Jaffna			
				Mannar	24,199	28,064	15.97
				Vavunia			
Eastern	264,831	286,003	7.99	Ampara	62,744	67,459	7.51
				Trincomalee	73,018	81,560	11.70
				Akkaraipattu	78,271	81,752	4.45
				Batticaloa	50,798	55,232	8.73
Total	2,328,654	2,437,504	4.67	Total	2,328,654	2,437,504	4.67

** In year 2019, Priority connections include only Colombo City area.

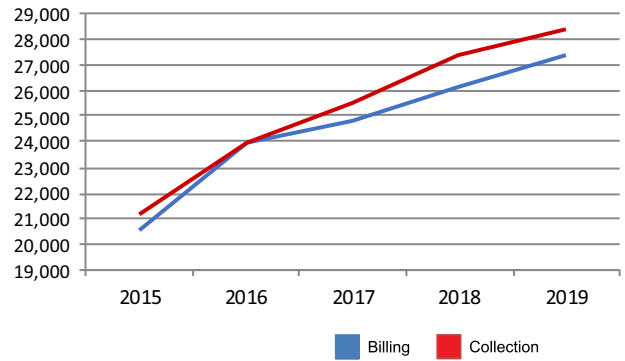
Growth of Connections

No. of connections

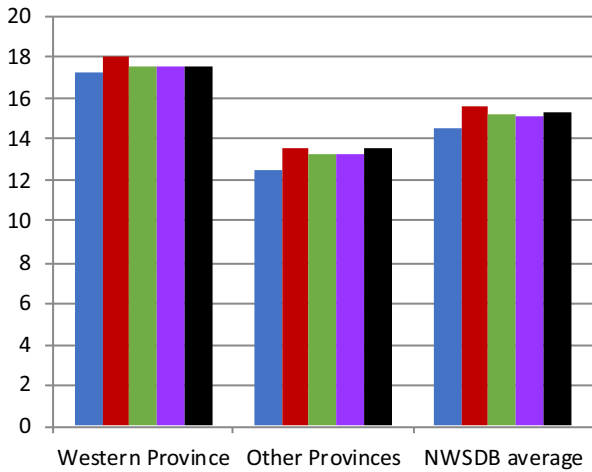


Comparison of Annual Billing and Collection

Rs. million



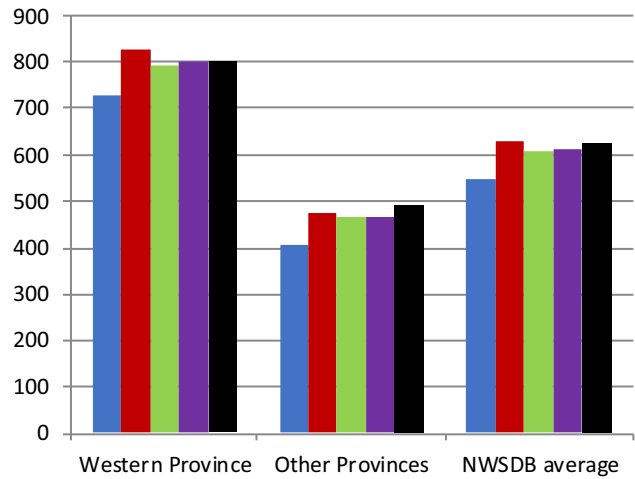
Average Household Monthly Consumption (cu.m per Connection)



2015 2016 2017
2018 2019

Average Household Monthly Bill

Rs.



2015 2016 2017
2018 2019

Billing Statistics

Description	2018 (Rs.million)	2019 (Rs.million)
Billing Target (without VAT)	23,189	23,830
Actual Billing (without VAT)	22,769	24,002
Collection Target (with VAT)	27,809	28,437
Actual Collection (with VAT)	27,385	28,397

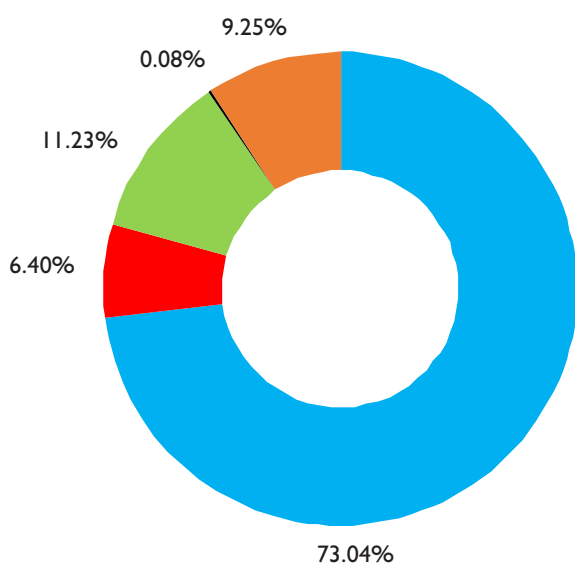
Quantity of Water Sold and Revenue by Consumer Categories (2019)

Consumer Category	Quantity sold		Revenue	
	cu.m '000s	%	Rs. million	%
Direct billing #	410,628	73.04	16,721	60.99
Schools	6,320	1.12	148	0.54
Tenement gardens	2,181	0.39	89	0.32
Public stand-post supply	455	0.08	7	0.03
Government institutions, NWSDB premises	35,994	6.40	2,542	9.27
Commercial and industrial	63,107	11.23	6,313	23.03
Tourist hotels	3,321	0.59	314	1.15
Shipping	120	0.02	67	0.24
Board of Investment	9,574	1.70	680	2.48
Religious premises	7,206	1.28	153	0.56
Subtotal	538,906	95.86	27,035	98.61
Bulk billing	19,421	3.45	362	1.32
Others*	3,861	0.69	19	0.07
Grand Total	562,188	100.00	27,416	100.00

Domestic, NWSDB Quarters, Government Quarters, Condominium, Domestic Non-Vat, Domestic Samurdi & Tenement Samurdi

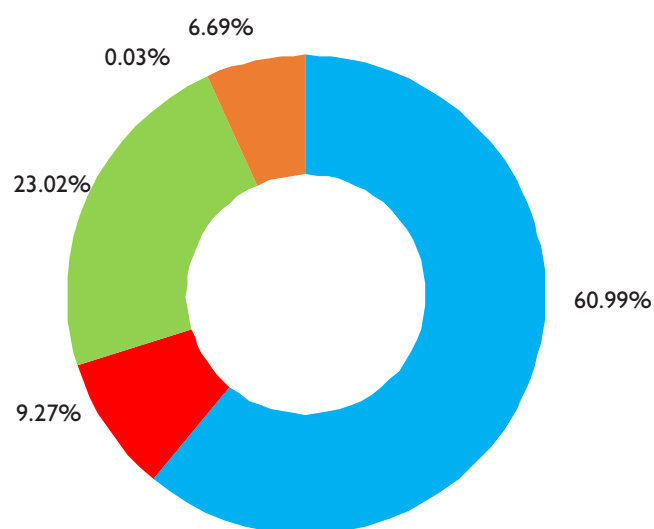
* All other billing categories which are not under "Direct Billing" or not specified as above have been grouped under 'Others'. Setting-off rebates have also been included in this category.

Percentage Quantity of Water Used by Consumer Categories



■ Domestic ■ Government Institution
■ Commercial/ Industrial ■ Stand Post
■ Others

Percentage Revenue by Consumer Categories



■ Domestic ■ Government Institution
■ Commercial/ Industrial ■ Stand Post
■ Others

Summary of Investments

Financial Sources

“These financing strategies together enabled the NWSDB to carry out Rs.77.44 billion worth of investments during the year 2019 on development activities in water supply and sewerage sector.”

National Water Supply and Drainage Board continued its development activities in water supply and sewerage sector throughout the year 2019 investing different means of funds made available to the Board.

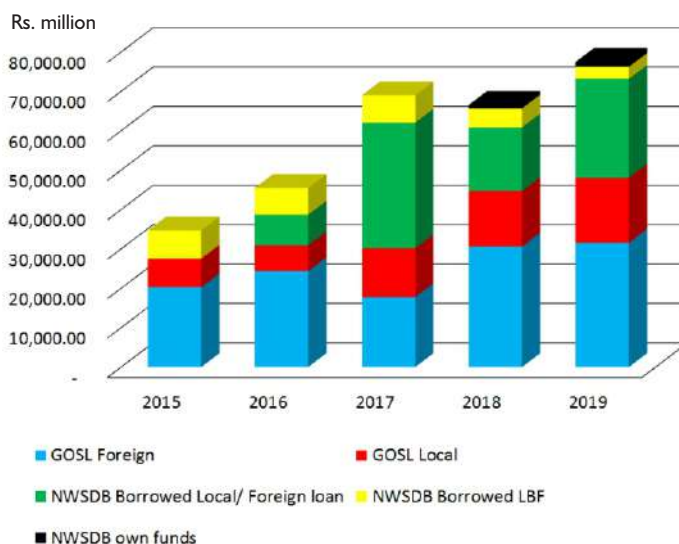
The NWSDB was allocated with Rs.28.04 billion for the foreign loan disbursements of large scale water supply and sewerage projects for the year 2019 including the supplementary allocation of Rs. 538 million. The local counterpart funds of these projects, was managed with Rs. 4,268 million local funds provided by the Treasury for the expenditure on VAT and Custom Duties and the balance local component with the People's Bank loan (Rs.2.57 billion) serviced by the Treasury and Rs. 1,229.86 million of NWSDB's own funds. Local consolidated funds of Rs. 138.6 million was also provided for 2 selected large scale water supply and sewerage projects while Rs. 93.4 million foreign grants or reimbursable foreign grants were also allocated for two selected large scale sewerage projects. In addition, Rs. 9,183.38 million was provided by the Treasury for debt service payments of the water supply projects.

Under emerging small townships (small & medium) water supply & sewerage projects, Rs. 590 million domestic funds was provided for implementing three small and medium scale water supply projects and for the utility shifting work all over the country while Rs. 170 million was allocated for acquiring lands. For implementing the projects under water sector community facilitation, Rs. 915 million of domestic funds and Rs. 50.0 million of foreign grants were also provided.

Further to the direct allocations by the GOSL, Rs. 25.09 billion was expended on water supply projects through the finances obtained from the loans borrowed from foreign/ local banks directly by the NWSDB with the Guarantee of GOSL. In addition the NWSDB implemented 14 Local Bank Funded (LBF) water supply projects including two new projects commenced in 2019, by borrowing Rs. 3.06 billion from local banks during 2019.

These financing strategies together enabled the NWSDB to carry out Rs.77.44 billion worth of investments during the year 2019 on development activities in water supply and sewerage sector.

Total Investment on Water Supply and Sewerage Sector in 2015 -2019

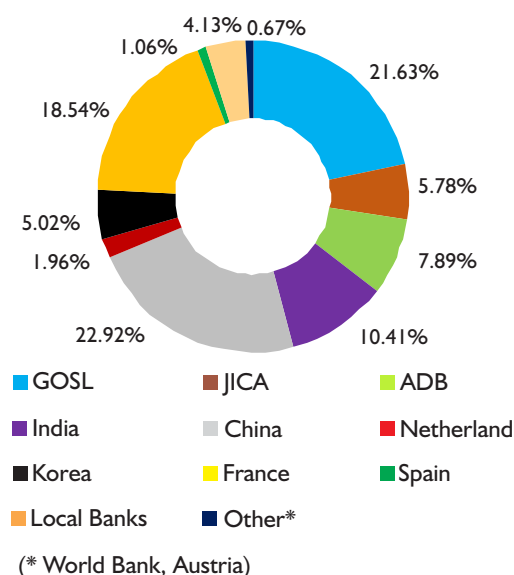


Utilization of Capital Funds received under Capital Budget 2018/ 2019

Description	2018		2019	
	(Rs. million)			
Foreign Component	30,619	154%	31,551	112%
Foreign Aid Related Domestic Component	6,157	100%	3,962	90%
Consolidated Funds for Local Projects	1,003	69%	795	46%
Debt Service Payment			9,183	100%
Total	37,779	137%	45,491	104%

In addition to the above development works, during the year NWSDB has invested Rs. 1,156.54 million for rehabilitation activities, Rs. 616.47 million for reduction of NRW, Rs. 189.10 million for energy saving activities, Rs.100.65 million for purchase of capital items and Rs.22.6 million for maintaining sewerage schemes from its Revenue Income earned during 2019. Under the Rehabilitation activities, priority was given to the schemes where there was no donor assistance or special funds being allocated for the improvement of schemes.

Foreign Aid Contribution by Funding Agencies and Related GOSL Funds



Details of Projects Completed during the year 2019

RSC	Project Name	Agent	TEC Rs. Million	Beneficiaries
Western	Global Partnership on Output Based Aid Projects	World Bank	1,876.00	44,000
	Awissawella and Kosgama Intergarted WSP	BOC	1,382.00	21,650
Eastern	Ampara Distribution Network	NDB,BOC,DFCC	6,848.00	200,000
North Western	Galagedara Mawathagama Water Supply Project	DFCC	3,126.00	22,500

Employees

“The NWSDB was able to reduce the ratio of staff per thousand service connections to 3.99 in the year 2019 from 4.31 in 2018.”

Staff Strength

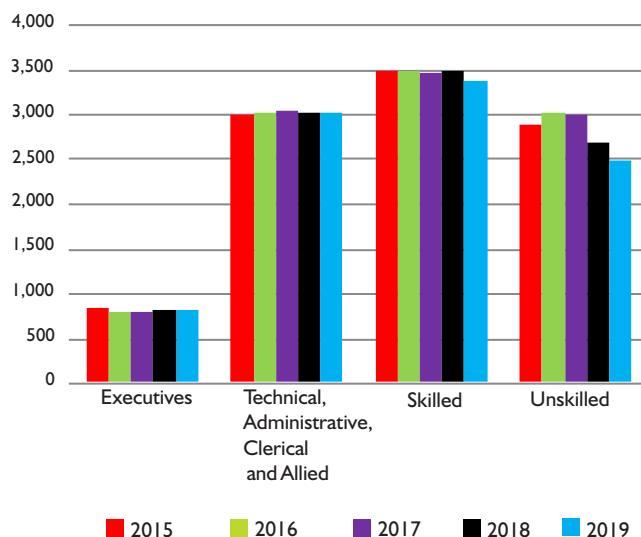
Staff	2018	2019
(a) Permanent	9,901	9,564
(b) Casual	0	0
(c) Contract	121	137
(d) Plant Technician Apprentice & GT	24	24
Total	10,046	9,725

At the end of 2019 there were 9,564 permanent staff, 137 contract and 24 Plant Technician Apprentice & Graduate Trainees. Most of the contract employees were recruited to work for foreign funded projects.

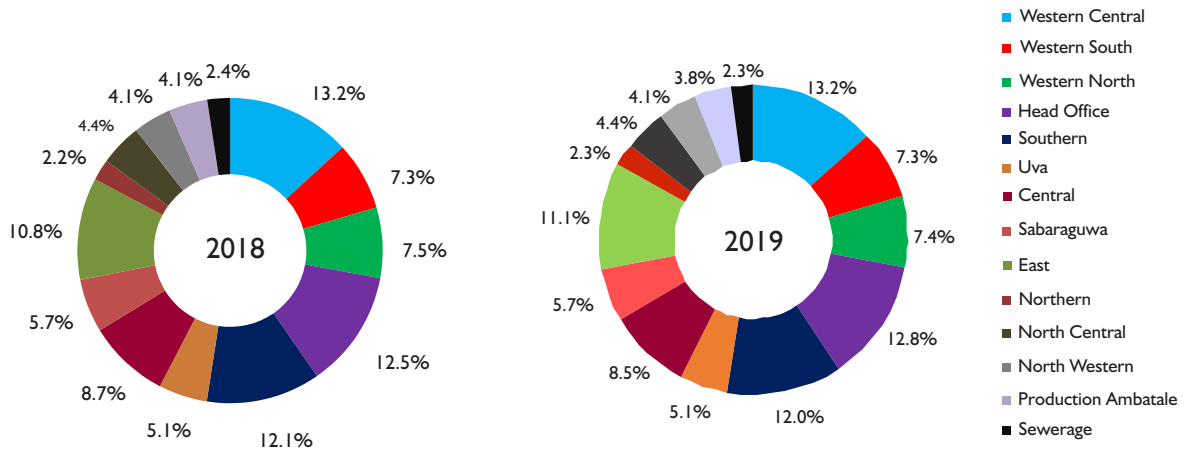
There were 437 permanent, 41 contract and 01 plant operator technician apprentice recruitments of various staff categories during January to December in 2019. In the same period there were 810 permanent, 25 contract and 01 plant operator technician apprentice terminations which includes retirements, resignations, vacated posts and deaths in different categories of staff. This resulted in decrease of total staff by 321 compared to December 2018.

The NWSDB was able to reduce the ratio of staff per thousand service connections to 3.99 in the year 2019 from 4.31 in 2018.

Distribution by Key Job Function



Staff Distribution by Location



STAFF BENEFITS

- An Annual Bonus of Rs. 42,000.00 including 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 felicitated at the World Water Day Ceremony held March 2019.
- Transport facilities were made available to the staff at a concessionaire 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.
- Rs. 650 was granted as a tea allowance 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).
- In addition to that Ten month loan & One year loan facilities were provided by NWSDB. (Interest 4.2%)
- A Festival Advance of Rs. 10,000/= per employee was paid to the employees.
- Rs. 50,601,721.00 among 99 employees as 12 month loan and Rs. 8,665,106,188.00 among employees as 10 month loan have been distributed at a concessionary rate during the year 2019.
- Rs. 95 million (approx.) was incurred for the reimbursement of medical expenses of employees (including family members), in addition to medical expenses incurred for critical illnesses.

STAFF REMUNERATION AND BENEFITS

Comparison of Staff Remuneration in 2018 and 2019

Description	2018 Rs. million	2019 Rs. million
Salaries	11,976	11,985
Contribution to Employees' Provident Fund	1014	994
Contribution to Employees' Trust Fund	254	248
Total	13,244	13,227

MANPOWER DEVELOPMENT & TRAINING

Based on the Training Needs Analysis 2019 and special training requirements received, Manpower Development and Training Division has conducted 293 **In House** training programmes during the year for employees of various categories, and the total employee participation was 11,560 (Managerial -1015, Other Executives-3757, Supervisory-2692, Clerical & Allied - 3096, Operational – 1000).

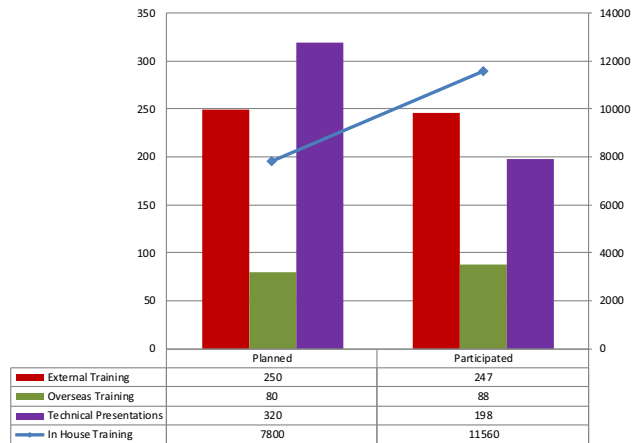
MD&T Division arranged training for 247 employees externally through **Other Training Institutes within the Country** covering a total of 5,450 Training Days. This include Masters and Postgraduate programmes conducted by local Universities, and Diploma & Certificate courses conducted by various recognized Institutions such as NIBM, CIPM , CETRAC, ICTAD, IESL, CHPB and SLIDA , etc.

Under **Overseas Training and Official Visits**, **Overseas short term training** was provided for 88 employees of the Board with the financial assistance of ADB and other bi-lateral short fellowships from JICA, OKP, ITEC, Government of China and Project Grants while facilitating official visits for 152 officers in respect of Pre-shipment Inspections, Factory Contract Negotiations and Twining Programmes, etc. through various projects implemented during the year. Further, **07 Long Term Fellowships** have been received by 07 NWSDB Engineers during the year for fulltime Masters Studies abroad.

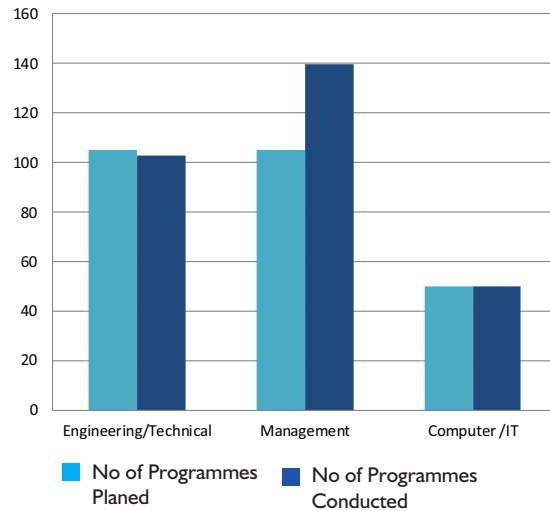
In addition, **Industrial Training** was provided to 547 apprentices including 288 Undergraduates; and 167 Technical Trainees and 92 Accounting / ICT Trainees from various institutions in the country.

Further, 198 employees have been trained in Workshops/ Technical Presentations conducted by external institutions and an Introductory Program has been conducted for 146 Engineering Undergraduates.

Progress 2019 : nrs. of participants



Summary of Training Provided Through MD&T Division



Comparison of Training Participation (2018 &2019)

	2018	2019
In House Training	11,259	11,560
External Training	220	247
Overseas Training	62	88
Technical Presentations	551	198
Industrial Training	305	547



“Thousands have lived without love, not one without water.”

- Unknown





Information Technology Solutions For Improving Service Excellence and Operational Efficiency

Information Technology – The key to success and future growth

Having understood the importance of the ICT in the future journey, the NWSDB is taking important steps to upgrade the ICT status of the organization and implement solutions to enhance the efficiency of the operational practices. In order to improve the current work processes, the organization is focusing mainly on Automation as the key concern. Also, in order to enhance the service level and customer satisfaction, various new solutions are being implemented.

Commercial Operations Management System

The Commercial Operations Management System is the most important software solution implemented by the organization and this system commenced its online operations since January 2016. The system has been improved to include the important functional areas related to commercial operations and related O&M field activities such as:

- Complain Management
- New Connection Processing
- Bowser Supply Billing
- NRW activities
- Work Order Handling
- Pay-In-Voucher Handling
- Integration with Collection Agents (online, real - time payment data transfer)

Several Mobile apps were developed to enhance and extend the scope and accessibility of the central solutions. The Field Services mobile app was designed to extend the Commercial Operations Management System to field staff and the Meter Reading App was implemented to facilitate the meter readers to prepare bills for the customers at the field when they collect the meter readings.

Other Software Systems

The software systems need various improvements/modifications to keep with the changing business needs and this is a major part of the maintenance phase of the life cycle of software systems. The IT Division engaged in attending such requirements depending on the user requests. In addition to the Commercial Operation Management System, the IT Division engaged in maintaining the software systems such as HRM/Payroll, Inventory Management System etc. as a priority activity. IT Division is maintaining the official web site of the organization and web portals for the customers to facilitate important online services.

Hardware and Infrastructure Maintenance

One of the main tasks of the IT Division is to maintain the IT infrastructure including the main data center, servers, computers, peripheral devices and connectivity solutions. Several steps were taken to upgrade the facilities and also to establish the Disaster Recovery Facility at RSC office in Kadawatha.

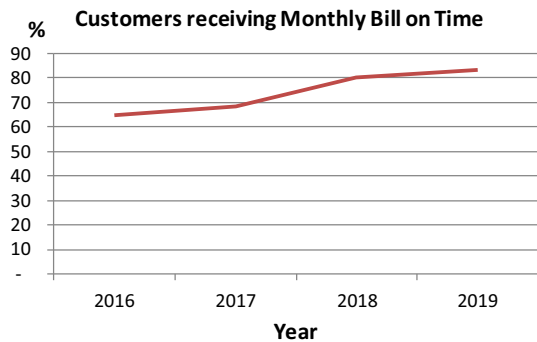
NWSDB utilizes a virtual private network (VPN) to connect the regional offices to head office and at present the number of IPVPN connections exceeds 150. In addition to the dedicated connections, the Remote VPN facility that uses the internet to connect to the NWSDB internal systems have been provided to large number of users. Maintaining the IP VPN links is one of the major activities of the network team.

Significant Achievements in Year 2019

IT Division initiated the procurement process to upgrade the data center to cater for new IT developments related to GIS, NRW monitoring, SMART Metering and Asset Management functions and also to establish the Disaster Recovery Center at Kadawatha. The developments of these solutions were among the major activities of the IT Division with significant progress. NWSDB added several mobile apps too during this year to enhance its customer care and field activities.

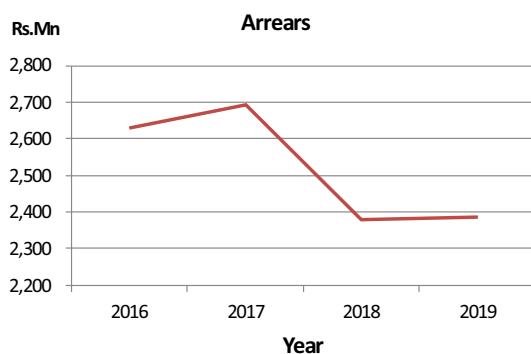
Commercial Activities

Quantify the water consumed by customers through their meter readings, issuing monthly bills on real time basis and collecting revenue from the sale of water is handled by the Commercial Division. This year was an impressive year of success. The billing targets have been exceeded and the collection also has followed suit. Delivery of monthly bills on time was emphasized which enhanced the customer confidence of the process. Customers receiving monthly bill within the stipulated period has reached to nearly 83% in 2019. Coordination was made with the customers in advance at places where meter has to be accessed with the customer's intervention so that estimated bills could be avoided as much as possible due to closure of premises. This approach too helped for enhanced customer satisfaction.



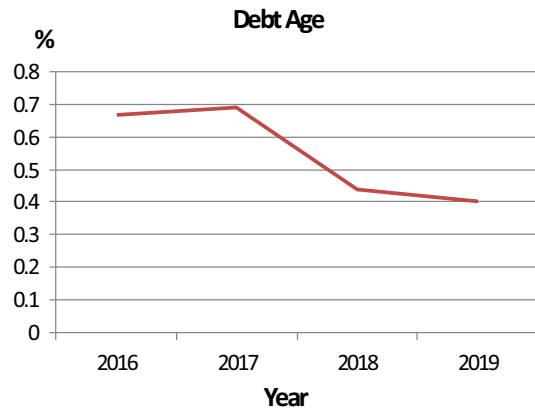
Billing and Collection

Many convenient methods have been initiated to settle monthly bills at customer's convenience and the customers' shifting to those facilities has been observed. As a result, number of customers settling monthly bills, has shown an increase. Different approaches have been adopted to make customers pay their monthly bills on time; one key strategy adopted being conducting regular disconnection programmes. Customers were also educated on benefits they receive by settling their dues within 14 days and the penalty that is imposed when payments are made beyond 30 days. The arrears collection has shown improvement.



Reduction of Debt age

The debt age which measures the debt in relation to monthly bill has come down from 0.67 in 2016 to 0.40 in 2019.



Internal & External Customer Satisfaction

Continuous review of customers' needs was analyzed for better service delivery. Products were developed to delight the customers. Mobile applications such as self-care application, communication through SMS, delivery of monthly bill on time, staff capacity development, awareness creation on all levels of staff for better service delivery to customers etc. are such moves. Performance reviews are conducted regularly with the aim of continuous enhancement of internal and external customer satisfaction.

Rural Water and Sanitation

Small Towns and Rural Water Supply Division primarily dealt with facilitating safe drinking water supply and sanitation to rural and underserved communities. Under Climate Resilient Integrated Water Management Project (CRIWMP) Component 2, community development activities and CBO formation were carried out in Puttlam, Anuradhapura, Vauniya and Kurunagala districts with supervision and monitoring of ground water source investigation, design and construction work. Field visits were made to select treatment and purification systems for water supply schemes in Kurunagala and Puttlam and rainwater tanks were also installed in 2,000 households.

A workshop was conducted to finalize the programme for training and capacity building for stake holders. TOT programme on village participatory planning (VPP) under CRIWMP was held in Kurunagala. Progress meetings, financial training for CBOs, and Community Action Plan 1 and 2 were carried out in sub project areas in CRIWMP. Awareness programme was conducted on 5S concept and productive development activities.

Coordination work in Rural Infrastructure Development Project (RIDEP) in North, East, Uva and North Central provinces were carried out while collecting project details and developing coverage maps. NPD Format for the World Bank project proposed under additional financing was prepared.

Initiatives were made to form a 'model village' in Thalakolawewa in Kurunagala. Children's library as a component of 'model village' was opened and a tree planting programme was also carried out.

RWS section was reorganized by identifying and prioritizing ongoing activities and establishing identification system in the section. The library also was reorganized incorporating new books. Planning and designing the existing RWS website was carried out. Initiatives were taken to prepare 5S manual of standardization to obtain 5S certificate. Activities related to International Water Conference (IWA) were successfully implemented.

Public Awareness Programme

Public Relations Unit conducted various education and awareness programmes targeting customer groups, school children and consumer societies. Major focus was placed on water conservation and environment aspects and protection of water bodies etc. This has been done throughout the country. The number of school programmes conducted was 40 while the number of government institutes and private sector programmes was 12.

Various events were held to mark the World Water Day. Drama, art and essay competitions for school children are some of those events.

The issues of water magazine (Jalaya) were published in 2019 for the months March, June and September, to educate the target group on many different aspects related to the water Service.

The PRU engaged in Mass Media Publicity works too. Information such as message on water cuts, special reports on the National Water Supply & Drainage Board opening ceremonies etc. were provided through the media. Further, corrective actions were taken where media articles tend to tarnish the image of the NWSDB.



Drama Competition World Water Day - 2019

Energy Management

The analysis of the energy usage of NWSDB is carried out by the M&E Section and the identified projects are prepared and implemented to improve the energy efficiency (by reducing Specific Energy Consumption) with the corporation of relevant staff in RSCs.

The annual cost for the electricity consumption in the year 2019 was approximately Rs. 4,506 million and out of this total consumption, 95.3% amounting to Rs. 4,296 million has been spent for water production and pumping. Further, Rs. 70 million has been spent for sewerage treatment and pumping. Meanwhile around Rs.141 million has been spent for office spaces. The energy saving programme was introduced in the year 2004 and it has gradually achieved a substantial progress. Activities were upgraded to a higher level qualitatively and quantitatively through the last decades. The tariff category rectifications, electrical & mechanical improvement works and energy saving programmes which were completed during 2004 to 2019 has resulted a high energy and cost savings.

Ten numbers of energy audits and studies were carried out with support of M&E Sections of the RSCs during the year 2019. There are 21 numbers of projects completed in 2019. Total expenditure for the year 2019 is around Rs. 190 million for these completed and ongoing projects. The annual cost saving due to these projects is Rs.41 million. It has been proposed to implement 49 numbers of ongoing and new projects during year 2020 with a cost investment of nearly Rs. 400 million (including ongoing projects in the year 2019).

In order to maintain the expected overall efficiency and reliability in water supply schemes, M&E section monitored the plan preventive maintenance programme of all the M&E equipment in regions, through the M&E staff in each RSC to ensure the operation without any failures.

Level monitoring and Remote Operation Systems (SCADA) were designed and constructed locally with the available staff and installed to selected water supply schemes with the corporation of RSCs M&E staff.

M&E tender documents and specifications were prepared for vehicles, water meters, and other M&E equipment. All the supporting arrangements on design, construction, maintenance and other activities of M&E equipment were provided to the RSCs and projects when there was a need.

In addition to the above; Transport Section, Central Workshop and Building Maintenance sections are administrated by M&E Section.

Transport section is supervised by M&E division and carried out licenses, insurance, preparing of new registration, make vehicles arrangement for office staff transportation, welfare activities & emergency vehicle supply, maintaining the database and maintaining reports such as expenditure details, accident details etc. for all vehicles and equipment in NWSDB.

Building Maintenance section is working under DGM (M&E) and carries out all maintenance work in NWSDB head office complex and board quarters at Soysapura, Badovita and Rawatawatta.

Central Workshop is the main workshop of NWS&DB providing assistance to RSCs for O&M activities for all M&E equipment including pumps and accessories in water and sewerage treatment plants.

Central Laboratory

Analytical data in year 2019 revealed that out of the total test samples, 99.3% is satisfactory for bacteriological water quality while 87.8% is satisfactory for physical and chemical quality of water.

ISO/IES 17025:2005 has been granted to the Central Laboratory in 2017 and Regional Laboratory, Western Production, Ambatale in 2014 for the chemical testing of water treatment chemicals (Aluminiumsulphate and Hydrated lime) and successfully maintained the ISO Standard during the year 2019. Further, Western South, Regional Laboratory (Dehiwala & Panadura) was awarded ISO/IES 17025 in 2019 for the testing of physical, chemical and microbiological parameters; and Jaffna & Vavunia Laboratories for the testing of physical and chemical parameters of water. Meanwhile, those

laboratories are getting ready to obtain the new revision of accreditation ISO/IES 17025 : 2018.

Kadana and Biyagama laboratories are progressing for the accreditation of the water quality parameters. Two laboratories were established for Western Central region for the verification monitoring of the water quality.

Central Laboratory has developed the analytical scope for enumeration of algae and algae toxin analysis, biomass quantification, detection of volatile organic compounds and water treatment chemicals -powder activated carbon (PAC). Microbiology section has been also developed for water and wastewater analysis with referred to the SLS 614 and methods give in SLS 1461.

Non Revenue Water Reduction

NRW Section of RSC (WC) has carried out many Non-Revenue Water (NRW) reduction activities namely leak detection, valve tracing, pipe line tracing, taking flow and pressure measurements, illegal usage detection, leak survey, internal leak detection, defective meter replacement, leak repair and isolation of DMA Zones during the year 2019, not only within the region but also outside the RSC. In addition, the section coordinated NRW monitoring and management activities carried out by the Greater Colombo Water and Wastewater

Improvement Investment Program (GCWWMIP) in Colombo city area. Under these circumstances it has been able to reduce NRW of Colombo city to 40.2 % which is a 1.0 % reduction compared to the last year. The NRW figure of Western Central region is 30.7 % which is a 0.9% reduction from the last year. In addition to the NRW reduction activities training programs were conducted to aware the NWSDB staff on NRW management.

Groundwater

Groundwater section is engaged mainly in groundwater activities for providing water supply facilities for urban, semi-urban and rural water supply schemes. There are many groundwater-related activities carried out by the groundwater section in the year 2019.

Groundwater development activities including hydrogeological investigations, construction of deep and shallow boreholes and assessment of wells and aquifers for long term groundwater extraction were conducted in NWSDB WSS during the year. Furthermore, development of deep and shallow tube wells in NWSDB WSS, well head protection, groundwater recharging studies, hand-pump repairs and rehabilitation under ADRA and CKDu fund, and conducting of studies for groundwater issues were implemented successfully.

As a total, 441 hydrogeological investigations, 201 deep

and shallow borehole constructions, 190 flushing and well developments, 34 new hand pump installations, 484 repair & rehabilitation of hand pump tube wells and 161 pumping tests were completed in 2019. Under above activities, source capacity of existing and new NWSDB maintained WSS were increased by 8,000 cu.m/day.

As capacity building of groundwater section including groundwater source development, and drilling and maintenance activities were conducted for groundwater staff and others. The continuous studies on overflowing wells, modeling for Attanagalu Oya basin, well head protection, groundwater contamination, groundwater mapping, and isotope studies for groundwater dynamic are new future focuses of the section.

Supplies & Material Management

The required materials for NWSDB's operation needs to be readily available and it should maintain correct purchasing policies and procedures for procurement and storing of the items. Supplies and Material Management Section had been very successful in supplying necessary chemicals throughout the year without any interruption and providing all the new connections smoothly during the year while maintaining a buffer stock too to face any critical situation.

High standard of clearing shipments were maintained for more than 650 shipments coordinating with the institutions such as the Ministry of Urban Development, Water Supply and Housing Facilities, the Government Treasury, Sri Lanka Customs, banks, Sri Lanka Ports Authority, shipping lines, insurance companies and clearing agent formalities and relevant O&M cargo ensuring efficiency to avoid paying demurrages. In addition, 983 purchase orders and approximately 100 award letters for local purchasing were issued with the value of Rs.264 million. Due to lack of fund allocated for payment of custom duties for project cargo, demurrage charges had to be paid.

The section has established several methods of reducing stocks. During this year, it was able to save more than Rs.125 million by redistributing excess materials from RSCs Island wide without purchasing new materials.

A process is underway to link all the 342 stores throughout the Island by an Inventory Management Software and it is going to be implemented step by step. Plans were succeeded to supply 143 computers to island wide stores and now it is almost completed. Until it is fully functioned, bulk SMS system was used continuously to find out excess and nonmoving items to issue for the required RSCs. Claiming defective water meters under warranty period was successfully implemented through software. It was able to purchase Rs.300 million worth of capital items, for NWSDB offices and stores island wide.

During the year, 18 contract documents worth of Rs.1,108.47 million were prepared and at the end of the year bids were called for approximately Rs.42 million worth, 68 lots of redundant and obsolete items. Supplies & Material Management section has managed to achieve expected objectives within the budget allocations and overall performance of Supplies & Material Management was up to the expectations.

CKDu Programme

Chronic Kidney Disease of unknown etiology (CKDu) has become a major health problem in Sri Lanka. In early stages it was confined to North Central and Uva provinces. It is now prevalent in the North western, Northern, Central, Eastern, Sabaragamuwa and Southern provinces.

Accordingly, the NWSDB has developed short term, medium term and long term strategies and work plans to provide safe drinking water to CKDu affected areas as per recommendations by WHO and medical professionals.

In collaboration with the Ministry of Urban Development, Water Supply & Housing Facilities the NWSDB implemented many CKDu preventive activities investing Rs. 173.47 million during the year 2019. Supply & installation of water treatment plants, pipe line extension, new or improvements of RWSs, construction of bore holes, supply & installation of small RO plants, installation of rain water harvesting tanks, water supply through bowsers, water quality testing, repairing RO plants and hand pumps, and paying the liabilities of 2018 were mainly covered through this allocation.

Development

Development section mainly engaged in Water Safety Planning activities and Water Resource Planning and Management activities during the year 2019.

Providing guidance for implementation of Water Safety Plans (WSP) in seven RSCs, monitoring progress of WSP implementation, conducting brainstorming session with WSP Advisory Unit, internal informal auditing and internal formal auditing for the said regions and conducting WSP training programs were performed by the WSP Unit under Development Section.

High-Level Steering Committee for water sharing among stakeholders was initiated in 2019 to have a broad dialogue of the water extraction issues faced and experienced, as well as difficulties come across when implementing new water projects without having water extraction rights from the respective organizations. As

such, the NWSDB recognized the importance of coordinating these issues with Mahaweli Authority of Sri Lanka and Department of Irrigation to have a better understanding among the institutions, establishing cordial relationship in between the stakeholders.

Further, with the increasing of water use by leaps and bounds specially in the domestic and industrial sector, also resulted by climate changes, the NWSDB realized the water shortages will be more severe in the near future throughout the year. Hence, the NWSDB come up with a solution of introducing impounding reservoirs for drinking purposes and feasibility studies for Yatimahana, Weeoya and Vadurapeenuella were initiated.

Research & Development

Many research and development activities were performed by the R&D section during the year. Evaluation of consumer side water leaks in Moratuwa Area Engineer Division was carried out to regulate water pipes & fittings and to introduce certified plumbers. Optimization of defluoridation process with adsorption using activated carbon and activated alumina was conducted to optimize defluoridation efficiency with pH and initial concentration of fluoride. Research on flange protection mastic materials was carried out through a pilot study by testing (done at University of Moratuwa) mastic materials obtained from 5 suppliers. Further, research on CO₂ biofixation of wastewater in stabilization ponds using micro algae; Proposal for water supply for cooking and drinking purpose for safe water unserved areas; and some other research in areas of groundwater, automation systems, water treatment, etc. were also carried out by NWSDB staff during the year.

Two day workshop was held and further plant monitoring is being continued through donation under China Sri Lanka research grant project for future advanced water treatment of NWSDB and a MoU was signed for collaborative study with Ion Exchange India Limited on groundwater treatment. Introduction of energy management systems to Kethena water treatment plant is in progress jointly with M&E section, as an implementation of results of a research paper presented to annual R&D symposium.

The Fifth Annual R&D Symposium was held on 2nd December 2019, in collaboration with International Water Association (IWA) – Water and Development Congress and Exhibition (WDCE) 2019, presenting 9 papers including 3 external authors from International Water Management Institute, Mahaweli Authority and University of Sabaragamuwa. Also there were 4 poster presentations. The keynote speaker was Prof. Kalanithy Vairavamoorthy, Chief Executive Officer of IWA. The event was successful with the involvement of various sectional staff and through the training sessions conducted for the authors for improvement of paper writing, analysis of results and presentation skills.



Keynote speech by Prof. Kalanithy Vairavamoorthy

GIS & Mapping

The Greater Colombo Water & Wastewater Management Improvement Investment Program (GCWWMIIIP) has taken steps to establish a Web based GIS which will result proper NRW management through GIS based Asset Management. The outcome will facilitate the operations within the NWSDB with visualization of maps, integration of GIS with existing MIS and monitoring & management of asset condition, placement and location.

GIS & Mapping Section is taking a lead role in implementation of this web based GIS which will be connected to the Main Server established in the Head Office. All Geo-Spatial activities will be recorded in this server. This section the major monitoring and coordinating body, involved establishing VPN connection in selected zone offices which were carried out successfully as scheduled and provided available digital data for initiation of the system.

During 2019, GIS & Mapping section involved in scheduling and coordinating Arc GIS training programs required for web GIS: Basic GIS training- Base map preparation for 165 employees and Web GIS training (Advance training) calling nominations for two participants from each RSC/Manager office.

In addition, completion and updating of digital water utility data, attending for data requests, monitoring the progress of data digitization and assistance for GIS activities in RSCs were also continued.

Water Safety Plans (WSPs)

The World Health Organization's (WHO) guidelines for drinking water quality recommended Water Safety Plan (WSP) as the most effective means of consistently ensuring the safety of a drinking water supply.

Accordingly, eleven Urban WSP training programs were conducted for all RSCs under the Manpower Development and Training Section of NWSDB. With the commitment of NWSDB, WSPs have been implemented in 264 (as at 31st of December 2019) urban Water Supply Schemes which is 77% of the total WSSs maintained under NWSDB and that includes all the major urban WSSs in the country.

Further, 17 internal formal audits and 17 internal informal audits has been conducted up to date by WSP Advisory Unit in Kandy. Moreover, the NWSDB in collaboration with the Institute of Engineers, in Sri Lanka (IESL), and WHO country office has conducted 14 external formal audits for the first time in the Southeast and South Asian regions.

Besides, the World Bank assisted Water Supply and Sanitation Improvement Project (WaSSIP) has joined the hands to strengthen the implementation process of WSPs in 7 districts of the country.

As a milestone of WSP context in Sri Lanka, it has been initiated to implement Rural WSP with the collaboration of WaSSIP and Department of National Community Water Supply (DoNCWS). Furthermore, with the contribution of WaSSIP and NGOs such as World Vision, WSP is being implemented in plantation sector. The WSP application was made at the design stage of Galigamuwa Urban WSS and several improvements were made. In the same manner WSP implementation is being carried out in all Urban WSS and selected rural and Estate WSS under WaSSIP. The WSPAUI is periodically conducting consultation and supportive visits to those WSSs to monitor the WSP implementation progress. Hence the NWSDB is exactly in the track of meeting the set goals in the WSP Strategic Plan – 2020 an implementation of WSP as a holistic approach to ensure safe access to all citizen of the country as per the vision of WSP committee of the NWSDB, i.e. “*Safe Water for a Wealthy Life*”.



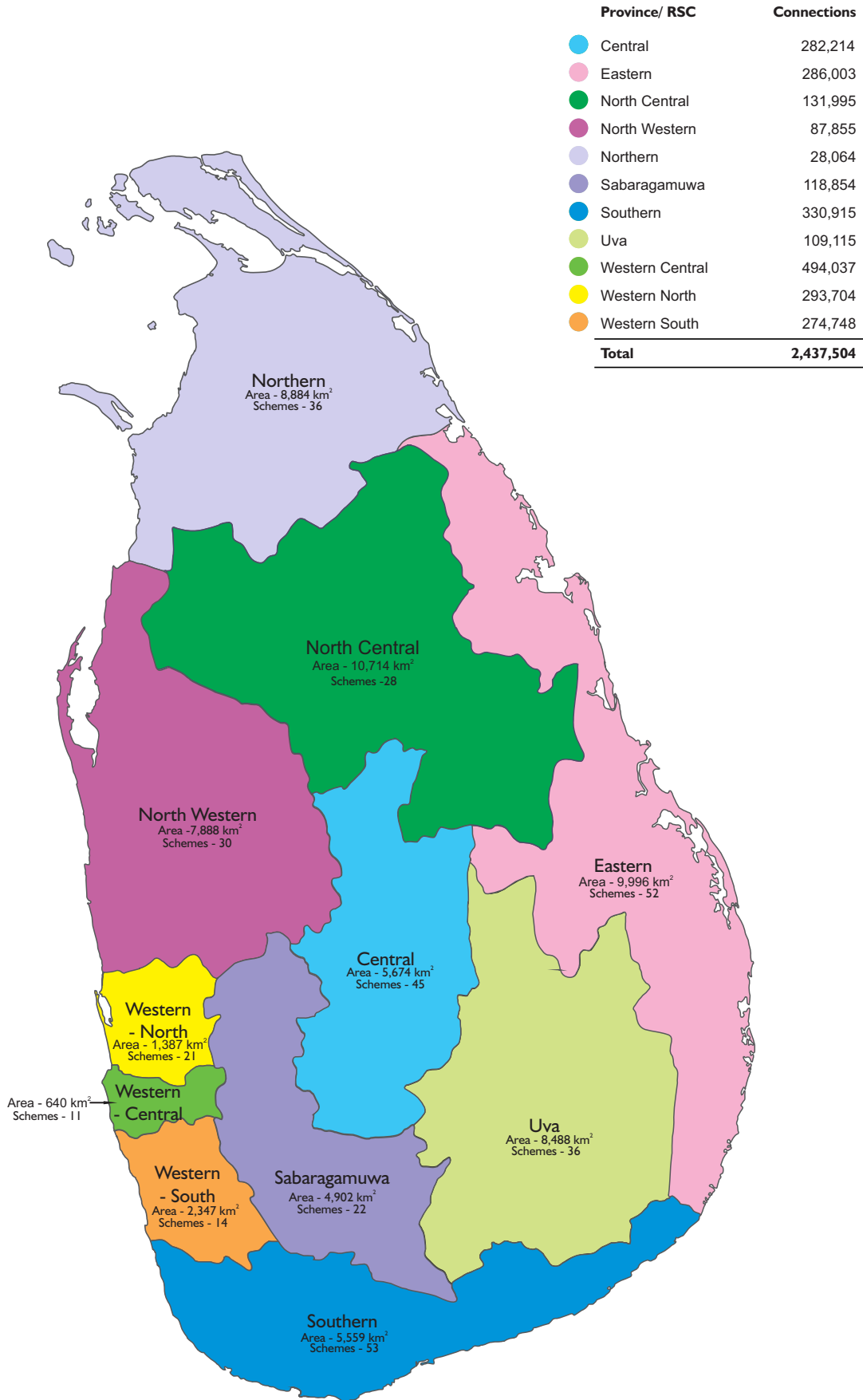
“Without Water, survival is Impossible.”

- Unknown





Regional Support Centres



REGIONAL SUPPORT CENTERS

Western - Central

The RSC(WC) consists of CCN, CCS, Kotte and Maharagama manager regions. Manager CCN officers were able to obtain National Productivity Award - 2018.

NRW Section of RSC (WC) has carried out many NRW reduction activities such as leak detection, illegal usage detection, defective meter replacement, leak repair, isolation of DMA Zone etc. Also NRW monitoring activities have been carried out by the GCWWMIIIP. It has been able to reduce NRW of Colombo city to 40.2 % which is a 1.0 % reduction compared to last year. The NRW (WC) is 30.7 %. This is a 0.9% reduction from the last year.

Energy saving due to NRW reduction leads to increase system efficiency. GCWWMIIIP designed distribution network using DMA concept (number of pump hours has been reduced). Applying auto pumping system, changing of pumping hours in pump-houses more towards off-peak hours, prompt preventive maintenance at all energy consuming sites and installation of solar panels are the other energy saving activities carried out during the year. Further, E&M division has started implementing of ISO50001 Energy Management System for pumping stations.

In order to maintain the stock levels in the RSC, the Stores Module was fully implemented. Material requests were prepared considering the present stocks and identified minimum requirement and excess material was transferred to the other Regions.

As institutional development activities, an Area Engineer office at Maligakanda, three OIC offices at Mattakkuliya, Kottahena and Galagedara and two regional laboratories at Maligakanda and Galagedara offices were newly established. Monthly income from testing of private water samples is around Rs.200,000.00.

Safety arrangements were done at Maligakanda reservoir site by fixing LED bulbs and CCTV camera, and at OIC Pamankada and Thimbirigasyaya offices by installation of CCTV cameras in to avoid entering unauthorized persons. Mobile services were conducted at Maharagama and Kesbewa for attending consumer grievances. Water Safety Plans were implemented in Kotte, Maharagama and Colombo City.

Mobile application software was implemented among

the meter readers and software for issuing new connection estimates was used at CCS region.

Distribution extensions of 55.3km in 63mm, 6.98 km in 90mm, 2.81 km in 110mm were carried out within the region. During the year, rehabilitation works have been carried out spending Rs. 138.42 million from the RH Budget allocation of Rs. 170.229 million.

During the year, total of 15,666 new water supply connections have been provided by the RSC (WC) and this is a 95% achievement against the targeted 16,580. The Billing target was Rs.8,822 million and actual billing was Rs.8,861 million which is a 100% achievement while the collection target was Rs.9,164 million and the actual collection was Rs.8,968 million with a 98% achievement. Collection efficiency 101% and debt age is 0.6 month for the total RSC (WC).

An emergency response plan was prepared in Colombo, Kotte - Kolonnawa areas to face disaster situations such as floods and unexpected circumstances in this area. Upgrading water supply facilities of Kolonnawa, Gothatuwa, Kotte and Battaramulla areas to improve the water supply and quality of service, replacing of pipes along Kalalgoda Road and Wanaguru Mawatha and updating GIS database in RSC (WC) are other development works carried out. Awareness programs were also conducted for school children, government offices and private institutions.

Western - South

The Regional Support Centre (Western-South) comprises of RSC (WS) office and 03 Regional Manager offices: Manager (Dehiwala) Region, Manager (Panadura-Horana) Region and Manager (Kalutara) Region.

RSC (WS) office and three Manager Regions arranged special programs for positive thinking, attitude changing and quality circle tools of productivity improvements. RSC (WS) office scheduled and improved their productivity further to participate in the National Productivity Competition – 2020 and several training and introduction programs were arranged at regional offices to improve their productivity too.

As special achievements, The Certificate of Accreditation (ISO/IEC 17025 : 2005 Laboratory Accreditation for Chemical & Biological Testing) was granted by Sri Lanka Accreditation Board to the Regional Laboratory (Dehiwala/Panadura).

Several NRW reduction activities such as special

2.2 km of AC pipe line replacement in Beruwala and Wadduwa areas respectively, were carried out within the RSC (WS) to reduce the NRW figure within the Region. Specially, JICA granted project, “Enhancement of Operational Efficiency and Assets Management Capacity of RSC (WS), NWS&DB” is ongoing in Panadura area focusing active leakage control in the selected pilot zone of Panadura.

Water quality surveillance and water security activities were carried out in several areas including few RWS schemes. 120 RWS Schemes were being implemented within the region providing 12,839 connections for 64,865 beneficiaries. Out of twelve Water Safety Plans in the region, nine were completed while the balance three were initiated. Further, Disaster Management Plans were prepared for chemical disasters, floods and landslides. Out of nine, six incident management plans were prepared for the region.

Furthermore, pipe line extensions for a total length of 89.25 km were completed which consists of 16.1 km in Kalutara Region, 65.6 km in Panadura-Horana Region and 7.5 km in Dehiwala Region. Many rechargeable and rehabilitation activities were also carried out in all the regions throughout the year.

Due to the dry weather condition, Manager Kalutara area faced a critical problem of salinity intrusion. As a temporary solution, bowser supply was arranged to cover whole area of Manager (Kalutara) region. Intake construction works were commenced at Kolemodara targeting to transmit raw water to Kethhena treatment plant in dry weather period as a medium term solution to salinity intrusion issue in Kalutara. Further to that, a feasibility study is carrying out with the Irrigation Department to construct a salinity barrier closer to the estuary of Kalu River.

The water losses in the Maggona tower and Beruwala reservoir were identified and rectified using NRW funds. Six priority projects were identified and forwarded for approval. Those are Capacity Improvement of Kandana WTP, Ingiriya – Handapangoda Water Supply Project, Kethhena Improvement & Expansion Project, Ingiriya WSP, Construction of Salinity Barrier to prevent salinity intrusion to Thebuwana intake (Kethhena) and Multi-Stake Holder Partnership Approach Project to Kalu ganga catchment protection.

All three regions have taken 100% of their meter readings, using the meter reader application software. A smart zone solution was constructed and 24 hr easy payment system was commenced in (Panadura -

Horana) manager division.



Smart Zone - Panadura-Horana

In addition, construction of drive through bill payment system at RSC (WS) premises is almost completed with a progress over 97%.

The Special Investigation Unit of NWSDB inspected 1,562 illegal connections and confirmed 102 illegal connections of which 57 nrs. are within RSC (WS) region.

Western - North

The RSC(WN) comprises of RSC (WN) office, Manager (Kelaniya) and Manager (Gampaha) offices.

Training division of RSC(WN) organized and conducted 21 training programmes covering several categories.

98% of the NRW budget amounting Rs.60.02 million was spent on defective meter replacements, repairing of leaks, laying & shifting of existing pipes; and installation of Ultrasonic flow meters, valves, & couplings. The NRW value of RSC (WN) region is 19.27% in year 2019. 93% of the RH budget amounting 98.14 million was spent to several M&E activities, distribution improvements, institutional development activities and renovation works.

Installation of Double End Suction Horizontal split casting type centrifugal pumping sets in Mirigama WSS & 30kw solar powered net metering system for Manager's office (Kelaniya) were energy saving activities undertaken in the year 2019.

Monthly 250 water samples were tested at the two laboratories at Kadawatha and Negombo for physical, chemical and microbiological quality. In addition THM and heavy metal analysis were also carried out periodically. Water quality test services and necessary consultations were also provided for government sector, community water supply schemes, private organizations and public wells. Water Safety Plans have been established for all the schemes

in the region and formal audit was completed for Ja-Ela, Raddolugbama & Kelaniya WSSs. Catchment protection programmes for Attanagalla Oya, Maoya, Kelani River and Dandugamoya are on-going, association with Divisional Secretariat office, Pradeshiya Sabha & Provincial Council of Gampaha.

As RWS activities, pipe laying, construction of ferro cement water towers, pump houses, dug wells; installation of pumps, chlorinators and panel boards; and supply of electricity were carried out.



Pipe Shifting

Many asset management activities were also carried out during the year 2019. Fixed Asset & Inventory verifications were completed and handover to the government audit. The assets to be commenced were re-evaluated, asset register was updated according to the ledger and the abandon assets were removed from the asset register.

P&D section involved in preparation of detail designs, drawings, estimates and tender documents for augmentation of the WSSs, treatment plants and intakes, construction of steel truss bridges and shifting of pipe lines (refer the figure), two storied building for laboratory in Negombo, ground reservoir and pump house for Katana South in Katunayake. Also, Pre-Feasibility Studies and preparation of Total Cost Estimates for expansion of pipe borne water to uncovered area in Dompe DS division was attended. Further, the P&D section obtained the IESL recognition for the design experience in the professional review exam of Engineers, since end of 2018.

Laying of uPVC, PE & DI pipes along many road sections, temporary and permanent relocation of pipes at few bridges and road improvement sites and improvement of water supply facility for BOI Biyagama were carried out by Construction section.

KRB has improved water production capacity from 185,000 cum./day to 193,000 cu.m/day and water supply

to RSC(WN) from Labugama Kalatuwawa has been enhanced from 10,000 cu.m/day to 12,000 cu.m/day.

9,598 new water supply connections were provided during the year bringing the total nrs. of connections in RSC (WN) to 293,704. This is 64.1% achievement of the target despite having severe issues due to unavailability of sufficient water quantity in both regions. The main issue is that the water production is not enough to meet the demand.

Southern

Southern Province Management together with the staff dedicated to provide safe water to the consumers with limited resources. As a result, Greater Galle Water Safety Plan received “very good” rank while Ambalanthota and Hapugala Water Safety Plans received “good” rank in external formal audit. Further to this water safety plans in Tangalle WSS, Kirinda – Puhulwella WSS, Matara group WSS, and Pitigala WSS are also in progress. Hambanthota manager office has also received special award for National Productivity in medium scale service sector.

Under Energy Saving fund, centrifugal pumping set for Wakamulla WSS, vertical turbine pump & accessories for Baddegama, and 65 kw solar powered net metering system for RSC office were installed.

Rehabilitation of treatment plants and water towers, renovation of quarters, purchasing of chemical dosing pumps and pipe laying have been carried out under Rehabilitation funds. Replacing defective valves & pipe lines and valve chambers for zoning were carried out under NRW funds. Total allocation of Rehabilitation and NRW has been utilized during 2019.

Distribution improvements, checking of illegal connections, replacing of defective meters, checking zero bills and estimated bills, preventive maintenance activities and NRW reduction activities were done regularly. Pipeline extensions 33 km were done in all the regions. In some schemes pipe line extensions have been limited due to the present production limitations. Total of 10,564 new connections have been given during 2019.

To ensure safe water supply 7,702 samples in Matara, 5,703 samples in Hambantota and 4,114 samples in Galle were tested for water quality. Water quality surveillance in intakes and sources were also conducted regularly. GIS maps have been updated 100% in Hambantota and Mathara regions and 70% in Galle region.

Training programmes on PE pipes, Commercial activities, Safe handling of Chlorine, Calibration of monitoring and measuring devices, Lightning & Surge protection, Positive Thinking, Mobile app new version for meter readers and Computer & MS Office Skills has been conducted during the year. Renovation of commercial section-Galle, AE office Ambalangoda and regional laboratory Wakwella has also been carried out.

Feasibility Studies for Imaduwa, Hambantota Industrial Zone and Morawaka WSPs as well as for Kataragama Long Term Proposal were carried out in 2019. Further, design works for Lunugamwehera Integrated WSP and Kataragama Short Term Proposal were also carried out during the year. Procurement Works for Upgrading of Hallala WTP- Phase I (Rs. 177 million) and Deniyaya WSP were also carried out.



Highway underpass pipe laying at Bandagiriya

Kirama Katuwana WSP, Greater Galle Stage III, Matara Short Term Improvement Project, Water Supply to Angunukolapelassa Prison and Lunugamwehera Short Term Proposal were under implementation during the year.

Under Rechargeable funds from Department of Prison, laying of Angunukolapelessa pumping main has been carried out. As at end 2019, 85% of supply of DI pipes & fittings and 45% of pipe laying have been completed with a financial progress of 36%.

North Central

A total of 30 training programmes were conducted for the employees during the year 2019 spending Rs.222,732.00.

Land acquisition is in progress (65 plots) for proposed projects in Anuradhapura and Polonnaruwa. The value of total assets under RSC(NC) is Rs. 14,052 million. Asset Annual verification was completed. Capitalization of Deyata Kirula, Minneriya, Medirigiriya, Kalawewa & Ranavirugama Water Supply Scheme were completed. Total capitalized amount is Rs. 1, 133 million.

There are 19 water supply schemes in operation in Anuradhapura region providing 90,636 water supply connections. A total of 5,409 new connections were

provided in 2019. Billing target and achievement by end of 2019 were Rs. 784.64 million & Rs. 891.59 million respectively which is a 114% achievement. Collection target and achievement by end of 2019 were Rs.834.26 million & Rs. 933.33 respectively which is a 112% achievement.

A total of 9 WSS are in operation in Polonnaruwa region which include 41,359 connections and 5,004 new connections have been provided in 2019. Billing target & achievement by end of 2019 were Rs.361.99million & Rs.425.68 million respectively with an achievement of 117.6% while the collection target was Rs. 388.70 million and its achievement was Rs.443.29 which is a 114% progress.

Ten WSS have completed Water Safety Plans. Two informal internal Water Safety Plan auditing were concluded. Catchment protection programmes were carried out for Thissawewa tank Anuradhapura. Twenty numbers of awareness programmes were completed and technical support was provided for 50 CBOs. Four number of awareness programmes were also conducted by the RWS unit.

Financial progress of RH budget, NRW budget, CKD budget and catchment protection was 69%, 65%, 91% and 88% respectively. Physical progress of Pibidemu Polonnaruwa Development Project was 90%.

A total number of 203 hand pump tube wells were Rehabilitated under CKD funds in 2019 and ground water facilities were provided to 5,075 families. Four new productive wells were drilled in 2019 and 28 production wells were developed in NWSDB water supply schemes.

Thirty two contract documents were prepared for Pibidemu Polonnaruwa, Utility shifting, CKD, Rehabilitation, Rechargeable, O&M, NRW, RWS & LBF Funds with a total cost amounting to Rs. 144.44 million.

Technical evaluation of the Eppawala, Rajanganaya, Nochchiyagama & Giribawa IWSP has been completed and the financial evaluation has already been finalized. The technical evaluation of Greater Anuradhapura and Greater Trincomalee IWSP has been completed and the financial evaluation is in progress.

Laboratory facilities & Water Quality activities have been improved to obtain ISO-17025. Necessary trainings were received from Physikalisch Technische Bundesanstalt (PTB) project.

Productivity improvement activities were conducted in WSS, water treatment plants and intakes. As a result of identifying and rectifying 4,646 leaks, It was able to reduce NRW to 23.15%. Total of 5,606 defective meters were also identified and 5,396 were rectified.

North Western

RSC(NW) and Manager(O&M) offices were able to obtain ISO 9001:2015 System Certification effective from 2019.11.01 to 2022.10.30.

60% of the NRW budget amounting to Rs. 41.94 million was spent to install electromagnetic flow meters, construction of valve chambers and improvements to distribution systems in Kurunegala, Puttalam, Giriulla, and Ibbagamuwa schemes. 73% of the RH budget amounting to Rs. 79.58 million was spent to augment quantity and quality of existing schemes Wariyapola and Dankotuwa, and modification of 2 OIC offices and rehabilitation of stores.

A new stores system with 6 regional stores was successfully established properly functioning with IMS, aiming to reduce the total number of stores in the region. Non-moving and unserviceable stock of value Rs. 11.27 million were set aside for auctioning.

Rs. 32.5 million was invested to replace pumps at Wariyapola and on the level monitoring projects in Rambadagalla, Nikaweratiya and Nelumpokuna from the Energy saving budget which will save Rs. 7 million annually. The CEB tariff category rectification was performed for 6 locations expecting to save Rs. 21 million annually. The new workshop building constructed under AIWSP funds is nearing completion.

Rs. 24.24 million was spent from the CKD Budget for Abukkagama (commissioned), Hettiarachchigama (50% complete) and water quality testing activities. From the RWS budget, Rs. 26.44 million was spent achieving 90% completion in Maragama, Diddeniyawatta and Madawakkulama WSPs.

Several projects planned by Sector Planning section was under procurement: Bingiriya Udubaddawa WSS (Hungary funds), Kala Oya Water Balance Study (ADB funds), Katupotha Bamunakotuwa (Korean Funds) and Town North Kurunegala WSS Feasibility Study (TATA Global funds).

Monthly, 250 water samples from the distribution system are tested for chemical, physical and microbiological quality. 11 water safety plans are implemented covering the total region. All water safety plan modules for Alawwa, Nelumpokuna and Wariyapola are completed and the others are partially completed.

13 out of 20 rural water schemes constructed with Wayamba Development fund and 2 out of 6 rural water schemes constructed with District Secretariat funds are completed.

Distribution extensions of 20.7 km including 19.89 km in

63mm, 490m in 90mm and 320m in 160mm were performed within the region.

Currently, 52 existing/proposed intake locations, raw water mains, 16 treatment plant locations, 43 storage tanks, 2,300 km distribution lengths, bulk meters, valve locations of Giriulla, Puttalam, Wariyapola, and consumer connections of Anamaduwa were plotted under GIS based asset management.

As a disaster management measure, fish tanks were installed at all WTPs to monitor the raw water quality at a total cost of Rs. 150,000.00. A bowser supply was arranged spending Rs. 500,000.00 for a period of 3 months to serve the areas affected by severe drought.

The issues relating to insufficient water quantity and high Iron, Mn and Hardness issues in existing intakes; most of the WTPs are operating overcapacity; difficulty in obtaining RDA approval for pipe laying, road construction performed without proper communication damaging pipe lines; and covering manholes are to be solved.

To study ground water recharging, a pilot ground water recharging zone was constructed by Wariyapola Ground Water section.



Lighting the Oil Lamp – ISO Felicitation Ceremony

Central

Among the achievements of RSC (Central) during 2019, total water connections of RSC (Central) was brought to 282,214 with 1.3million beneficiaries leading to 42% of coverage population. Sixty million cubic meter water sales was encountered in 2019 and Rs.1,985 million collections with 100% target achievement with the considerable debt age of 7 days.

Activities committed under 2019 NRW budget were completed by utilizing Rs. 73 million out of Rs. 80 million. Night leak surveys were conducted for 78.4km of distribution length. Improvements of WSS in Central - East region were done to improve service level with the cost of Rs. 120 million. Solar power system was installed at the office and a laboratory building was established in Arattana WTP. There were 5.3km long Pipe line extensions done in Hippola.

All the modules of the Water Safety Plans were completed in Central South area, Nawalapitiya, Paradeka, Rikillagaskada & Greater Kandy WSSs. RSC Central laboratory has conducted chemical analyses for 6,178 water samples for NWSDDB and 4,150 samples for out siders. Microbiological analyses were also conducted for 5,465 samples in water board and 5,213 samples for out siders by the RSC Central laboratory. In addition, microbiological analysis were conducted on 404 samples for CBOs free of charge.

Pipeline replacements and construction of 52 new valve chambers were done for Rs.14.38 million under NRW funds in Central North. There were 10 CBO schemes taken over by Wilgamuwa and Dambulla WSSs.

Pipe line extensions of 20.63 km (63~225mm) were done in Central South area under rechargeable activities. Rehabilitation activities spending Rs.7.93 million and NRW activities spending Rs.7.09 million were also carried out in 2019.

Studies were proceeded by the Development section in Central RSC to enhance the existing coverage of Kandy District from 63% to 75%, Mathale District from 30% to 85% and Nuwara-Eliya from 10% to 14%. Targeting the above, Nanuoya & Deltota Water Supply Projects are ready to award. Six project proposals with board approval were submitted for the approval of NPD and three other project proposals are ready to obtained PAC approval. Thirty six hydrological investigations, 18 bore hole well drillings, 9 times of bore hole well flushings, 7 times hand pump repair/ rehabilitation works and 21 new hand pump installations were done and Rs. 13.77million was collected by the Hydrological section. P&D section proceeded 21km of pipe relaying works together with 1,100 numbers of connection transfers on Kandy -Kirimetiya road, augmentation and rehabilitation activities of WSSs.

During the year, 7,962 new connections were given achieving 72% of the target. while 60 million cu.m of water sales were done achieving 100% of the target. Asset capitalization was proceeded for the assets worth of Rs 32.93 million in Central East, Rs.47.05 million in Central South and Rs. 36.29 million in Central North. Grater Kandy Phase II project capitalization was completed. Capitalization of Greater Dambulla, 90% and capitalization of the projects in RSC Central region under 3.5 Billion budget - LBF project, 50 % were also completed.

Twenty four training programs were conducted and implementation of 5S is under progress. Many social, religious and institutional development activities were

also conducted; and RSC employees B.G.E Dhanasena, Y.H.L Peris and D. S.K. Kumara won several medals in Janasathu Sewa National level sports events.

Sabaragamuwa

RSC (Sabaragamuwa) is providing pipe-borne water to the community of Sabaragamuwa province with more than 100,000 water connections, and further development activities are going on to the service coverage enhancement and cost reduction.

NRW reduction activities were carried out in the RSC of which Rs. 31.5 million was spent for NRW ongoing activities while Rs. 12.10 million was allocated for NRW new activities in the region for year 2019.

RSC was implementing construction activities in the Kegalle region under Resettlement and Utility Shifting funds. Many construction works were being implemented in the RSC Sabaragamuwa region under WaSSIP Project, by the project staff covering 05 Grama Niladhari Divisions serving 6,312 people and the University of Sabaragamuwa.

It has been proposed to supply 5,000 cu.m drinking water per day from Embilipitiya WTP to Padalangala area under funds from WaSSIP project and CKD funds. Supply and laying of 4.5km long pumping main has been completed by NWSDDB under CKD funds of Rs. 92.97 million. Construction of treated water pump house in Embilipitiya WTP premises to feed Padalangala pumping main is also carried out by RSC under CKDu funds at the estimated cost of Rs. 35 million.

Rehabilitation of Udawalawa Water Treatment Plant is to be carried out under Rehabilitation funds. The estimated cost for the project is Rs. 9.0 million and currently the project is at tendering stage.

Kahawatte- Pelmadulla transmission main project aiming to lay a 280mm diameter PVC transmission main line from Kahawatta water treatment plant to Batalanda junction in Pelmadulla was ongoing during the year under rechargeable funds. The pipe line is 7 km in length and the project cost is around Rs. 160 million.

Installation of package treatment plant at Eheliyagoda treatment plant premises at the cost of Rs19.0 million under RWS funds from the Capital Budget is carried out by RSC Sabaragamuwa and was commenced in 2019.

Implementation of water safety plans was continued in the year 2019 in Ratnapura & Kegalle regions and accordingly stake holder awareness programmes were conducted in both regions. Water Safety Plan module completion in Rathnapura region is 50% while it is around 40% in Kegalle

region. Six school awareness programmes in Rathnapura region, 12 school awareness programmes in Kegalle region and awareness programmes for plant operators of NWSDB & CBOs in both regions were conducted during the year. In addition, chain link fences were constructed at Udawalawa intake and around 04 hrs. of break pressure tanks of Balangoda WSS spending about Rs. 3 million.

During the year 2019, around 7,500 plants were distributed in Kegalle district and more than 10,000 plants were distributed in Ratnapura district via Pradeshiya sabas and Divisional Secretariets. Another 1,000 plants were planted by NWSDB together with the Department of National Community Water Supply in catchments of CBOs.

Uva

The Uva Regional Support Center (RSC) at Badulla was awarded a GOLD Rating Certification under the GREENSL Rating System at the Annual Green Building Awards 2019. Other than that Bandarawela Regional Laboratory was awarded the 5S Certification from National Productivity Secretariat in year 2019.

NRW section was formed to undertake a NRW monitoring and reduction programme in both Bandarawela and Monaragala Regions. Night leak surveys and monitoring disconnections and illegal connections, were done by the section. Rectification of existing service connections, replacing low pressure rated pipes and aged pipes, introduction of SCADA Systems to Buttala, Wellawaya, Divthotawela, Welimada WSSs etc. were done under the NRW budget in 2019. It was able to reduce the NRW from 28% to 27% during the year.

Replacing of inefficient pumps and avoiding pumping during peak hours were some of the energy saving activities practiced during the year. In addition to reducing electricity cost, by implementing the preventive maintenance in all pumping stations, maintenance cost and the pump breakdown period has also been reduced. Further, solar panels also have been fixed in Bandarawela and Monaragala Regional Manager Office buildings.

In order to reduce the stock levels in RSC, about 21 km pipe laying was carried out using the pipes and fittings available at the RSC. Community pipe laying was carried out in Ella and Halpe area of Demodara WSS using the pipes and fittings which were available in the region.

During the year, 39 training programmes out of which

23 for officers, 11 for other categories, 3 for all staff and 2 CBO trainings were conducted utilizing the training budget as well as some other sponsorships.

The Provincial Water Committee (Uva) has been re-mobilized and first stake holder meeting was held with the aim of preservation of water source area and catchment protection activities. Catchment Protection Programs were carried out for Bomurualla catchment, Badulla WSS and Diyathalawa WSS. Water Safety Plans were started for almost all the schemes and all the modules were completed in nine schemes of the province. External Audit was completed in Wellawaya WSS in September 2019.

Pipeline extension works for 18 km of Mahiyangana and Demodara WSSs in Badulla; and 25km of Buttala WSS in Monaragala were carried out.

Out of 43km pipe laying in A5 road under Rechargeable budget, about 25km were completed. Under the Uva Provincial Council fund, construction of Thotillaketiya RWS scheme in Monaragala District was completed and rehabilitation of Gangodagama RWS scheme was at final stage. Under CKD budget in Badulla District, Agalaoya extension project was completed and Balagolla WSS, Pumping main extension for Rideemaliyadda area is ongoing.

Further, 71 contracts in Bandarawela and 41 contracts in Monaragala amounting to Rs. 450 million including rehabilitation of water supply schemes, OIC office and quarters, transmission and distribution systems and M&E improvements were carried out under the rehabilitation works.

PAC approval was obtained for Thaldena Meegahakiula, Yahalaarawa-Ulugala WSPs and revised proposals of Bandarawela Diyathalawa Haputhale, Hambegamuwa during the year.

Under RWS unit of RSC-Uva, only the balance works available from previous years were completed. Opening ceremonies of Boragas WSP - Rs.46.39 million and Rahuppola WSP - Rs.17.8 million projects were held in 2019 and Palgathathenna, Balagolla, projects were in their final stage.

Northern

Regional Manager (Jaffna) and Regional Manager (Vavuniya) are the two regions under RSC(North) covering 5 districts namely Jaffna, Killinochchi, Mullaithivu, Vavuniya and Mannar for O&M activities. Total population of the Province is 1.24 million.

Total pipe borne water supply connections maintained by NWSDB in this region as at end 2019 is 28,064 covering 7.38% of population while rural water supply coverage is about 0.54%. Totally, 220 nrs. of staff served in RSC-North.

During the year, 56km pipe line extension works were carried out and as mitigation measure of NRW, distribution improvements including replacement of 13.5 km AC pipe lines, 16 valves and 1,961 defective meters were carried out. Further, 27 new valves were installed. Necessary valve chambers were constructed and some were in progress. The number of new connections given was 3,907.

The Regional Laboratories of Jaffna & Vavuniya had met the Management Requirements and Technical Requirements of ISO 17025 and were granted ISO 17025 accreditation for 5 parameters of pH, Turbidity, electrical conductivity, total hardness and chloride; and is in progress of getting accreditation for microbiological testing. While providing laboratory services to various stake holders in Jaffna region, Rs. 4.0 million was earned through the same. A special programme of Presidential Secretariat for testing of water quality of Schools in Northern Province was successfully completed and Rs. 2 million was gained. A mini laboratory was established in Killinochchi treatment plant site to provide the laboratory services to Killinochchi and Mullaitivu districts. Water Bill printing was commenced in RM office, Jaffna improving the collection efficiency.

Construction of store and pump house in Killinochchi, and installation of RO plant for regional laboratory have been completed. Water Safety Plan for six water supply schemes in Jaffna region; Peraru reservoir and distribution system including ground water sources of Vavuniya were also implemented. External formal audit for Water Safety Plan was carried out for Point Pedro WSS and total score achieved is 90 ("Average"). Installation of pumps and solar panels, and replacing of pumps were carried out at the cost of Rs.125.85million.

Rehabilitation and M&E works (Rs. 5.92 million) were carried out in Nine RWS Schemes in Jaffna, Killinochchi & Mannar districts by extending distributions and providing new connections.

Director General of Irrigation Department issued a written approval to share 32,000 cu.m/day of water for proposed Greater Vavuniya WSP (GVWSP) from Lower Malwathu Oya Reservoir. Feasibility study for Greater Mannar WSP (GMWSP) has been completed. PAC and Board approvals were obtained. Project

Concept papers were submitted to NPD seeking funds for GVWSP, GMWSP and Mankulam WSP.

Construction activities including pipeline and related civil works in distribution systems to enhance the pipe borne water supply coverage, worth of Rs. 132 million were carried out. Further, several RWS schemes and RO plants have been completed and handed over to the community.

Design works worth of Rs. 220 million were completed, in which Water Supply for Holy Shrine of Our Lady of Madhu was included.

Sixty five hydrogeological investigations, 32 tube well constructions and 26 well development activities have been completed expending Rs. 22million.

East

RSC (East) O&M activities are managed by four Regional Managers namely; Trincomalee, Ampara, Batticaloa and Akkaraipattu.

Three separate teams were appointed under the senior commercial officer to conduct the continuous disconnection program in order to maintain the average debt age below 0.35.

Some NRW reduction activities were conducted during the year in all the four regions. Changing defective meters (3,445 nrs.), repairing leaks (3,027 nrs.) and detecting illegal connection (18 nrs.) were carried out in all regions as major activities. Also, the regional NRW percentages were maintained as Trincomalee - 25%, Batticaloa - 14%, Akkaraipattu & Kalmunai - 12% and Ampara - 15%.

Under the Rehabilitation budget, Rs. 65 million for rehabilitation works and Rs. 60 million for NRW activities have been allocated and out of that, total of Rs. 52.91 million has been spent while Rs. 45.44 million worth of bills were in hand as at December 2019. Under the rechargeable works, Rs. 23.10 million was received from various institutions in Trincomalee region and Rs.9.50 million was expended; Rs. 36.00 million was received from various institutions in Batticaloa region and Rs.15.00 million was expended; Rs. 32.80 million was received from various institutions in Kalmunai region and Rs.4.60 million was expended; Rs. 37.00 million was received from various institutions in Akkaraipattu region and Rs.15.00 million was expended and Rs. 196.50 million was received from various institutions in Ampara region and Rs.43.80 million was expended.

The total number of service connections in the RSC (East) has reached to 286,003 as at end 2019.

Collection of Rs.1,938.54 million (with VAT) has been reported against the billing of Rs.1,912.68 million (with VAT) during the year. Total numbers of tenders handled were 69 and 53 contracts worth of Rs.119.03 million were awarded in 2019.

There were many challenges faced by the RSC (East) in all the regions in the year 2019. During the drought, Batticaloa region faced difficulties to extract and treat water from bottom level of the Unnichchai Tank. There were two river crossing collapses at Mawadipalli and Sainthamaruthu areas and high pending arrears at Green Field Condominium housing scheme at Kalmunai. In Akkarai pattu region, there were water scarcity of ground water source at Pottuvil area and water scarcity in Thirukkivil area during drought season. In Trincomalee region, water shortage was encountered in Mahaweli River during drought season while extraction of water from Kantale irrigation tank was limited by Irrigation department, causing severe problems in Trincomalee town water supply. Also, salinity intrusion occurred at Verugal intake during drought season in Eachilampattu WSS.

Western - Production

The RSC Western Production (RSC-WP) currently operates and maintains 8 drinking Water Treatment Plants (WTP) at Ambatale, Labugama, Kalatuwawe, Biyagama, Bambukuliya, Kandane, Keththena and Nawagamuwa of which Ambatale WTP is the largest facility producing nearly 550,000 cu.m/day. The Ambatale WTP alone produces nearly 50 % of the total production of RSC- WP. The total production of RSC - WP is 1.1 million cubic meter of drinking water per day which is again more than 50 % of the total production by NWSDB per day. The production capacity will further be increased by 180,000 cu.m/day through KRB II project which is expected to be commissioned in mid-2020. Ambatale capacity improvement by 50,000 cu.m/day and Welivite WSP of 180,000 cu.m/day are also expected to boost the production capacity in near future to cater the growing demand in western province.

The RSC-WP caters drinking water to Colombo, Gampaha and part of Kalutara districts. Water is being distributed through 3 RSCs called Western Central, Western North and Western South. The operation and maintenance activities of RSC-WP are divided among four managers (Manager- Operation, Manager-Kandana, Manager –Biyagama, Manager -Maintenance) to ensure safe and uninterrupted supply of water.

Three water treatment plants namely Ambatale, Biyagama and Bambukuliya have acquired ISO 9001-2015 Quality Management System certification.

Ambatale laboratory has acquired ISO 17025 -2005 accreditation for alum and lime testing , water quality parameters such as pH, turbidity, conductivity, chloride, hardness, alkalinity and heavy metals in alum such as Cadmium, Lead, Chromium and Manganese. The Water Safety Plan (WSP) which is aimed at maintaining consistence in supplying safe water throughout the day is being implemented in 7 treatment plants and 3 of the WSPs external formal audited in 2019 were ranked "Good". Biyagama WTP was awarded the 2nd Place for Productivity in 2018 for Medium Scale Industry. Activities to Improve "Productivity" and "5 S" such as training and workshops are conducted for all treatment plant sites.

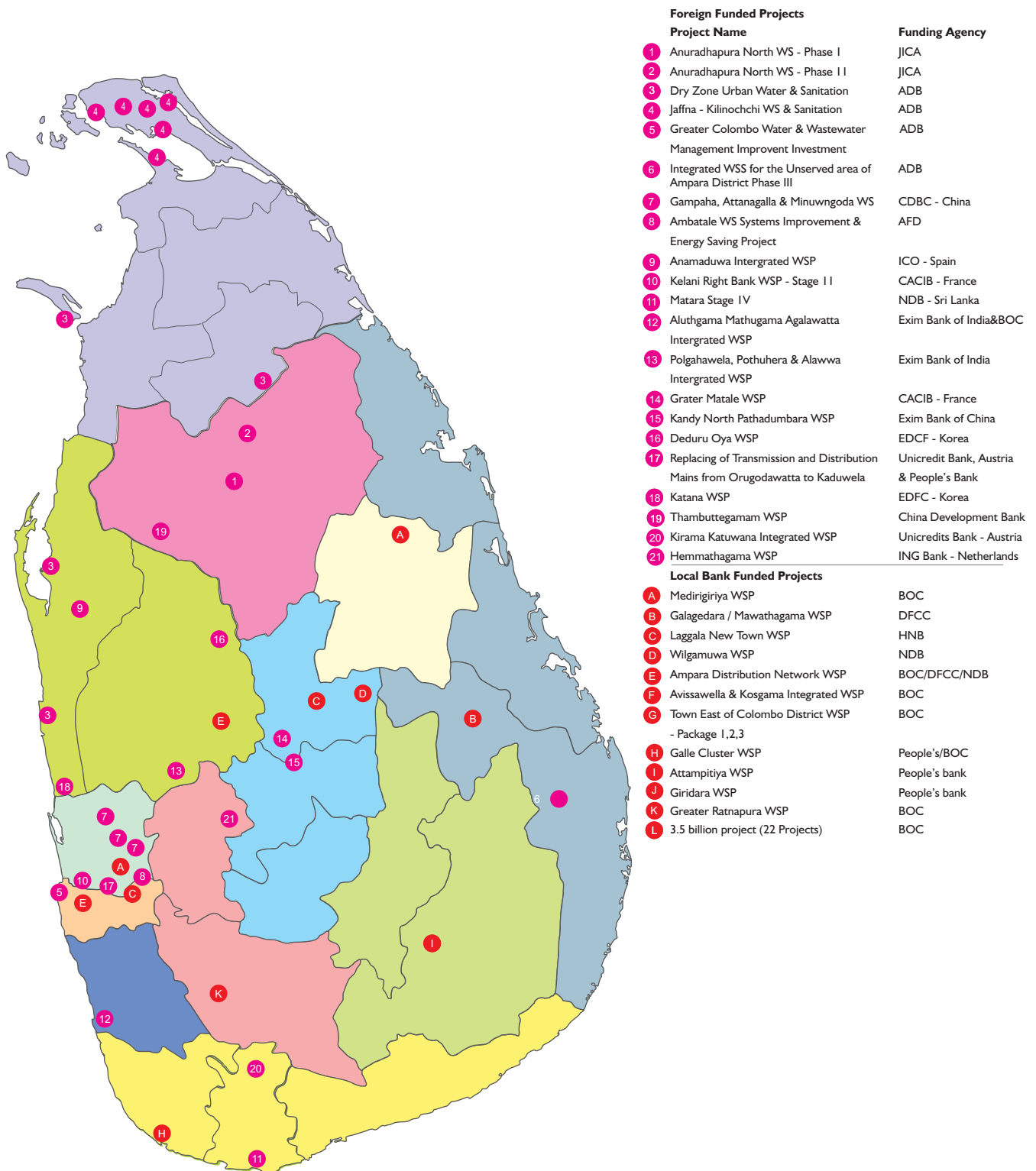
Ambatale Water Supply System Improvement and Energy Saving Project (AWSSIESP) which is aimed at improving the reliability of Ambatale system has started its work. It will replace many old pumps and valves in the system to improve efficiency, save energy and upgrade the system to be operated through SCADA. The project will also commission a sludge treatment plant with the capacity of 8,000 cu.m/day which will improve the commitment towards environmental safety.

Water quality surveillance is a routine function of the Western production. The pipe borne drinking water is being monitored up to the consumer distribution points to ensure compliance to SLS 614: 2013 standard.

Annual stock verification and fixed asset verification are done to identify the unserviceable and non-moving items of available stocks. The outcome of the stock verification is analyzed to reduce the stock level and improve the asset management activities.

Ongoing Foreign/ Local Bank Funded Water Supply Projects

Accomplishments of Major Water Supply Projects under the Ministry of Urban Development, Water Supply & Housing Facilities
Location Map of Foreign-funded/ Local Bank Funded Projects under Construction/ Augmentation during 2019



FOREIGN FUNDED WATER SUPPLY PROJECTS

1. Anuradhapura North Water Supply Project (Phase I)

Anuradhapura North Water Supply Project Phase I funded by JICA (JPY 5,166 million) and GOSL (Rs 2,789 million), was commenced in July 2013. Total Project Cost is Rs. 11,515 million.

The Objective of the project is to provide Safe drinking water for population of 115,600 in Medawachchiya and Rambewa DSDs in Anuradhapura District by 2034.

The project components are Intake of 39,600 cu.m/day capacity, water treatment plant of 9,900 cu.m/day capacity, 4 elevated water towers and 3 ground sumps of total capacity of 7,000 cu.m, 89 km long transmission mains, 520 km long distribution system and operational buildings (OIC offices, care taker quarters, area engineer quarters etc).

The overall physical progress of the project was 54% as at end 2019 and it has been planned to complete and commission the project by the end of December 2020.



Ethakada Elevated Tower

2. Anuradhapura North Water Supply Project (Phase II)

The scope of the Project is to ensure the supply of safe pipe borne drinking water to a population of 193,319 (in 2040) in Horowpothana, Kahatagasdigiliya, Kebithigollewa and part of Rambewa DSDs in Anuradhapura District covering 119 GNDs.

Japan International Cooperation Agency (JICA) and GOSL have signed a loan agreement for the amount of JPY 23,498 million for the ANWSP – Phase II. The GoSL contributes Rs. 4,732 million for this project.

Main Components of the project are intake (Yan Oya reservoir) 34,800 cu.m/day, WTP of capacity 16,500 cu.m/day, M & E instrumentation and automation system for intake and WTP, 10 ground sumps, 9 elevated towers, transmission pipelines of 147 km and distribution

network of 1,050 km.

The consultancy contract for design and procurement was commenced on 01st of May 2018 and of the same, physical and financial progress at the end of 2019 was 66% and 27.3% respectively.

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

NWSDB in implementing the DZUWSP for 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 for 452,500 beneficiaries. The total cost estimate of the project is USD 163.33 million. The overall physical and financial progress is 99.91% and 96.83% respectively. 56 contracts have been awarded up to now.

In Vavuniya, the major elements consist of water treatment plant (12,000 cu.m/day), 3 water towers, a reservoir, 32 km of transmission and 251 km of distribution pipelines. Three distribution zones have been commissioned.

In Mannar, all the original scope of work has been completed and handed over to O&M, NWSDB. The transmission and distribution system up to Pesalai has been extended.

In Chilaw & Puttalam, all the construction work has been completed and RSC (NW) is operating the scheme. Additional scope of work has been implemented for Chilaw distribution system extension of 45 km.



Puttalam Water Treatment Plant

4. Jaffna - Kilinochchi Water Supply & Sanitation Project (ADB 6th)

This project is to improve drinking Water Supply facilities of about 300,000 people in Jaffna city, suburbs and several townships in the Jaffna Peninsula through the development of seawater reverse osmosis (SWRO) plant to produce about 24,000 cu.m of fresh water per day. With the proposed restructuring, the revised cost estimate is Rs. 35,881.49 million including the

additional financing of Rs. 23,256.00 million.

15 elevated water towers and distribution system to Kayts, Velanai and Mandaithivu was completed. Treated water transmission main pumping line 1 and 2 works are 95% and 98% completed respectively. Balance 05 nrs. of elevated water towers and the Distribution Net Work – package 2 are ongoing.

Financial evaluation for SWRO package and Jaffna City Distribution package was completed and awarding the contract is in progress.

The physical and financial progresses including additional financing achieved at the end of 2019 by the project are 43.36 % and 41.95% respectively.



Completed Water Towers

5. Greater Colombo Water and Wastewater Management Improvement Investment Programme (GCWWMIP) - Project 01 & Project 02

GCWWMIP project mainly covers CMC area of Colombo which has been divided to 78 DMAs of which establishment are executed by four major contract packages. Key deliverables of the project are replacing the 720km pipe, installation of 17 system input meters, relocating the water meters and replacing the defective water meters, calibrating and updating of the GIS network and construction of buildings including training center for supportive activities.

The overall physical progress for Project 01 and Project 02 is 75% and 46% respectively while the financial progress is 70% and 42% respectively.

Around 510 km of pipe laying has been completed. The pipe laying work is ongoing in 53 DMAs and construction is almost completed in 16 DMAs, in which NRW deduction activities of 11 DMAs are assessed. Most of the completed DMAs indicate the NRW below 18.

Ellie House area engineer's office was completed and handed over to O&M. Booster pump house at Ellie

House is completed and to be commissioned. NRW building at Maligakanda and the new training center at Thelewala are in progress.



NRW building at Maligakanda

6. Integrated Water Supply Scheme for the Unserved Areas of Ampara District - Phase III Project

This project is to serve about 200,000 people living in the un-served areas of Ampara District including some areas of Monaragala and Batticaloa Districts as well. Total cost of the project has been estimated as Rs. 20,825 million. Objective of the Project is to increase the coverage and supply 40,000 new water service connections to the coverage area.

Project Component - 1 including WTP, transmissions, sumps, pump houses and supply of distribution pipes which were executed under Foreign and part of GoSL fund by Foreign Contractor was completed and handed over to O&M.



Namal Oya Tower

Project Component - 2 for construction of 6 elevated towers and Component - 3 for yard piping of the same have been awarded to a Local Contractors under GoSL component. Component - 2 has achieved 59.8% physical and 76.48% financial progress and under Component - 3, mobilization in progress.

7. Gampaha, Attanagalla and Minuwangoda Integrated Water Supply Scheme

Gampaha, Attanagalla and Minuwangoda Integrated Water Supply Scheme is to provide new water supply connections to about 300,000 people and to improve the service for about 100,000 people who are having existing water supply in 449 GN divisions in Minuwangoda, Meerigama and Mahara Divisional Secretarial areas in Gampaha District.

Under this project, a purified water treatment plant of a capacity of 54,000 cu.m, 5 water towers with capacity of 1,500 cu.m, 90 km of transmission and 630 km of distribution pipe lines are to be constructed. In addition, as the main source of water supply, a dam will be constructed to build 3.5 million cu.m capacity reservoir at Basnagoda.

Civil work of water treatment plant is almost complete and mechanical installation is going on. Five contracts for 500 km transmission and distribution systems in Pasyala, Niwala, Minuwangoda, Balummahara and Attanagalla including 04 elevated towers are awarded, constructions are going on.

Overall physical progress is approximately 50% and financial progress is Rs. 26,000 million.



Water Treatment Plant at Karasnagala

8. Ambatale Water Supply Systems Improvement & Energy Saving Project

NWSDB implemented Ambatale Water Supply System Improvement & Energy Saving Project on the recommendation of Colombo Master Plan Project (2012/2013). The project intends to enhance the reliability of production, introduce energy saving measures and to improve the efficiency of the conveyance facilities at Ambatale Water Supply System. The GoSL undertook AWSSIESP with the assistance of Asian Development Bank (ADB) and Agence Francaise de Development (AFD); the co-financier of the project. The total estimated project cost is US \$100 million. The project achieved physical progress of 23.08% and

financial progress of 22.52%. Project duration was extended up to 31 May 2022.

The Construction Contracts & Consultancy Contract were delayed due to numerous reasons which were beyond control of NWSDB. Corrective measures were taken by the Contractors under the guidance of the PMU & PIU (Consultant) to recover the delays and complete the project.

9. Anamaduwa Integrated Water Supply Project.

Anamaduwa Integrated Water Supply Project is funded by the government of Spain and Hatton National Bank in Sri Lanka. The project will permanently address the drinking water issue in Anamaduwa, Kotawehera, Nawagaththegama & part of Puttalam, Galgamuwa, Mundalama, and Mahakumbukkadawala DSDs. Project will construct a new intake at Inginimitiya reservoir with a capacity of 12,500 cu.m/day, full treatment plant of capacity 11,000cu.m/ day with 1km long row water main. The 61 km long clear water transmission main serves four water towers and the project also includes 328 km long distribution system including all electro-mechanical equipment and institutional development. The physical and financial progress of the project are 45% and 33.84% respectively.

Getting the approval for pipe laying from Nawagaththegama Pradeshiya Saba, lack of staff and financial crises occurred due to limited allocations for the project were main obstacles faced by AIWSP.



Kotawehera Water Tower

10. Kelani Right Bank Water Supply Project - Stage II

Kelani Right Bank Water Supply Project Stage II is Plant & Design-Build contract for Civil and M&E works, with primary objective to enhance the water supply capacity of Towns North of Colombo by constructing a new drinking WTP of 180,000 cu.m/day capacity. Number of beneficiaries will be about 1,750,000 with 120,000 of new water connections.

The project was commenced in January 2017 and the cost is approximately Rs.32,700 million. The funding agencies are Credit Agricole Co-operate and International Bank of France, Hatton National Bank and GoSL.

Laying 26 km of transmission mains was 95% completed by end 2019. The overall physical and the financial progress of the project as at end 2019 are 82% and 73% respectively. The project is expected to commission in mid of year 2020.

To improve quality of river water at the intake, diversion Pattivila Canal to the downstream of intake and existing Treated Effluent Line from Biyagama EPZ to downstream of salinity barrier have been proposed.



WTP Construction progress

11. Matara Stage IV Water Supply Project

Matara Stage IV Project was commenced on 11th October 2017 and the total estimated cost is Rs. 18,208 million (foreign Rs. 14,000 million, local 4,208 million) financed by the NDB Bank of Sri Lanka. Objective of the project is to provide safe drinking water to a population of 285,000 in Matara & a part of Hambantota District.

Nilwala River is the water source of the project. The project components are salinity barrier across Nilwala River, 60,000 cu.m/day capacity intake, 30,000 cu.m/day capacity Water Treatment Plant, 06 nrs. of ground reservoirs, 04 nrs. of water towers, raw water main of - 300m, transmission main of 78km and distribution system of 120 km.



Salinity Barrier and Intake

Overall physical and financial progress as at end 2019

were 40% and 44% respectively and it is expected to complete the in October 2021.

12. Aluthgama Mathugama Agalawatta Integrated Water Supply Project

The objectives of this project are to provide safe drinking water supply facility to people in 269 GNDs of Mathugama, Dodangoda, Kalutara, Beruwala, Agalawatta and Madurawela DS areas and to mitigate the current Salinity Intrusion Issue.

Total estimated cost is Rs. 32,278 million of which Rs. 24,285 million from Exim Bank of India, Rs. 4,286 million from Bank of Ceylon and Rs. 3,707 million as Contribution of GoSL.

The project was designed to provide 32,000 new connections and service level improvement of existing consumers. A total of 300,000 people (60,000 families) will be benefited from this project.

Construction works of new intake, Kethhena WTP, ground reservoir, water towers, laying of raw water/clear water transmission mains and laying of distribution system have been commenced and work is in progress.

The overall physical and financial progress as at 31/12/2019 is 52% and 48% respectively.



Laying of raw water and clear water pipe lines in one trench

13. Polgahawela Pothuhera & Alawwa Integrated Water Supply Project

The Polgahawela Pothuhera & Alawwa IWSP is a Plant, Design & Build contract. It is funded by Exim Bank of India and BOC. Total project cost is USD 108 million. The objective of this project is to supply & distribution of safe drinking water to 162,725 people within 167 GNDs in project area.

The project components are 31,000 cu.m/day capacity intake, 29,000 cu.m/day capacity WTP, 6 ground reservoirs and one elevated tower with total capacity of 5,175 cu.m, 1.5 km DI raw water transmission main, 42 km DI transmission mains, 320 km distribution mains and operational buildings.

The overall physical and financial progress as at end 2019 are 56.5% and 53.99% respectively (except balance advance recovery 8.48%). The project is expected to complete in June 2020.

During implementation, location of transmission and reservoirs were changed as RDA did not permit to lay pipes along A6 road. Unexpected rock blasting had to be handled and the permits for the same were delayed due to security measures of the country.



Water Treatment Plant

14. Greater Matale Water Supply Project

GMWSP comprises of construction of 05 Treatment Plants (overall capacity of 75,000 cu.m/d), 05 intakes, 10 service reservoirs and 433km of pipe laying. The contract is a Design and Built type contract, and has been awarded for EUR 105,645,791 + Rs. 8,210.96 million. The contract period is 36 months, and was commenced in April 2017.

70% of Treatment plants, 75% of reservoirs, 61% of intakes and 62% of pipe laying works are completed by Dec 2019. 80% of mechanical items are supplied while installation works are in progress. 72% of financial progress has been achieved.



Mahawelakanda Tank

The project has faced some issues that put the project progress behind the schedules. The farmer objection for extraction of water from Weralugasthenna tributary, the proposed source for Rattota, is still unsolved. Land acquisition process was slow that 4 lands are yet to be acquired. Delay in payment of bills has become the most

affected. Construction of sludge drying beds, recovery sumps, optional intake at Weralugasthenna are being delayed due to financial constraints.

15. Kandy North – Pathadumbara Integrated Water Supply Project

Kandy North Pathadumbara Integrated Water Supply Project covers 6 divisional secretariats in Kandy District and beneficiary population is 470,000 by increasing the production capacity of existing WTP up to 100,000 cu.m/day.

Funding sources are Exim Bank of China and GOSL. Contract was awarded for the contract sum of USD 194.83 million plus Rs. 8,356.25 million. Other executed GOSL amount is Rs. 7,313.94 million. Contract was commenced on 21st August 2019 and is schedule to be completed by 20th August, 2022.

KNPIWSP mainly consists of improvements of WTP and intake, 28 service reservoirs, 16 new pump houses, supply and laying 567 km distribution & 86 km transmission lines. It also includes provisions for Rural Water Supply and NRW prevention & reduction programme. Total physical progress is 9.98% and financial progress is 13.64% as at end 2019.



Site Layout for the improvement of WTP of KNPIWSP

16. Deduru Oya Water Supply Project

Deduru Oya Water Supply Project was commenced in January, 2017 as plant, design and build contract under the financing from Exim Bank of Korea. Total project cost is Rs. 10,227 million. (Foreign USD 58 million & GOSL Rs. 1,326 million).

The Objective of the project is to provide safe drinking water to 97,700 people live in Mahawa and Polpithigama DSDs in design year, 2032.

The project components are 34,500 cu.m/day capacity Intake, 15,000 cu.m/day capacity WTP, three elevated water towers and a sump for storage of 3,750 cum, 39km long transmission mains, 266km long distribution system and operational buildings (OIC office and 3 quarters).

system and operational buildings (OIC office and 3 quarters).

The overall physical progress of the project is 86.4% and it has been planned to complete and commission the project on 31st May, 2020 and the target date for overall completion of project has been extended to 31st August, 2020.



Water Treatment Plant

17. Replacing Of Transmission & Distribution Mains from Orugodawatta to Kaduwela

The main Objective of this Project is service level improvement for 1.5 million water consumers in Kaduwela, Kolonnava and Colombo City area, minimizing inconveniences for water consumers by eliminating frequent pipe line bursts in very old water transmission lines.

Under the project, transmission lines from Labugama & Kalatuwawa WTPs will be replaced by 1,200 mm & 1000 mm DI pipes along the Low Level road from Orugodawatta flyover to Kaduwela expressway interchange. In addition, 355 mm dia. and 160 mm dia HDPE lines will be laid in this segment.

Physical and financial progress as at end of the year, are 37.5 % and 45.0% respectively.



Orugodawatta Pipe Laying

18. Katana Water Supply Project

The project is a design-build project which includes Civil and M&E works for 3 high elevated water towers with 2,000 cu.m capacity, 3 transmission pump stations, 12 km

transmission main and 240 km distribution mains, M&E installation and SCADA system. With completion of Stage I of this project 5,300 cu.m water will be catered daily to the population of this area (45 G.N.division). The total project cost is about Rs. 9,500 million and funding source is China Development Bank , Bank of Ceylon and GoSL.

Physical and financial progress up to end December 2019 is 80.71% and 77.90% respectively. Current progress is on schedule and the project will be completed in April 2020. The benefits of the project will be in concurrence with completion of KRB II project of which final commissioning of Katana WSP depends on.



Raddoluwa OIC office

19. Thambuttegama Water Supply project

This project is to provide safe and reliable pipe borne water to 42 GNDs in Thambuttegama, Thalawa and and Galnewa DS Divisions. The project duration is from 01st July 2018 to 30th June 2021 .

Main components are 42,000 cu.m/day capacity Intake, 18,000 cu.m/day capacity WTP, ground reservoir and 3 elevated water towers each with capacity 1500 cu.m, 40 km treated water and 12 km raw water DI transmission mains, 135 km DI/PVC distribution mains and buildings.

Progress of the project was seriously affected by the protest carried out by integrated farmer organizations of Rajanganaya Tank and government intervention is required solve the water source issue. Approval is still pending for water extraction from Rajanganaya tank and land acquisition for intake structures.

Physical progress was 19.5% and financial progress was 36.34% as at end 2019.

20. Kirama-Katuwana Integrated Water supply project

The objective of this project is to increase the service coverage and achieve effective and sustainable use of water in divisional secretary areas of Walasmulla and

Katuwana. With the implementation of this project, the new areas currently not served by the existing water supply schemes will have safe and reliable supply of water for the first time. Coverage area of this project is 34 GNDs in Katuwana and Walasmulla DSDs. Total number of beneficiaries will be 36,000 whom will be catered through 5,200 new connections and 2,000 connections of service improvement.

This contract was awarded on 2nd of June 2014. Euro 10.48 million estimated cost of foreign fund was provided by UniCredit bank Austria and Rs. 700 million of local funds will be sought by GoSL. The project work was commenced in January 2019 and it is expected to complete by March 2021.



Coagulation & flocculation tanks

21. Hemmathagama Water Supply Project

Hemmathagama Water Supply Project is being implemented as a Design and Build contract with the assistance of ING bank, The Netherland to provide safe pipe borne water supply facility to a population of about 169,200 by year 2042, covering 135 GN divisions within in Kegalle District. Total Project Cost is Euro 81,956,626.00 and Project period is 1065 Days. The Project was commenced on 24th December 2018 and is scheduled to be completed on 23rd March 2022.



Aranayake Reservoir

The main project components are, 24,000 cu.m/day capacity intake, 0.6km raw water main, 21,000 cu.m/day capacity WTP, 37km transmission main, 07 ground reservoirs and 74 km distribution system.

60% of the design activities have been completed by the contractor and construction work was commenced on 18th December 2019. The Physical and Financial progress of the project are 16% and 26.5% respectively at the end of year 2019.

LOCAL BANK FUNDED WATER SUPPLY PROJECTS

3.5 billion LBF project and 53 billion LBF project including 16 major projects are operating to enhance water supply facilities benefiting to 940,000 population. Six projects namely Bentota WSP, Ruhunupura WSS, Colombo City WSP, Ampara WSS, Avissawella and Kosgama Integrated WSP and Galagedara Mawathagama WSP have been completed and most of other projects are to be completed in 2020.

A). Medirigiriya Water Supply Project Phase I I

Medirigiriya Distribution Phase II project was started to cover the water supply distribution system of part of Medirigiriya DSD. The objective of this project is to provide safe drinking water to 31 GN Divisions of Medirigiriya Divisional Secretariat area. A contract has been awarded for Rs. 1,363.6 million, plus 10% contingencies for the supply and laying of PVC/DI pipes, fittings and accessories, including surveying and design work, construction of pipe bridge across Kaudulla Oya and design & construction of office and quarters of Medirigiriya Water Supply Project Phase II. The project was commenced on 01/03/2016 and the expected date of completion is 22nd April 2020. Overall Pipe Laying Progress was 99.34% and Overall Financial Progress was 79.68% as at end 2019.



Office Building at New Town tower Premises

B). Galagedara Mawathagama Water Supply Project

Galagedara Mawathagama water supply project is located in the north western province at Mawathagama and Mallowapitiya DSDs of Kurunegala District. It is planned to serve nearly 33,000 people covering 29 GNDs from this project.

The project components consist of 27 km HDPE/DI transmission main, construction of 1,000 cu.m water tower at Mawathagama, 450 cu.m ground reservoir and Pillessa, 113 km distribution system, chemical buildings (02 nrs.), balancing reservoir (50 cu.m) and OIC office building. Project intends to supply 2,000 cu.m /day to Galagedara

WSS and 3,000 cu.m /day to Mawathagama WSS from water treatment plant at Katugastota, RSC (Central).

Project was substantially completed on 31st May 2019 and balance work identified including two extensions and final phase of OIC Building is in progress with project savings.

Physical progress is 99.62%. Financial progress is 61% as at 30th December 2019.

Project cannot be commissioned due to none availability of 5,000 cu.m / day of water which is expected to be provided with completion of Kandy North WSP.



1,000 cu.m capacity water tower at Mawathagama

C). Laggala New Town Water Supply Project

Laggala New Town WSP has been implemented to facilitate drinking water to resettlement area of the population displaced due to Moragahakanda - Kaluganga Development Project in Matale District.

The beneficiaries will be 24,438 at the design horizon; year 2036. The Project Cost is Rs. 4,496 million and funded by Local Bank Fund (HNB). Work commenced on 21.07.2016 and expected completion (revised) was 29.12.2019.

The water source is Kaluganga. The intake location was changed due to a public protest, thereby changing few other structural locations and routes of raw water & treated water mains. The revised scope includes intake of capacity 4,250 cu.m/day, 4,000 cu.m/day water treatment plant, 03 nrs. service reservoirs (150, 400, & 600 cu.m), raw water main, treated water main & distribution system of approximate lengths 6.4km, 29 km and 190 km respectively, and ancillary buildings.



Construction of Clear Water Reservoir at WTP

Overall physical and financial progress are 64.5% and 36.06% respectively.

There was a delay in releasing payments due to non-availability of funds and some Interim Claims are yet to be released by the Bank (HNB).

D). Wilgamuwa Water Supply Project

Wilgamuwa Water Supply Project is located within the Wilgamuwa DSD, of Matale District and is plan to serve nearly 35,000 of people covering 39 GNDs.

The scope of work consist design and construction of 6,000 cu.m/day capacity intake, 5,500 cu.m/day capacity water treatment plant, raw water transmission main (1000 m), treated water transmission main (26 km), water towers (225 cu.m and 300 cu.m distribution mains (100 km), OIC office and three quarters.

Performance in first eight months is 2019 was very poor, due to financial issues of the contractor. However, the contractor has re- started work in August 2019.

Physical progress is 52% and financial progress is 32.6% as at end of 2019.

Continuation of financial crisis of the contractor, severely affected timely completion of the project and the delay in loan repayment to NDB from NWSDB, also caused delay in payment of Bills to contractor in time.



Intake Well and Pump House

E). Ampara Distribution Network Water Supply Project

Ampara Distribution Network Water Supply project, contract was awarded for construction of 1,119km distribution network, supply of 527 km length PE pipes, necessary fittings, specials, which have been arranged in several packages and for providing 10,000 + 2,000 house connections.

Upon re- mobilizing to the full strength following the cessation of bad weather conditions which prevailed in the Ampara district from September to December 2015, it was instructed to implement the additional works of 2,000 additional water connections, construction of

Bokkabedda booster pump house, installation of pumps and auto chlorinator system in Piyangala, boundary wall construction for Maruthamunai OIC office premises and yard piping at Vavunathivu treatment plant premises; through variation orders. The final handing over and taking over was on 12th February 2019. Further, arbitration final award was released on 10th May 2019.



OIC Office - Paragahakele

F). Avissawella and Kosgama Water Supply Project

The objective of this project is to enhance the water pipe line distribution system in Avissawella and Kosgama area. Contract for Rs. 1,382.4 million has been awarded for supply and laying of PVC/ DI pipes, fittings and accessories and other works of Avissawella and Kosgama Integrated Water Supply Project. The source of funding is local bank funds (LBF). The actual date of commencement was 01/06/2016 and the project was completed in November 2019.

The works under this project includes supply and laying of 36.1 km and 11.2 km long distribution pipe system in Avissawella and Kosgama areas respectively, intake improvement works at Kosgama and building construction and rehabilitation works at Avissawella site. High elevated areas in Avissawella were served under the Project.



Pipe laying across the Bridge No. 53/3, Avissawella

G). Town East of Colombo District Water Supply Project - Package 1,2,3

The Project aims to provide safe pipe borne water to a population of 373,000 in Homagama, Kaduwela, Padukka, Seethawaka and Horana DS areas.

The project consist of 03 contract packages and the project cost of Package-01 (transmission main – 4 km and distribution main – 229 km), Package 02 (transmission main – 8 km, distribution main – 10 km, ground reservoir – 18,000 cu.m capacity and buildings) and Package 03 (Distribution main – 400 km and house connections -10,000) are Rs.5,170 million, Rs. 4,823 million and Rs. 10,049 million respectively.

All the three packages were in progress and as at end 2018, Contract Package 1 - was having Physical progress of 99.7% & financial progress of 68.2%; Contract Package 2 - was having physical progress of 68.1% & financial progress of 47.7%; and Contract Package 3 - was having physical progress of 85.3% & financial progress of 68.5%.

By December 2019, all the works have been substantially completed except pipe laying carried out along with the Road widening programme of RDA, construction of ground reservoir, which was delayed due to shifting of site and revision of foundation design and house connections.

The Contractors of contract package 01 & 03 have referred the disputes to the DAB and DAB awards have been made. A decision was still not been made although meetings have been held with the contractors on the way forward on DAB awards.



Chemical Blasting

H). Galle Cluster Water Supply Project

The Project consists of distribution network improvement of Weligama, Urugasmanhandiya, Gonapinuwala & Dikkumbura Water Supply Schemes. The Estimated project cost was Rs.1,755 million. Funding is from People's and BOC banks. Main project components are supply of 86.5 km PVC/DI pipes, DI/CI valves & accessories, laying of 117.5km PVC/DI pipes

and accessories at 4 schemes. Installation of pumps at Urugasmanhandiya, Hikkaduwa, Kowulhena, Wakwella & Weligama WSSs, 100 cu.m capacity ground reservoir & high lift pump house at Urugasmanhandiya, 225 cu.m ground reservoir, care taker quarters and pump house at Weligama are other components of the project. This project covers 55 GNDs altogether. Expected number of connections are 20,000 and number of beneficiaries are 82,000. The project was started in March, 2017 and expected to be completed as end of July, 2020. The Overall physical and financial progresses of the project as end of 2019 are 34.96 % and 40.84 % respectively.



While completing a Type "B" Culvert Crossing at Dikkumbura WSP

I). Ettampitiya Water Supply Project

Ettampitiya Water Supply Project (EWSP) is a local bank funded project with the project cost of Rs. 2.2 billion. This project will deliver its benefits (around 15,000) and new 3,000 number connections over eight GNDs covering the project area. The project contract has been awarded on 08.12.2014 and commenced in May 2017, which should be completed within 1,095 days.

As of end 2019 overall physical progress of the project is around 75% (target 80%) and overall financial progress is about 58% (target 69%).

Land acquisition processes have been completed and relevant consents were received for construction activities. Construction process of main components which include treatment plant, booster pump house I & II, main tank with transmission network are at completion stage. All prior approvals from concern parties which include RDA and PRDA were obtained prior to all the construction activities.

As per the original schedule, the water treatment plant can be commenced before February 2020, and the house connections works will be commenced from March 2020 onwards.



Aerator

J). Giridara Water Supply Project

Giridara Water Supply project is Rs. 513.28 million LBF (People's Bank) project designed to supply water to 18 GNDs in Dompe DSD. The contract for the project was awarded and work was started on 15th February 2019 to complete in 365 days. Work consists of supply and laying 100km distribution network of pipes with diameters varying from 63mm dia. (PVC) to 350 mm (DI) including pipe laying via Hanwellla Bridge to get water to the system from Kalatuwawa N30 Transition Line.

Project work is behind the schedule at present with total progress of 23% due to the contractor's financial and management issues. Out of the 90 km of (PVC), 16 km have been laid and DI pipe laying (10km) is yet to start with only 2 month of contract period remaining. Contractor has requested a 6 month time extension to complete the work and NWSDB is in the process of analyzing the request for granting approval.



Pipe Laying

K). Greater Rathnapura Water Supply Project

Greater Rathnapura Water Supply Project is located in Rathnapura District in Sabaragamuwa Province. This project is planned to cover 15,000 new water connections and to serve 80,000 beneficiaries.

The scope of work consists with Supply and laying of HDPE/ DI/ uPVC pipes, fittings, specials, DI valves and accessories for length of 178 km in distribution network.

This contract was awarded on 01.09.2017 with project duration of 539 days. However, Contract effective date was 14th December 2018 due to late effectiveness of the Loan agreement. Contract sum is Rs. 1,528.98 million. physical progress is 25% and financial progress is 21% as at end of 2019.



Pipe Laying

L). Local Bank Funded 3.5 Billion project

The objective of the project is to improve the number of connections in the 11 RSC's (Uva, Southern, North, Western Central, Western North, Western South, East, North Central, North Western, Central and Sabaragamuwa) providing the extensions and infillings to the existing distribution systems. The total estimated cost of project is Rs. 3.5 billion and the expected number of connections is 33,250 at the end of the project. The project was commenced in 2014 and extended up to year 2020. The overall physical progress is 97.6% and the financial progress is 69.7% as at December 2019.



Serunuwara Tower Construction

GOSL FUNDED SMALL AND MEDIUM SCALE WATER SUPPLY PROJECTS

Matara short term improvement project

The TEC of Matara Short Term Improvement Project is Rs. 300 million. Implementation works commenced for water supply capacity improvement by 6,000 cu.m/day in Matara Group WSS, resulting water supply improvement and reduction of curtail hours in the area. Provision of safe water to 100 families living in marginalized rural areas in Thihagoda area is also expected under this project.

Pipe laying of Thalalla to Beliwatta under Devinuwara water supply scheme has been completed while 18 % pipe laying of Naigala at Dickwella under Dickwella Water Supply Scheme has been completed under this project.

Pipe laying from Andaragasyaya underground tank to Gonnoruwa

The objective of the Andaragasyaya water supply scheme is to serve Andaragasyaya and Bandagiriya areas and expected numbers of beneficiaries are 12,000. Some contracts were initiated under this scheme in order to carry out service improvements. Overall physical progress of the project is 93% and financial progress of the project is 62%.

Thissamaharama water supply scheme

The scope of this project is to augmentation of Thissamaharama WTP to improve the water quality. The TEC of the project is Rs.393 million and the expected number of beneficiaries is about 10,000. Under this project, Contract consists of Construction of Aerator, Sedimentation tank, Chemical House and Operational Building has been awarded. Overall physical progress of the project is 53% and financial progress is 41 % as at end 2019.

Trincomalee Augmentation Project under Rs.600 million fund allocation

Under the Trincomalee Augmentation Project, Rs.600.00 million fund has been allocated to Trincomalee region, out of which Rs. 150.00 million has been allocated for year 2019 and Rs.61.81 million has been expended while Rs.34.86 million worth of bills in hand as at end 2019. The physical progress of the project as at end 2019 was 65%.

Kegalle Resettlement

During the year 2016, National Water Supply and Drainage Board, Kegalle had to face a great challenge of providing water to nearly about 2,000 families who were affected by the landslides. Those families have been resettled in more than 11 DS divisions in Kegalle district in the mid of year 2016. The intensive resettlement

program was completed under the financial support of UNICEF. As per the cabinet approval, Rs. 455 million has been granted for Providing Water Supply Facilities for Resettlement Villages of Landslide Victims in Kegalle District. As per the action plan for the year 2019, the project covered construction of 15 Water supply schemes in 8 DS divisions and the allocation was Rs. 99.6 million.

Dankotuwa Water Supply Scheme

Dankotuwa Water Supply scheme is an existing water supply scheme that produces 4,000 cu.m of treated water per day to facilitate 6,000 connections. New project will improve the capacity of the water supply scheme together with sludge treatment which will generate 500 new connections. Existing Ma oya intake will be used as the water source for this project. A 450 cu.m capacity ground sump, backwash recovery tank, sludge holding tank and sludge lagoon are to be constructed. To facilitate the distribution expansion, pipes to be laid and pumps to be installed. Total cost of the project is LKR. 200 million. As at end 2019, physical progress was 30% while there was no financial progress.

Enhancement of Operational Efficiency and Asset Management Capacity RSC (W-S)

This project is carrying out under RSC -Western South. The project is a Grant(JICA) of Rs. 527 million and Local-Rs.40 million. The Project Period is Sep 2018 to August 2020.

The project consist of three main parts; Introduction of Asset Management of pipe lines (Out Put- 1) which was terminated; Enhancement of Leakage Control (Out Put – 2) and TOT for Practical Training for Leakage Control (Out Put – 3).

The expected out comes of output 2 are enhancement of capacity for leakage control in the pilot zone, knowledge sharing including absorbing new technologies and instruments; and introducing a proper NRW management system for the NWSDB through preparation of water loss management manual enclosing necessary guidelines .

The expected out comes of output 3 are construction of pipeline installation and leak detection training yard and providing training on leak detection to NWSDB staff (output 3 is completed).

The overall financial and physical progress fo the project are 37% and 45% respectively.

Bandarawela Water Supply Improvement Project

During the tunneling construction of Uma Oya multipurpose development project, water ingress at the Head race tunnel was occurred and water levels in dug wells of many villages in Bandarawela and Ella DSD were decreased and some are completely dry. There are about 2,000 families affected with the scarcity of drinking water. This project was introduced to increase the water supply facilities of those affected community. Main project components were supply of additional intake pumps and booster pumps for Diyathalawa and improvement to existing transmission & distribution system of Bandarawela WSS. Physical progress of the project as at end of year 2019 was 97% while financial progress was Rs. 95.51 million.

Water Supply Scheme at Madhu Church for providing drinking water for Devotees

This project is initiated to supply water for Madhu church and adjoining villages. TEC is Rs. 790.62 million, funded by GoSL. Estimated number of beneficiaries is 12,600. Supplying & laying for transmission main was commenced in May 2019 and WTP design



Projects in Pipeline

NWSSDB Master Plan is currently being prepared via WaSSIP Project under World Bank funding, which was commenced on January 8, 2019 and is scheduled for completion by June 2020. This study will identify the critical gaps in the water supply and sanitation service delivery in Sri Lanka and provide the information, tools and the know-how to strategically invest in the sector by considering the anticipated national development programs in the country.

The identified projects to fill the gaps in water supply and sanitation sector will be prioritized based on five categories ; (i) Improving the existing service level by ensuring quantity and quality of services for the existing consumers giving special attention to vulnerable segments. (ii) Infilling and distribution expansion of

ongoing projects and completed projects to enhance the connections in order to fully utilize the production capacity (iii) Business efficiency improvement projects such as NRW and Energy Saving of existing system (iv) Enhancement of revenue by providing connections for revenue generating consumer segments (Government and Board) (v) New projects to support Government and Private sector Investment development programs/ agenda.

Considering all above the list of new water supply and sanitation projects with the implementation plan is expected as the output of this Master Plan Study by end of June 2020.



Planning and Design (WSP)

During the year 2019 P&D section of the head office engaged in **planning works** of Weliwita WSS, Western Region Tech City development project (including in Western Region Megapolis Plan), expansion of Ambatale WTP capacity by 50,000 cu.m/day, capacity Improvement of Kandana WTP, pre-feasibility of Kalutara water supply expansion project, renovation / improvement of head office buildings, rehabilitation of filters at Seethawaka EPZ, treated water transmission main from Kelani Right Bank WTP to Ambathale WTP, Mulankavil WSS (under World Bank funds) for revised scope, 4,000 cu.m/day capacity Kilinochchi new WSS (under World Bank funds), Improvement of rehabilitated Kilinochchi WSS, Improvement of Dehiattakandiya WSS, Improvement of sludge treatment facility of Maha Oya WSS, initial investigations of Gawarammana – Bogahalkumbura WSS and, PAC & Board approval for Baddegama Integrated Water Supply Project.

P&D section also involved in **detailed designs** of Jubilee System Improvement Project (Civil & M&E), renovation/improvement of head office buildings, detailed design for treated water transmission main for Sapugaskanda Refinery, ancillary items for Mullativu WSS (under World Bank funds), revised designs for Mulankavil WSS (under World Bank funds), 4,000 cu.m/day capacity Kilinochchi new WTP, rehabilitation of Kilinochchi WSS, 12,000 cu.m/day capacity conventional WTP, 36,000 cu.m/day capacity intake and storage reservoirs for Lunugamvehera Integrated WSS (Civil & M&E), Kolonnawa booster pumping station, 5,500 cu.m/day Capacity WTP for BOI zone, proposed office premises for Chairman/GM/Audit/Sewer/IT sections, power & lighting for HR & Audit sections, air conditioning system for New Japanese project unit at Thelawala, power & lighting for P&D section at head office, Eheliyagoda WSP, Erukampiddy water treatment plant improvements in Mannar district, Engineer's Estimate for Kataragama pre-feasibility report and M&E designs in septage treatment plant for Talawakele & Ruwanwella local authorities, during the year.

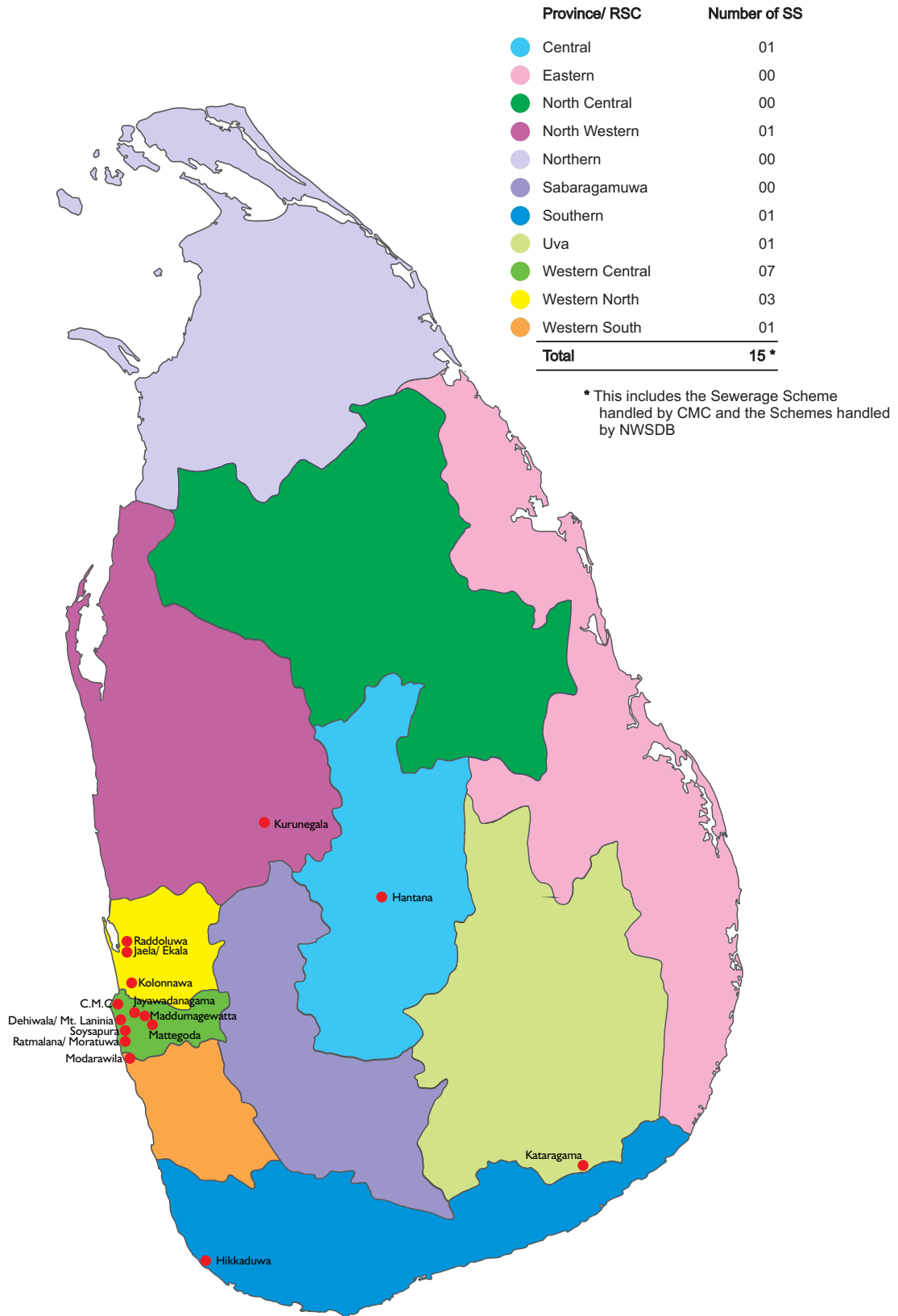
During 2019, P&D head office further involved in **design review** of Gampaha, Attanagalla and Minuwangoda Integrated WSS, Kelani Right Bank WSP -Stage II, Katana WSP, feasibility study of Yatimahana reservoir, Weeoya reservoir and Kelani river salinity barrier under Climate Reliance Improvement Project (CRIP), Ambathale water supply system improvements and energy saving project, replacing of transmission and distribution mains from

Orugodawatta to Kaduwela, Towns East of Colombo District WSP (packages 1, 2 & 3), Greater Colombo water and wastewater management improvement investment programme, Aluthgama, Matugama & Agalawatta integrated WSP, Anamaduwa integrated WSP, Pothuhera, Polgahawela, Alawwa integrated WSP, Deduru Oya WSP, Greater Matale WSP, Thambuttegama WSP, Hemmathagama WSP, Hambegamuwa WSS and Kirama Katuwana Integrated WSP; and review of TECs and PAC reports.

As **procurement works**, the section involved in procurement of Eheliyagoda WSS – Stage 01, Package I & II. Under documentation works, one new Standard Bidding Documents (SBD) was prepared while revising 62 SBDs. In prequalification process of manufacturers; evaluation of Bi-annual audit of DI pipe manufacturers and evaluation of 02 DI pipe manufacturers as well as 03 DI Manhole covers manufacturers have been completed during 2019. The documentation sub section also functioned as the Secretariat for the Standard Bidding Document Review Committee to review the Bidding Document and to resolve the procurement issues in NWSDB.

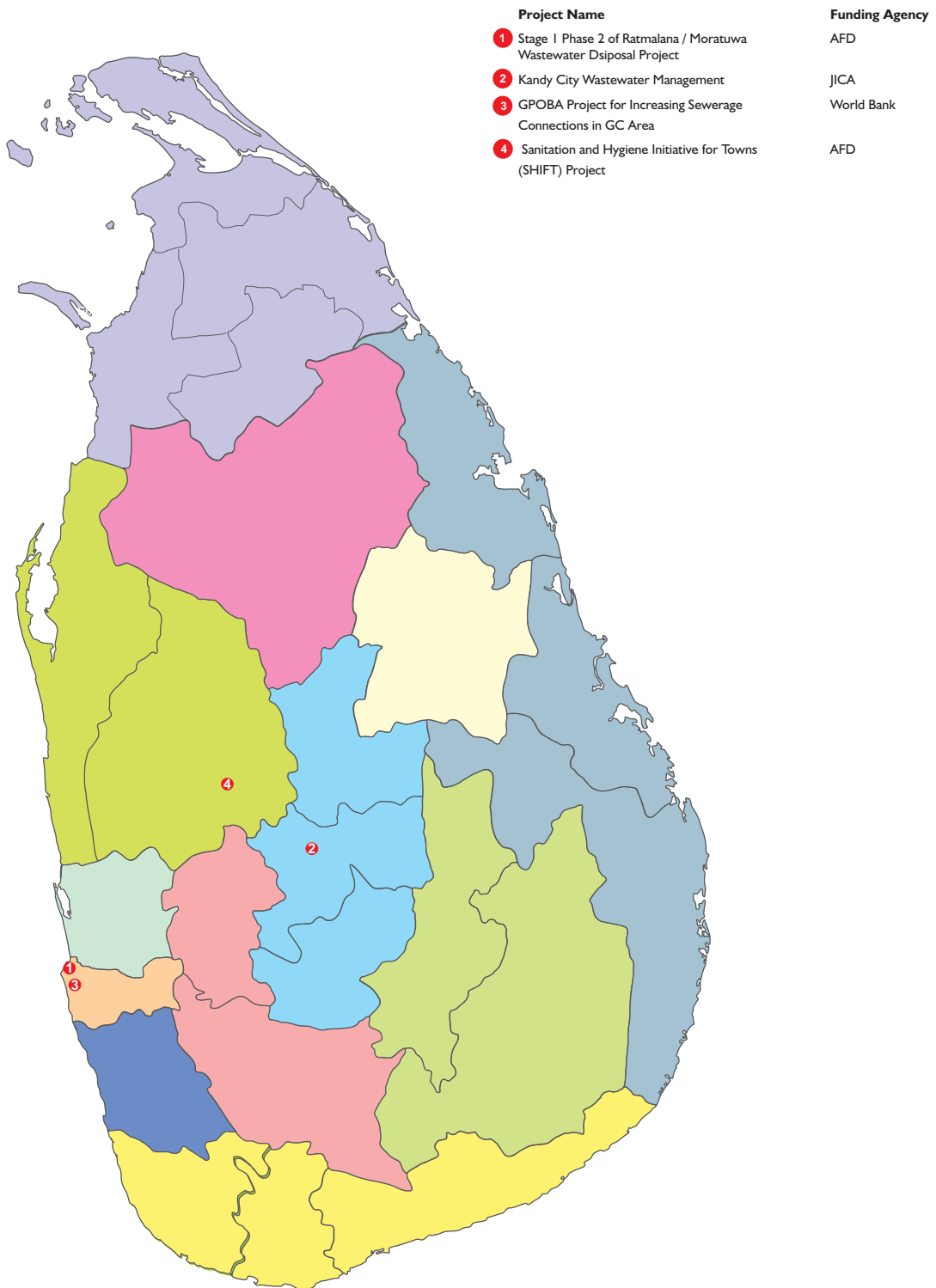
During the year, 175 BOQQ, 22 Engineers Estimates and Annual Rate Book for Water Supply & Sewerage for year 2019 have been prepared; 04 variations, 01 cost proposals and 05 cost clarifications of RSCs have been handled; 08 training programs (for estimating and CESMM3) have been conducted and was involved in price negotiations by the **QS division**.

Existing Sewerage Schemes



Ongoing Sewerage Projects

Accomplishments of Major Sewerage Projects under the Ministry of Urban Development, Water Supply & Housing Facilities.
Location Map of Foreign-funded Projects under Construction/ Augmentation during 2019



Foreign Funded Sewerage Projects

1.) Stage - 1, Phase - 2 of Ratmalana / Moratuwa Wastewater Disposal Project

The Stage 1 Phase 2 of Ratmalana/Moratuwa Wastewater Disposal Project is planned to expand the existing collection network to increase the present coverage in Ratmalana/Moratuwa area. The project scope includes a new collection network including pump stations and improvements in existing Pump Stations & Wastewater Treatment Plant. The project is in the design stage. The Tentative Cost Estimated is Rs. 16,073 million and the number of beneficiaries in 2050 is 170,890. The Physical and Financial Progress as at December 2019 are 2.29% and 1.40% respectively. The Credit Facility Agreement between GoSL and French Development Agency (AFD) was signed on 18 Feb 2019.

This is the first Mega Sewerage Project designed by NWSDB Engineers through which we could develop a team of young Engineers to undertake such designs in-house in future without recruiting foreign consultants.

Delays in land acquisition due to public and land owners' objections have affected the soil investigation work.

2.) Kandy City Wastewater Management Project



Sedimentation Tank

Kandy City Wastewater Management Project (KCWMP) has a total coverage of 733ha catering for a population of 55,000 up to year 2030. The project scope is to improve the water quality of the Kandy Lake, Mahaweli River and streams in Kandy City, which would then improve sanitary conditions of the people in high density areas. To achieve this, the Project is constructing a Wastewater Collection system, 14,000 cu.m/day Wastewater Treatment Plant, Effluent Disposal System and House connections followed by developing sanitary facilities for low income areas. JICA is the main funding agency and the total project cost is approximately Rs. 22.6 billion. 54% of financial and 73% of physical progress has been achieved as at December 2019. Commissioning tests of WWTP was commenced in late November 2019.

Several general issues such as bad weather, hilly terrain are the causes for delayed work. However, commissioning of the priority zone is scheduled as beginning of April 2020 and the full completion of project is expected as end of 2021.

3.)GPOBA (World Bank Funded) Project for Increasing Sewerage Connections in GC Area

Global Partnership on Output Based Aid (GPOBA) Project is a pilot project funded by World Bank, GoSL, NWSDB and beneficiaries. Scope of this project is to increase the number of low-income households with improved sanitation systems and services through an output-based approach by providing sewer connections/sanitation improvements under 5 types of outputs and pilot OBA as an efficient mechanism for delivery of improved sanitation services to poor households. Physical work of the Project was completed on 31.03.2019 benefiting to 8,345 households (population - 41,725) by the utilizing US \$ 4,894,840.00 which is more than 96% of the foreign grants. Designs and construction supervision works were carried out by NWS & DB and the project was implemented through 7 major contracts. Due to implementation of this project a considerable environmental improvement was achieved in implemented area. Water qualities of existing water bodies were improved and wastewater management and sanitation related social issues were solved. Mosquito breeding places were reduced and public health of project area in general was also improved.



DEWATS for Lunawa Samudra Shakthi HS

4.) Sanitation and Hygiene Initiative for Towns (SHIFT) Project

The SHIFT Project aims to provide wastewater disposal infrastructure facilities to 200,000 people living in South and West coastal areas namely Negambo, Galle – Unawatuna and Kelaniya – Peliyagoda. First phase of SHIFT includes provision of wastewater infrastructure for Negambo city, Feasibility Studies, detailed design and

tender documentation for Galle - Unawatuna and Kelaniya – Peliyagoda areas, pro – poor fund to provide sanitation facilities for the low – income people in the project area. In addition, it will provide a Technical Assistance (TA) programme to provide recommendation to enhance the water and sanitation sector institutional framework, ensure its sustainable financing and to implement a sewerage management skills development plan. Funding for the first phase of SHIFT investment program has been secured through Agence Française Développement (AFD) and TA component is funded by European Union through AFD. The total project cost is Rs. 21,540 million. Design and Supervision Consultancy (DSC) submitted Feasibility Study report for all three areas and Draft Preliminary Design report for Negombo. Detailed Design for Negombo is ongoing. 4.1% of physical and 2.8% financial progress has been achieved as at December 2019.



Opening Ceremony



Planning and Design (Sewerage)

During year 2019, Feasibility Studies, which were already started in the previous year for providing piped wastewater infrastructure facilities for Kalmunai, Eravur and Polonnaruwa urban areas were completed. PAC and Board approvals were obtained and the proposals were forwarded to obtain the NPD clearance through the Ministry. New feasibility studies were begun carried out for providing piped wastewater infrastructure for Kaluthara and Aluthgama/Beruwala urban areas in the coastal belt. Further, the desk studies were started for feasibility studies for Wattala, Kaduwela and Trincomalee with identifying land for the WWTPs in the project area. During the year, P&D (Sewerage) section supervised the AFD financed feasibility study for wastewater management in Anuradhapura city, initiated under the Strategic city development programme of Ministry of Megapolis. Planning of World Bank financed Sanitation Enhancement Project (SEP) for Badulla District was started this year and TOR for Feasibility Study to be carried out under WaSSIP was completed.

During 2019, the planning and design of septage treatment plants to be implemented under WaSSIP were continuing and under this, mechanized Septage Treatment Plants (STPs) were designed for Monaragala, Godakawela and Weligepola Pradeshiya Sabas. Further, design of mechanized STPs were also started for Thalawakeley (Nuwaraeliya District), Badulla, Bandarawela, Ella and Hatton Pradeshiya Sabas.

Designing of Grit removal system for septage unloading point at existing Mt. Lavinia Sewerage Pumping Station; and design of odour control system, hoist arrangement for fine screen and cover for fine and coarse screens for Soysapura WWTP were completed. Under wastewater disposal improvement of Maharagama Apeksha Hospital, the design and layout drawings of Delay tanks for proposed new expansion of Iodine Therapy unit were started by coordinating with CEA and Atomic Energy Regulatory commission.

The documentation, tendering and execution of EIA/IEE studies for the major sewerage projects in pipeline are being carried out by P&D (Sewerage) section. Under this, EIA for Dehiwala - Mt.Lavinia, Chillaw- Puttalam and Sri Jayawardannapura Kotte wastewater disposal projects were being carried out during 2019.

Under the land acquisition work of wastewater management projects in pipe line, the identifying and acquisition works were continuing for Dehiwala- Mt. Lavinia, Sri Jayawardannapura Kotte, Matara, Chilaw-Puttalam, Badulla, Gampaha, Aluthgama/Beruwala, Kalutara, Polonnaruwa, Kattankudy, Batticaloa, Kalmunai and Eravur Wastewater Disposal Projects for obtaining lands for WWTPs and Pumping Stations.



Expected Key Performance

Expected Key Performance for the Period 2019 and 2020

Water Supply & Sewerage Coverage

	Actual		Planned
	2018	2019	2020
Population (Estimated)	21,670,000	21,886,700	22,105,567
Pipe Borne Water Supply Coverage (Population)	10,943,950	11,337,311	12,162,465
NWSDB Pipe Borne Water Supply Connected Coverage (%)	40.1	41.5	44.8
Overall Pipe Borne Water Supply Connected Coverage (%)	50.5	51.8	55.0
Pipe Borne Sewerage Coverage (Population)	447,503	453,055	496,669
Pipe Borne Sewerage Coverage (%)	2.06	2.07	2.25

Expected Access to Safe Water Coverage

	Actual %		Planned %
	2018	2019	2020
Total Pipe Borne	50.5	51.8	55.0
Pipe Borne by NWSDB	40.1	41.5	44.8
Protected Dug Wells	36.4	36.4	36.4
Tube Wells / Hand Pumps	3.2	3.2	3.2
Rain Water Harvesting & other	0.5	0.5	0.5
Overall Access to Safe Water	90.6	91.9	95.1



Sustainability and Emergency Response

While all day to day activities of National Water Supply & Drainage Board are naturally oriented towards the realization of SDG Goal 6: “Ensure availability and Sustainable Management of Water and Sanitation for all”, NWSDB actively engaged in the National level activities for implementing Sustainable Development Goals in Sri Lanka. Transforming from the Millennium Development Goals to Sustainable Goals, the NWSDB under the guidance of then Ministry of City Planning, Water Supply and Higher Education was engaged in developing national indicators and setting targets in order to monitor and report the achievements related to Goal 6.1; achieve universal and equitable access to safe and affordable drinking water for all and Goal 6.2; achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations by 2030.

Corporate Action Plans of NWSDB are oriented towards the relevant SDG. Also, a committee appointed by the Secretary, M/CPWS&HE worked on establishing the baseline and targets. Goals and targets recommended by this special committee was finalized and validated by the Stakeholders in June 2019. NWSDB is continuing taking action to incorporate relevant activities in to the future Operational and Development plans and relevant budgets to achieve the set targets therein.

NWSDB also held several discussions under the leadership of the Ministry, with the Department of Census and Statistics regarding development of the questionnaire for data collection for this purpose, during the year 2019.

NWSDB continued to actively engage in sustainability and emergency response with related government institutions in 2019 too and contributed in several workshops conducted by government institutions; details of which are as follows.

- i. National Multi-Stakeholder Consultative Workshop for Sri Lanka Voluntary National Review – Auditorium of Sri Lanka Foundation Institute, 24.04.2018
- ii. Monitoring SDG 6 – Stakeholder Consultation Workshop – Ministry of City Planning and Water Supply - Auditorium of Ministry of City Planning and Water Supply, 26.04.2018
- iii. Water Quality Testing Required for Household survey to be conducted by the Department of Census & Statistics – SDG 6 Target 6.1 - Auditorium of Ministry of City Planning and Water Supply, 23.10.2018
- iv. SDG 6 Indicator Committee meeting - Ministry of City Planning and Water Supply, 17.08.2018
- v. Strengthening Water Supply & Sanitation sector Readiness for SDGs meeting with Key Stakeholders - the

then Ministry of City Planning and Water Supply, 28.03.2018

vi. Webinar conducted by Joint Monitoring Programme of WHO and UNICEF on the Global Monitoring system on Safely Managed Water and Sanitation to achieve SDG 6.1 and 6.2 targets - Auditorium of Ministry of City Planning, Water Supply and Higher Education, 28.05.2019

vii. SDG 6 Targets – Formulation of National targets to Achieve Sustainable Development Goals in Water and Sanitation - Auditorium of Ministry of City Planning, Water Supply and Higher Education, 26.06.2019

viii. WHO / UNICEF Joint Monitoring Programme Assisted Workshop on SDG – 6 Indicators – Waters Edge Hotel, 23.07.2019

ix. Preparation of SDG Mainstreamed Public Service Delivery for Ministries, Departments and Statutory Bodies, and Consultation on the National Policy and Strategy on Sustainable Development workshop – MOVENPICK hotel, 20.09.2019

In keeping to the Human Rights Action Plan of the GOSL, the NWSDB developed an “Emergency Response Plan” in 2018. The Emergency Response Plan has been designed to address various emergency situations that may occur in water supply systems as well as a guideline for the Operators and administration in order to minimize disruption of normal water supply services to its consumers and to the general public at large and provide public health protection and safety during an emergency. NWSDB made updates to this Emergency Response Plan in 2019 too. Review of the Drinking Water Policy too was continued in 2019, taking into consideration of the related new developments.

Report of the Audit and Management Committee

“Every recommendation of the Audit and Management Committee was forwarded to the Board and some matters were discussed further at the Board meetings.”



During the year under review the Audit and Management Committee met three times and the following were important matters discussed under agenda items.

- i. Financial Statements of the year ended 31.12.2018 and Semi Financial statements as at 30th June 2019 was reviewed by the committee.
 - ii. Some indication of efficiency improvement in KPIs were noted under review of the year 2019.
 - iii. Internal Audit Plan 2019 which was approved by the Committee as per Management Audit Circular, June 2009 and recommended submission of the same for perusal of the Board of Directors as a mandate.
- Of the matters discussed, the Non-Revenue Water reduction and performance monitoring plan for projects were frequently discussed across several committee meetings proposing preparation of a ‘Dash Board’ for real time update of the project information for better monitoring system.
- iv. Revised delegation of financial authority was recommended by the committee and effect to the year 2019.
 - v. Audit summaries of 3rd quarter & 4th quarter of year 2018 and follow up action with respect to directives of 4th quarter 2017 & 1st quarter 2018 Audit summaries were discussed.
 - vi. Status of response to Government Audit Queries assessed and measures taken to optimize the responsiveness.
 - vii. COPE directives and minutes of COPE meeting held on 22nd August 2019 were discussed and remedial actions proposed for mitigation of matters raised by the COPE.
 - viii. Annual Report 2017 was completed and Annual Report of year 2018 was on progress of preparation.
 - ix. The Board has complied to all Statutory Payment requirements.

All the recommendations of the Committee were subject to approval of the Board and adopted.

The Audit & Management Committee was formed as per PF/PE/3 circular dated 19th November 1999, obtaining concurrence of the Board of Directors of National Water Supply & Drainage Board via Board Decision No: 2965(b) of Board Meeting No. 590.

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

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

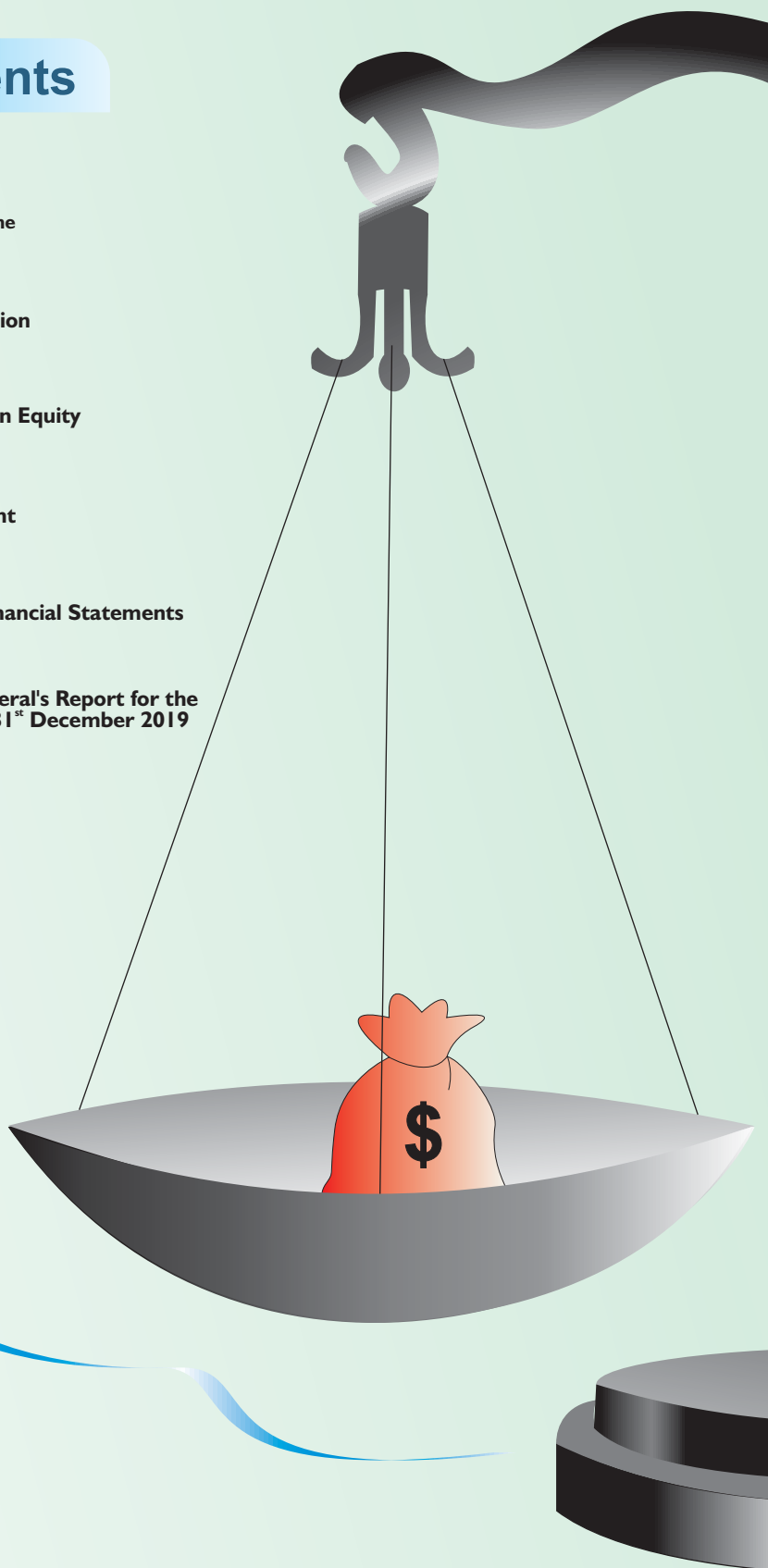
- The Audit & Management Committee is required to review the continuing impartiality of the Internal Auditors and their effectiveness.
- The Audit & Management Committee should assist the Board in the task of overseeing to ensure that Financial Reporting is done in compliance with relevant Sri Lanka Accounting Standards and other applicable legal requirements.
- The Audit & Management Committee should assist the Board to ensure that all relevant rules & regulations and circulars issued by the government are adhered to, with continuous reviewing and monitoring, also making recommendations to the Board on non-Compliance.
- The Audit & Management 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 & Management Committee should assist the Board to introduce and implement adequate Internal Control System.

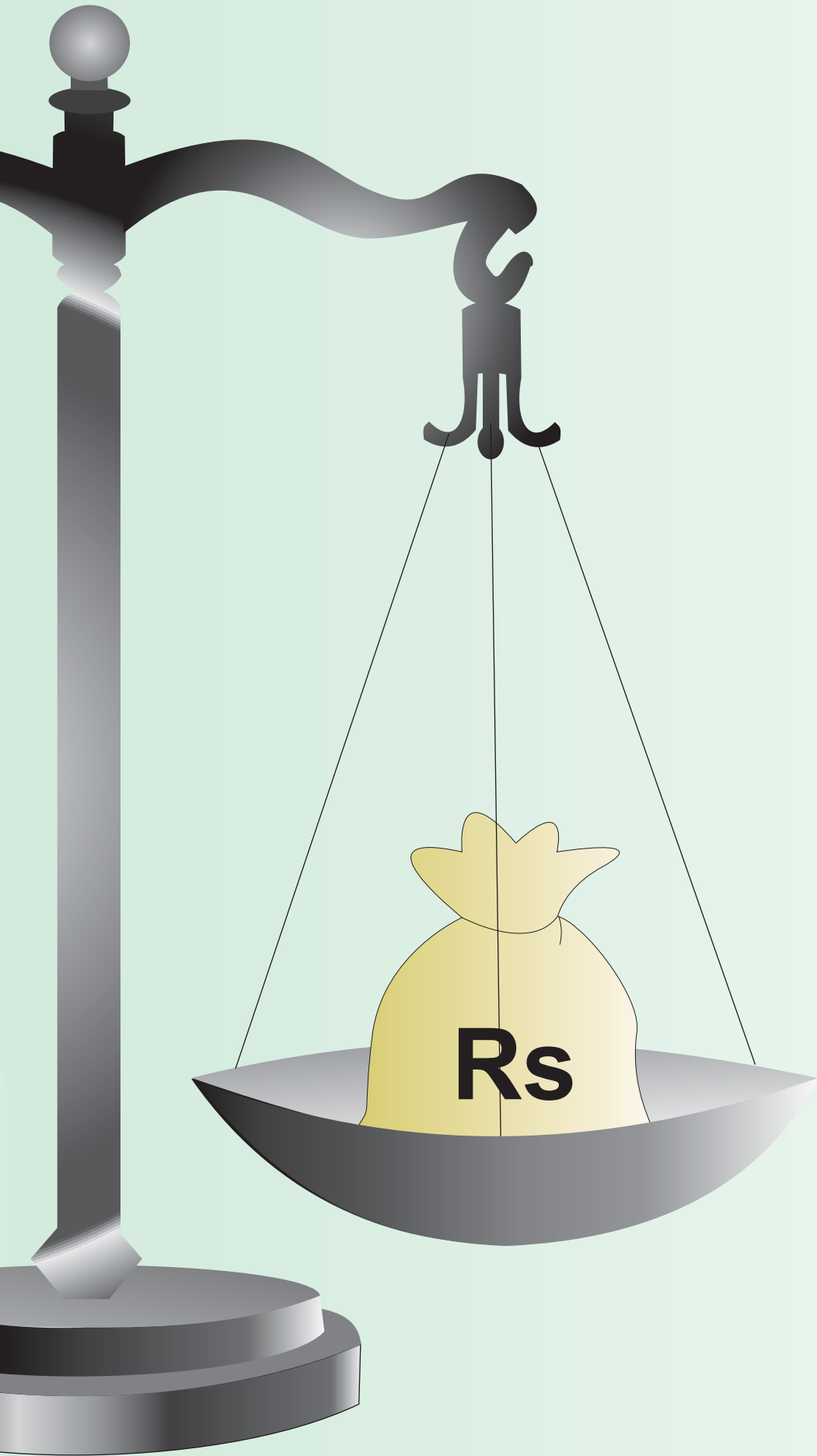
In the year 2019 the Committee was consisted of the following members.

- | | |
|---|--|
| 1. Mr. J. M. U. P. Jayamaha
Ms. P.K.A.D. De. Silva | - Board Member - Chairman of the Committee |
| 2. Mr. Shantha Rathnayaka | - Board |
| 3. Ms. K. A. Subadra Walpola | - Board Member |
| 4. Mr. D. U. Sumanasekara
Mr. R.H. Ruvinis | - General Manager |
| 5. Mr. R. M. A. S. Weerasena | - Addl.GM (F) |
| 6. Mr. G. K. Iddamalгода | - Addl.GM (HRM) |
| 7. Mr. K. J. V. A. Perera
Mr. C.C.H.S. Fernando | - Addl.GM (CS)
- Actg.Addl.GM (CS) |
| 8. Mr. R. M. A. S. Weerasena
Ms. A. Sriyalatha | - DGM (IA)
- Actg. DGM (IA) |
| 9. Mr. M. H. M. Salman | - Vice Chairman |
| 10. Ms. D.N. Peiris | - Audit Superintendent |
| 11. Ms. S. W. Gunawardene | - Chief Internal Auditor |
| 12. Ms. W. P. Sandamali de Silva | - Secretary to the Board |

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National Water Supply And Drainage Board

STATEMENT OF COMPREHENSIVE INCOME

Year Ended 31 December 2019

		Budget 2019 Rs.	Actual 2019 Rs.	Restated 2018 Rs.
Revenue (Net of VAT)	7	25,954,703,400	26,079,488,608	24,806,457,684
Cost of Sales	8	<u>(17,303,602,703)</u>	<u>(16,614,378,349)</u>	<u>(15,821,034,600)</u>
Gross Profit		8,651,100,697	9,465,110,259	8,985,423,084
Other Operating Income and Gains	9	1,496,778,600	1,258,512,779	1,061,966,069
Administrative Expenses	10	(12,109,926,297)	(12,059,061,307)	(10,969,381,641)
Other Operating Expenses	11	<u>(671,000,000)</u>	<u>(764,590,969)</u>	<u>(906,753,982)</u>
Operating Profit / (Loss)		(2,633,047,000)	(2,100,029,238)	(1,828,746,471)
Finance Income	12	375,600,000	1,454,249,803	1,574,439,901
Finance Cost	13	<u>(4,941,000)</u>	<u>(465,671,785)</u>	<u>(262,731,394)</u>
Profit / (Loss) Before Tax		(2,262,388,000)	(1,111,451,220)	(517,037,963)
Income Tax (Economic Service Charges)	14	<u>(166,575,000)</u>	<u>(65,383,426)</u>	<u>(63,287,387)</u>
Profit / (Loss) for the Year		<u>(2,428,963,000)</u>	<u>(1,176,834,646)</u>	<u>(580,325,351)</u>

Accounting Policies & Notes from pages 8 to 26 form an integral part of these Financial Statements.

National Water Supply And Drainage Board

STATEMENT OF OTHER COMPREHENSIVE INCOME

Year Ended 31 December 2019

	Budget 2019 Rs.	Actual 2019 Rs.	Restated 2018 Rs.
Profit / (Loss) for the Year	<u>(2,428,963,000)</u>	<u>(1,176,834,646)</u>	<u>(580,325,351)</u>
Other Comprehensive Income for the Year.			
Actuarial Gain on Defined Benefit Obligation.	<u>-</u>	<u>-</u>	<u>277,616,559</u>
Total Comprehensive Income for the Year	<u>(2,428,963,000)</u>	<u>(1,176,834,646)</u>	<u>(302,708,792)</u>

Accounting Policies & Notes from pages 8 to 26 form an integral part of these Financial Statements.

National Water Supply And Drainage Board

STATEMENT OF FINANCIAL POSITION

Year Ended 31 December 2019

		Actual 2019 Rs	Restated 2018 Rs.
Assets			
Non- Current Assets			
Property ,Plant & Equipment	Notes 15	246,276,731,455	193,176,543,150
Intangible Assets	16	4,176,328	5,667,741
Capital Work in Progress	17	291,525,375,599	247,867,666,528
Financial assets	18	<u>2,050,210</u>	<u>3,737,585</u>
Total Non Current Assets		<u>537,808,333,592</u>	<u>441,053,615,003</u>
Current Assets			
Inventories	19	8,732,498,024	7,324,291,091
Trade & Other Receivables	20	6,871,077,905	8,667,342,429
Deposits & Advances	21	40,706,840,162	43,824,831,314
Investments	22	27,736,376,662	12,424,124,006
Cash & Cash Equivalents	23	3,925,735,348	1,591,910,199
Non Operating Assets	34.2	<u>149,681,812</u>	<u>149,681,812</u>
Total Current Assets		<u>88,122,209,912</u>	<u>73,982,180,851</u>
Total Assets		<u>625,930,543,504</u>	<u>515,035,795,855</u>
Equity and Liabilities			
Equity			
Assets taken over from Government Dept.	24	185,480,387	185,480,387
Government Equity	25	85,106,439,687	81,053,316,307
Staff Welfare Fund	26	29,411,874	23,463,597
Retained Earnings		(9,408,054,417)	(8,225,271,493)
Government Grant	27	105,903,930,027	98,303,838,433
Capital Grants	28	<u>241,308,488,604</u>	<u>218,460,298,409</u>
Total Equity		<u>423,125,696,163</u>	<u>389,801,125,640</u>
Non-Current Liabilities			
Loan Payable	29	139,316,053,612	94,926,739,465
Other Deferred Liabilities	30	<u>4,057,934,251</u>	<u>4,051,404,991</u>
Total Non Current Liabilities		<u>143,373,987,863</u>	<u>98,978,144,456</u>
Current Liabilities			
Trade & Other Payables	31	39,245,156,498	17,050,007,733
Loan Capital Payable	29	12,034,922,913	5,353,649,911
Loan Interest Payable		8,078,638,649	3,780,726,696
Non Operating Liabilities	34.2	<u>72,141,419</u>	<u>72,141,419</u>
Total Current Liabilities		<u>59,430,859,478</u>	<u>26,256,525,759</u>
Total Equity and Liabilities		<u>625,930,543,504</u>	<u>515,035,795,855</u>


R.M.A.S. Weerasena


Addl.G.M.(Finance)

R.M.A.S. WEERASENA
Additional General Manager (Finance)
National Water Supply & Drainage Board


R.H. Ruvinis
General Manager

General Manager
National Water Supply &
Drainage Board

The Accounting policies on pages 08 to 14 and Notes on pages 15 to 26 form an integral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf


Nishantha Ranatunga
Chairman
Colombo


Nimal R. Ranawaka
Vice Chairman

National Water Supply And Drainage Board
STATEMENT OF CHANGES IN EQUITY

Year Ended 31 December 2019

Note	Government Departments		Govt Grants		Government Equity		Capital Grants		Staff Welfare Fund		Accumulated Profit/Loss		Total	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 January 2018	185,480,387	94,838,588,669	75,254,960,972	192,631,358,038	22,527,125						(8,145,448,178)	354,787,467,012		
Prior Year Correction														
Assets recognised and derecognised	34.1.1	-	-	-	-	-	-	-	-	-	88,496,259	88,496,259		
Depreciation adju. for assets recognised and derecognised	34.1.2	-	-	-	-	-	-	-	-	-	41,243,667	41,243,667		
Rehabilitation & construction works	34.2	-	-	-	-	-	-	-	-	-	(1,271,130)	(1,271,130)		
Deposits and other advances	34.2	-	-	-	-	-	-	-	-	-	(6,861,000)	(6,861,000)		
Held to maturity	34.2	-	-	-	-	-	-	-	-	-	3,715,258	3,715,258		
Trade & other receivables	34.2	-	-	-	-	-	-	-	-	-	(5,390,596)	(5,390,596)		
Trade & other payables	34.2	-	-	-	-	-	-	-	-	-	2,116,860	2,116,860		
Restated Balance as at 1 January 2018	185,480,387	94,838,588,669	75,254,960,972	192,631,358,038	22,527,125						(8,023,398,859)	354,909,516,331		
Net profit for the year											(302,708,792)	(302,708,792)		
Assets recognised and derecognised	34.1.1	-	-	-	-	-	-	-	-	-	2,132,625	2,132,625		
Receipts / Transfers during the year														
Loan to equity conversion (Including adj. to opening balance)	34.2	-	3,418,879,181	-	25,536,892,975	-	-	-	-	-	-	28,955,772,157		
Deposits and other advances	34.2	-	-	-	-	-	-	-	-	-	(6,346,320)	(6,346,320)		
Inventories	34.2	-	-	-	-	-	-	-	-	-	45,229,961	45,229,961		
Rehabilitation & construction works	34.2	-	-	-	-	-	-	-	-	-	3,695,065	3,695,065		
Foreign, local & government grants	34.2	-	46,370,583	-	292,047,395	-	-	-	-	-	57,865,299	396,283,278		
Held to maturity	34.2	-	-	-	-	-	-	-	-	-	(804,000)	(804,000)		
Transfers to Staff welfare fund										936,472	(936,472)			
Restated balance as at 31 December 2018	185,480,387	98,303,838,433	81,053,316,307	218,460,298,409	23,463,597						(8,225,271,493)	389,801,125,640		
Net profit for the year														
Receipts / Transfers during the year														
Loans conversion to equity														
Transfers to staff welfare fund														
Balances as at 31 December 2019	185,480,387	105,903,930,027	85,106,439,687	241,308,488,604	29,411,874						(9,408,054,416)	423,125,696,164		

Accounting Policies & Notes from pages 8 to 26 form an integral part of these Financial Statements.

National Water Supply And Drainage Board

STATEMENT OF CASH FLOW

Year Ended 31 December 2019

For the year ended	Notes	Actual 2019 <u>Rs.</u>	Restated 2018 <u>Rs.</u>
Cash Flows from/(used) in Operating Activities			
Net Profit/(Loss) before Tax		(1,111,451,220)	(517,037,963)
<i>Adjustments for</i>			
Interest Income	12	(1,454,249,803)	(1,574,439,901)
Profit/Loss on disposal of Fixed Assets		8,426,050	24,193,893
Depreciation	10.2	4,614,775,009	3,663,574,560
Retiring gratuity provision	30.1	578,942,828	706,912,095
Interest Expense	13	<u>465,671,785</u>	<u>262,731,394</u>
Operating Profit before Working Capital Changes		3,102,114,649	2,565,934,078
(Increase)/Decrease in Inventories		(1,408,206,933)	50,076,524
(Increase)/Decrease in Debtors, Receivables & Deposits		4,987,732,998	(1,736,116,494)
Increase/(Decrease) in Creditors, Provisions & Deposits		<u>22,201,678,025</u>	<u>3,140,750,015</u>
Cash Generated from Operations		28,883,318,739	4,020,644,123
Tax Paid		(138,860,749)	(63,287,387)
Gratuity Paid	30.1	<u>(578,942,828)</u>	<u>(501,739,973)</u>
Net Cash from Operating Activities		<u>28,165,515,162</u>	<u>3,455,616,762</u>
Cash Flows from/(used) in Investing Activities			
Investments in Fixed Assets & Work-In-Progress		(93,000,764,052)	(71,637,779,836)
Financial assets		1,687,375	4,492,884
Sale proceeds for disposal assets		17,400	12,695,977
Investment Income Received		1,454,249,803	1,574,439,901
(Investment) / Withdrawal of Investments		<u>(15,312,252,655)</u>	<u>2,195,336,043</u>
Net Cash Flows used in Investing Activities		<u>(106,857,062,129)</u>	<u>(67,850,815,031)</u>
Cash Flows from/(used in) Financing Activities			
Government Grant during the Period		7,600,091,594	3,465,249,764
Capital Grant during the period		24,402,315,887	27,180,747,901
New Loans and Equity		61,968,254,527	43,283,510,844
Loan Repayments		(6,844,543,998)	(4,366,443,474)
Interest Paid		<u>(6,100,745,895)</u>	<u>(4,974,153,569)</u>
		81,025,372,115	64,588,911,466
Net Increase in Cash & Cash Equivalents		2,333,825,148	193,713,197
Cash & Cash Equivalents at the beginning of the year		<u>1,591,910,199</u>	<u>1,398,197,000</u>
Cash & Cash Equivalents at the end of the period		<u>3,925,735,348</u>	<u>1,591,910,199</u>

The accounting policies and notes on pages 8 to 26 form an integral part of the financial statements.

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, Water Supply and Housing Facilities.

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 its 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.

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, its 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.

3.1.1 Depreciation

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 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.

3.1.3 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 the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

3.1.4 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. Acquisition of computer software are recognized as intangible assets and amortized over the period of 7 years.

3.1.5 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.

3.1.6 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 'weighted average cost' 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).

b) 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.

Retirement benefit obligation is measured through the service of an actuarial valuer in every three years interval and maintains such liability over the period of three years in line with the salary revision. Hence, the gratuity liability occurred for the next two consecutive years are treated as expense immediately after the actuarial liability is identified in the first year.

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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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

The NWSDB is having massive deductible tax losses and other deductible expenses including interest against the tax liability. Hence, it is unlikely that arising of tax liability in foreseeable future period therefore, NWSDB does not adjust differed tax in Financial Statement.

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.

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.

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 amortized cost using the effective interest method, 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 as finance cost in the income statement in finance cost.

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 recognized as other comprehensive income in the available-for-sale reserve until the investment is derecognized.

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, recognized 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.

6.2 Financial Liabilities

Initial Recognition and Measurement

Financial liabilities within the scope of LKAS/SLFRS are classified as financial liabilities at fair value through profit or loss, at amortized 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 recognized initially at fair value and, in the case of loans and borrowings, carried at amortized 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 amortized cost.

Derecognition

A financial liability is derecognized 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 2019

	Actual	Restated
	2019	2018
	Rs.	Rs.
7. REVENUE		
Metered Sales	23,579,412,927	22,365,059,366
Bulk Sales	319,246,904	292,627,223
Bowser Supply	96,978,817	86,201,995
Income from main operations	7.1 <u>2,083,849,960</u>	<u>2,062,569,100</u>
	<u>26,079,488,608</u>	<u>24,806,457,684</u>
7.1 Income from Main Operations		
Income related to New connection and other main operations	2,442,876,471	2,320,114,785
Capital Recovery Charges	580,583,247	610,898,296
Expense related to New connection	<u>(939,609,758)</u>	<u>(868,443,982)</u>
	<u>2,083,849,960</u>	<u>2,062,569,100</u>
8. COST OF SALES		
Personnel Cost	7,275,051,786	7,306,094,365
Pumping Cost	4,489,139,930	4,255,907,527
Chemicals	1,044,325,298	937,904,605
Repairs & Maintenance	1,669,196,579	1,501,705,207
Establishment Expenses	643,035,076	560,775,595
Rent, Rates, Taxes, Security & Other Expenses	1,379,763,584	1,156,620,923
Rebates	<u>113,866,096</u>	<u>102,026,377</u>
	<u>16,614,378,349</u>	<u>15,821,034,600</u>
9. OTHER OPERATING INCOME		
Other Income	9.1 1,210,780,014	1,006,969,875
Staff loan benefit	<u>47,732,765</u>	<u>54,996,194</u>
	<u>1,258,512,779</u>	<u>1,061,966,069</u>
9.1 Other Income		
Sewerage and ground water income	308,699,497	251,270,810
Miscellaneous Income including Surcharge, Penalties etc.	<u>902,080,516</u>	<u>755,699,065</u>
	<u>1,210,780,014</u>	<u>1,006,969,875</u>

National Water Supply And Drainage Board
NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2019

	Actual 2019 Rs	Restated 2018 Rs.
10. ADMINISTRATIVE EXPENSES		
Repairs & Maintenance	219,423,427	197,583,294
Establishment Expenses	770,622,560	721,904,016
Rent,Rates,Taxes, Security & Other Expenses	491,222,211	438,489,560
Staff Cost	10.1 5,952,018,101	5,937,830,211
Depriciation	10.2 4,614,775,009	3,663,574,560
Audit Fee-AGDSL including continuous audit	<u>11,000,000</u>	<u>10,000,000</u>
	<u>12,059,061,307</u>	<u>10,969,381,641</u>
10.1 Staff Cost		
Staff Cost on Loan Granted	47,732,765	54,996,194
Personnel Cost	<u>5,904,285,336</u>	<u>5,882,834,017</u>
	<u>5,952,018,101</u>	<u>5,937,830,211</u>
10.2 Depreciation		
Building and structure	1,369,620,687	1,192,150,149
Plant & Machinery	4,041,070,524	3,168,496,262
Equipments	375,847,498	327,741,442
Furniture and Fittings	46,370,778	38,365,731
Computers & Periparels	99,804,762	74,602,910
Motor Vehicles	<u>234,695,039</u>	<u>213,207,954</u>
Total Depreciation	6,167,409,288	5,014,564,448
Less: Depn. for Grant funded Assets	(1,559,491,087)	(1,358,041,183)
Less: Depn. for Rechargable funded Assets	(9,557,463)	(9,362,975)
Add: Amortization of leased Assets	15,949,142	15,949,142
Add: Amortization of Intangible Assets	<u>465,128</u>	<u>465,128</u>
Depreciation Cost	<u>4,614,775,009</u>	<u>3,663,574,560</u>
Depreciation amounting 11,629,921 has been adjusted to the year 2018		
11. OTHER OPERATING EXPENSES		
Bad & Doubtful Debts	15,772,686	27,374,836
Provision for Irrecoverable Staff Loans	-	5,717,794
Provision for Obsolete Stock	3,983,204	32,416,706
Retiring Gratuity	578,942,828	706,912,095
Revenue grant	<u>165,892,251</u>	<u>134,332,552</u>
	<u>764,590,969</u>	<u>906,753,982</u>
12. FINANCE INCOME		
Investment Income	<u>1,454,249,803</u>	<u>1,574,439,901</u>
	<u>1,454,249,803</u>	<u>1,574,439,901</u>
13. FINANCE COST		
Interest On Loans	10,398,657,848	7,593,922,666
Less: Capitalised Interest on Construction Projects	<u>(9,932,986,062)</u>	<u>(7,331,191,272)</u>
	<u>465,671,785</u>	<u>262,731,394</u>
14. INCOME TAX		
Economic Service Charge (After Two Years)	<u>65,383,426</u>	<u>63,287,387</u>
	<u>65,383,426</u>	<u>63,287,387</u>

ESC Expenditure in 2016 & 2017 are recognised as expense in 2018 & 2019 respectively.



National Water Supply And Drainage Board
NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2019

15. PROPERTY, PLANT AND EQUIPMENT

15.1 Gross Carrying Amounts	Restated Balance As at 01.01.2019	Additions after Adjustments	Transfers	Disposals	Balance As at 31.12.2019
Cost	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Assets					
Land Freehold	8,565,969,371	78,710,552	(2,411,952)	-	8,642,267,971
Land Leasehold	626,761,182	-	-	-	626,761,182
Infrastructure	6,077,210,147	3,554,065,387	(852,985,050)	-	8,778,290,484
Building - Freehold	13,114,636,569	4,539,432,663	(230,324,971)	(10,980,000)	17,412,764,260
Structures	49,147,448,265	12,249,518,279	81,277,674	-	61,478,244,218
Plant & equipment-pumping treatment	35,782,870,495	11,854,740,214	(98,584,546)	-	47,539,026,163
Service meter	19,513,655	-	-	-	19,513,655
Bulk water meter	579,141,636	44,911,241	(36,300)	-	624,016,577
Transmission & Distribution	99,101,208,711	26,724,229,419	(257,007,475)	-	125,568,430,655
Mobile Equipments	703,909,410	517,261,301	(20,012,372)	-	1,201,158,339
Survey Equipments	46,694,125	5,152,635	(208,229)	-	51,638,530
Laboratory Equipments	763,439,569	133,146,336	1,519,674	-	898,105,578
Other Equipment	2,647,807,254	238,455,821	(4,168,773)	-	2,882,094,302
Furniture & fittings-computer	592,253,841	86,496,552	(6,982,000)	-	671,768,393
Computers & Periparels	583,640,979	115,258,428	(3,822,986)	(408,625)	694,667,797
Motor vehicles cars	158,356,028	53,072,428	(316,052)	-	211,112,404
Van busses & jeeps	500,044,697	46,536,640	(15,000,000)	-	531,581,337
Lorries & trucks	2,217,196,066	315,963,097	(10,840,042)	-	2,522,319,121
Tractors & trailers	86,930,192	(614,981)	(25,970,020)	-	60,345,191
Water bowsers, Heavy veh:	1,414,695,956	138,755,940	24,000,000	-	1,577,451,896
Motor cycles	23,213,702	2,885,716	(63,204)	(10,000)	26,026,213
Three Weelers	7,659,975	-	(0)	-	7,659,975
Lease hold Vehicles	23,180,000	-	-	-	23,180,000
Total Value of Depreciable Assets	222,783,781,824	60,697,977,668	(1,421,936,625)	(11,398,625)	282,048,424,242

National Water Supply And Drainage Board
NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2019

15.2 Depreciation	Restated Balance As at 01.01.2019 Rs.	Charge for the Period Rs.	Adjustments Rs.	Disposal Rs.	Balance As at 31.12.2019 Rs.
Depreciation					
Freehold Assets					
Land Freehold				-	-
Land Leasehold				-	-
Infrastructure	810,961,191	150,435,123	-	-	961,396,314
Building - Freehold	1,638,803,590	310,569,157	-	(2,543,700)	1,946,829,047
Structures	5,238,770,736	908,616,408	-	-	6,147,387,144
Plant & eq: pumping treatment	8,675,250,748	2,063,039,208	-	-	10,738,289,956
Service meter	18,103,077	465,109	-	-	18,568,187
Bulk water meter	246,236,007	50,910,457	-	-	297,146,464
Transmission & Dist:	8,914,089,493	1,926,655,750	-	-	10,840,745,243
Mobile Equipments	271,801,117	84,180,236	-	-	355,981,354
Survey Equipments	15,311,274	3,409,506	-	-	18,720,780
Laboratory Equipments	376,441,969	51,774,061	-	-	428,216,030
Other Equipment	1,118,337,944	236,483,694	-	-	1,354,821,638
Furniture & fittings-computer	305,706,968	46,370,778	68,557	(408,625)	351,737,678
Computers & Peripherals	471,945,470	99,804,762	(68,557)	-	571,681,676
Motor vehicles cars	129,235,904	12,575,018	(0)	-	141,810,922
Van busses & jeeps	396,298,028	24,732,245	-	-	421,030,273
Lorries & trucks	597,519,485	115,496,231	222,854	-	713,238,570
Tractors & trailers	58,137,680	4,386,048	(7,656,604)	-	54,867,123
Water bowsers, Heavy veh:	300,795,038	75,448,255	7,433,750	-	383,677,042
Motor cycles	11,862,644	582,932	-	(2,850)	12,442,725
Three Wheelers	2,131,481	756,813	-	-	2,888,294
Lease hold Vehicles	9,498,831	717,498	-	-	10,216,329
	<u>29,607,238,674</u>	<u>6,167,409,288</u>	<u>(0)</u>	<u>(2,955,175)</u>	<u>35,771,692,788</u>

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2019

15. PROPERTY, PLANT AND EQUIPMENT (Contd...)

15.3 Net Book Values	2019 Rs.	2018 Rs.
At Cost		
Land Freehold	8,642,267,971	8,565,969,371
Land Leasehold	626,761,182	626,761,182
Infrastructure	7,816,894,171	5,266,248,956
Building - Freehold Structures	15,465,935,213	11,475,832,979
Plant & equipment-pumping treatment	55,330,857,074	43,908,677,529
Service meter	36,800,736,207	27,107,619,747
Bulk water meter	945,468	1,410,578
Transmission & Distribution	326,870,113	332,905,629
Mobile Equipments	114,727,685,413	90,187,119,219
Survey Equipments	845,176,985	432,108,292
Laboratory Equipments	32,917,750	31,382,851
Other Equipments	469,889,548	386,997,599
Furniture & fittings-computer	1,527,272,664	1,529,469,311
Computers & Periparels	320,030,716	286,546,873
Motor vehicles cars	122,986,121	111,695,509
Van busses & jeeps	69,301,482	29,120,124
Lorries & trucks	110,551,064	103,746,669
Tractors & trailers	1,809,080,549	1,619,676,581
Water bowsers, Heavy veh:	5,478,068	28,792,512
Motor cycles	1,193,774,854	1,113,900,919
Three Wheelers	13,583,488	11,351,058
Lease hold Vehicles	4,771,681	5,528,494
	12,963,671	13,681,169
Total Carrying Amount of Property, Plant & Equipment	246,276,731,455	193,176,543,150

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2019

		Actual	Restated
		2019	2018
		Rs.	Rs.
16. INTANGIBLE ASSETS			
Computer Software		<u>4,176,328</u>	<u>5,667,741</u>
		<u>4,176,328</u>	<u>5,667,741</u>
<p>Durring the year Rs 1,508,912.42 has been provided for amortization for above software and new software amounting to 17,500 was added .</p>			
17. CAPITAL WORK IN PROGRESS			
Construction Work	34.2	285,674,800,823	243,541,687,821
Rehabilitation	34.2	<u>5,850,574,775</u>	<u>4,325,978,707</u>
		<u>291,525,375,599</u>	<u>247,867,666,528</u>
18. FINANCIAL ASSETS			
HDFC Investment for Staff Housing Loans		688,527	2,426,217
Bank of Ceylon Saving - II		<u>1,361,683</u>	<u>1,311,367</u>
		<u>2,050,210</u>	<u>3,737,585</u>
19. INVENTORIES			
PVC Steel Pipe	34.2	5,328,992,075	4,034,614,070
Water Meter & Fitting & Brass Items	34.2	815,140,804	897,693,420
Chemical Material		191,847,637	185,659,879
Electricals		720,232,246	727,917,726
Building Material		32,798,463	51,147,926
Pump & Spare Parts		1,219,549,844	1,270,259,226
Vehicle Spare Parts		334,782,918	111,153,294
Stationary & Office Equipment		83,875,792	60,314,025
Other Items	34.2	470,729,900	573,075,124
Stock Adjustments		<u>131,870,865</u>	<u>(1,320,385)</u>
		9,329,820,543	7,910,514,304
Less- Major Spares			
Property Plant and Equipment at Stores		(442,927,939)	(435,811,837)
Provision for Obsolete Stock		<u>(154,394,581)</u>	<u>(150,411,377)</u>
		<u>8,732,498,024</u>	<u>7,324,291,091</u>

National Water Supply And Drainage Board
NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2019

		Actual 2019 Rs.	Restated 2018 Rs.
20. TRADE AND OTHER RECEIVABLES			
Trade Debtors	34.2	4,707,186,657	4,774,330,891
Other Debtors	34.2	377,412,918	342,720,505
Less : Debtors Impairment		(1,233,945,273)	(1,218,931,427)
Debtors Collection Control	34.2	(722,383,592)	500,027,515
VAT Receivable		6,117,059	662,227,360
WHT Receivable		244,221,362	187,742,562
ESC Receivable		273,028,231	199,550,908
Advances to Staff	34.2	13,099,604	31,836,342
Loans To Employees		3,068,896,781	3,073,006,814
Receivable on Interest & Others		<u>137,444,157</u>	<u>114,830,958</u>
		<u>6,871,077,905</u>	<u>8,667,342,429</u>
To expedite the reporting process, 2019 December month main revenue has been estimated based on 2019 November actual main income.			
21. DEPOSITS AND ADVANCES			
Pre Payments		8,096,500	3,280,000
Mobilization and Other Advances		40,406,847,644	43,568,476,223
Deposits	34.2	<u>291,896,019</u>	<u>253,075,091</u>
		<u>40,706,840,162</u>	<u>43,824,831,314</u>
22. INVESTMENTS			
Held to Maturity (Including rechargeable funded investments)	34.2	<u>27,736,376,662</u>	<u>12,424,124,006</u>
		<u>27,736,376,662</u>	<u>12,424,124,006</u>
23. CASH AND CASH EQUIVALENTS			
Cash In Bank		3,581,786,632	1,164,143,607
Cash Imprest Head Office		2,629,300	4,799,200
Cash Imprests Regions		6,243,980	4,044,813
Cash In Transit	34.2	251,931,795	339,442,534
Savings Account		<u>83,143,640</u>	<u>79,480,045</u>
		<u>3,925,735,348</u>	<u>1,591,910,199</u>
24. ASSETS TAKEN OVER FROM GOVERNMENT			
Assets taken over from Government Dept.		<u>185,480,387</u>	<u>185,480,387</u>
		<u>185,480,387</u>	<u>185,480,387</u>
25. GOVERNMENT EQUITY			
Equity loan conversion	34.2	71,206,455,762	67,153,332,381
Government contribution (bond)		<u>13,899,983,925</u>	<u>13,899,983,925</u>
		<u>85,106,439,687</u>	<u>81,053,316,307</u>

Policy decision has been taken by government of Sri Lanka to convert foreign funded loans and interest payable thereon as at 31.12.2014 to government equity. Further, the debt service done by the treasury for the certain foreign funded projects were also recognized as government contribution during the year.

National Water Supply And Drainage Board
NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2019

		Actual 2019 Rs.	Restated 2018 Rs.
26. STAFF WELFARE FUND			
Opening Balance		23,463,597	22,527,125
Received during the year		<u>5,948,277</u>	<u>936,472</u>
		<u>29,411,874</u>	<u>23,463,597</u>
27. GOVERNMENT GRANT			
Tresuary Grant	34.2	<u>105,903,930,027</u>	<u>98,303,838,433</u>
		<u>105,903,930,027</u>	<u>98,303,838,433</u>
28. CAPITAL GRANTS			
Foreign Grants	34.2	239,719,094,394	217,324,206,609
Local Grants		<u>1,589,394,210</u>	<u>1,136,091,800</u>
		<u>241,308,488,604</u>	<u>218,460,298,409</u>
29. LOAN PAYABLE			
Foreign Loans		115,484,776,594	69,901,712,319
Local Loans	34.2	<u>23,831,277,018</u>	<u>25,025,027,146</u>
Long term portion of loan payable		<u>139,316,053,612</u>	<u>94,926,739,465</u>
Current portion loan payable		<u>12,034,922,913</u>	<u>5,353,649,911</u>
Loan Payable		<u>151,350,976,525</u>	<u>100,280,389,376</u>
30. OTHER DEFERRED LIABILITIES			
Provision for defined benefit plan	30.1	4,003,984,078	4,003,984,078
Customer and Employee Security Deposits		<u>53,950,172</u>	<u>47,420,912</u>
		<u>4,057,934,251</u>	<u>4,051,404,991</u>
30.1 Movement of Retiring Gratuity Provision			
Balance at the Beginning of the Period		4,003,984,078	4,076,428,515
Add Provision for the Period		578,942,828	706,912,095
Less: Gratuity Payments during the Period and Net Actuarial Gain		<u>(578,942,828)</u>	<u>(779,356,532)</u>
Provision for defined benefit plan		<u>4,003,984,078</u>	<u>4,003,984,078</u>
31. TRADE AND OTHER PAYABLES			
Rechargeable Work - Customer Advances		11,061,757,655	6,302,459,963
Contractors Retention	34.2	13,256,692,526	7,532,843,621
Lease Hold Creditors		3,190,775	10,848,635
Less: Interest in Suspense		(76,347)	(778,737)
Creditors Control	34.2	1,680,514,246	1,918,563,592
Other Creditors		338,462,216	94,052,159
Accrued expenses		12,308,133,852	896,707,898
Deposits		248,578,020	97,343,295
VAT Payable		156,097,480	-
With Holding Tax		7,459,405	10,092,770
Salaries and Other Payables	34.2	<u>184,346,670</u>	<u>187,874,535</u>
		<u>39,245,156,498</u>	<u>17,050,007,733</u>

32. RELATED PARTY TRANSACTIONS

Transactions with State and State Controlled Entities

In the normal course of its operations, the Board enters into transactions with related parties. Related parties include the Government of Sri Lanka (State: as the ultimate owner of the Board), various government departments, and State controlled entities. Particulars of transactions, and arrangements entered into by the Board with the State and State controlled entities which are individually significant and for other transactions that are collectively, but not individually significant.

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.

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2019

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 deemed 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. 120.21 million had been adjusted for carrying amount of PPE and Rs.11.62 million had been adjusted for depreciation as at 31.12.2018 as follows.

34.1.1 Gross Carrying Amounts

Cost	Balance As at 31.12.2018 Rs.	Prior Year Adjustments Rs.	Restated Balance As at 31.12.2018 Rs.
Freehold Assets			
Land Freehold	8,565,952,985	16,386	8,565,969,371
Land Leasehold	626,761,182	-	626,761,182
Infrastructure	6,077,223,147	(13,000)	6,077,210,147
Building - Freehold Structures	13,034,596,545	80,040,024	13,114,636,569
Plant & eq: pumping treatment	49,146,383,260	1,065,005	49,147,448,265
Service meter	35,779,244,880	3,625,615	35,782,870,495
Bulk water meter	19,513,655	-	19,513,655
Transmission & Dist:	579,087,634	54,002	579,141,636
Mobile Equipments	99,099,793,768	1,414,943	99,101,208,711
Survey Equipments	703,909,250	160	703,909,410
Laboratory	46,694,125	-	46,694,125
Other Equipment	762,600,454	839,115	763,439,569
Furniture & fittings-computer	2,647,294,544	512,710	2,647,807,254
Computers & Periparels	594,420,265	(2,166,423)	592,253,841
Motor vehicles cars	582,371,415	1,269,564	583,640,979
Van busses & jeeps	158,356,028	-	158,356,028
Lorries & trucks	500,044,697	-	500,044,697
Tractors & trailers	2,214,196,064	3,000,002	2,217,196,066
Water bowsers, Heavy veh:	85,990,211	939,981	86,930,192
Motor cycles	1,414,695,956	-	1,414,695,956
Three Weelers	23,213,702	-	23,213,702
Lease hold Vehicles	7,659,975	-	7,659,975
	23,180,000	-	23,180,000
Total Value of Depreciable Assets	222,693,183,741	90,598,084	222,783,781,824

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2019

34.1.2 Depreciation	Balance As at 31.12.2018 Rs.	Prior Year Adjustments Rs.	Restated Balance As at 31.12.2018 Rs.
Freehold Assets			
Land Freehold	-	-	-
Land Leasehold	-	-	-
Infrastructure	810,962,511	(1,320)	810,961,191
Building - Freehold	1,638,803,590	-	1,638,803,590
Structures	5,238,770,736	-	5,238,770,736
Plant & eq: pumping treatment	8,675,252,339	(1,591)	8,675,250,748
Service meter	18,103,077	-	18,103,077
Bulk water meter	246,236,007	-	246,236,007
Transmission & Dist:	8,914,089,493	-	8,914,089,493
Mobile Equipments	271,801,117	-	271,801,117
Survey Equipments	15,311,274	-	15,311,274
Laboratory	376,620,519	(178,550)	376,441,969
Other Equipment	1,118,363,769	(25,825)	1,118,337,944
Furniture & fittings-computer	307,759,210	(2,052,242)	305,706,968
Computers & Periparels	471,944,960	510	471,945,470
Motor vehicles cars	150,984,115	(21,748,211)	129,235,904
Van busses & jeeps	396,298,028	-	396,298,028
Lorries & trucks	596,094,485	1,425,000	597,519,485
Tractors & trailers	65,169,197	(7,031,517)	58,137,680
Water bowsers, Heavy veh:	300,795,038	-	300,795,038
Motor cycles	11,862,644	-	11,862,644
Three Wheelers	2,131,481	-	2,131,481
Lease hold Vehicles	9,498,831	-	9,498,831
Total Value of Depreciation	<u>29,636,852,421</u>	<u>(29,613,746)</u>	<u>29,607,238,674</u>

4.2 In addition to the prior year adjustments for Property Plant & Equipments, the following items also have been adjusted retrospectively.

	Balance As at 31.12.2018 Rs.	Prior Year Adjustments Rs.	Adjustment For 2018 Rs.	Balances Transfer Rs.	Restated Balance As at 31.12.2018 Rs.
Capital Work In Progress (Note 17)					
Rehabilitation	4,164,781,747	(1,271,130)	3,695,065	158,773,026	4,325,978,707
Construction Work	243,501,731,056	-	-	39,956,765	243,541,687,821
Inventories (Note 19)					
Stock in Transit	1,345,932,727	(1,345,932,727)	-	-	-
Other Items	567,238,346	-	5,836,777	-	573,075,124
PVC Steel Pipe	3,995,347,403	-	39,266,667	-	4,034,614,070
Water Meter & Fitting & Brass Items	897,566,903	-	126,517	-	897,693,420
Trade And Other Receivable (Note 20)					
Trade Debtors	4,779,721,487	(5,390,596)	-	-	4,774,330,891
Debtors Collection Control	524,428,698	-	-	(24,401,183)	500,027,515
Other Debtors	259,238,207	-	-	83,482,299	342,720,505
Advances to Staff	13,309,832	-	-	18,526,510	31,836,342
Deposit and advances (Note 21)					
Mobilization and Other Advances	42,194,242,006	1,339,071,727	(6,346,320)	41,508,810	43,568,476,223
Deposits	227,368,810	-	-	25,706,281	253,075,091
Investment (Note 22)					
Held to Maturity	12,421,212,748	3,715,258	(804,000)	-	12,424,124,006
Cash and Cash Equivalents (Note 23)					
Cash In Transit	336,043,725	-	-	3,398,809	339,442,534
Government Grant (Note 27)					
Tresuary Grant	98,257,467,850	-	(8,152,221)	54,522,804	98,303,838,433
Capital Grant (Note 28)					
Foreign Grants	217,065,024,840	-	(49,713,078)	308,894,847	217,324,206,609
Local Grants	1,103,226,173	-	-	32,865,627	1,136,091,800
Loan Payable (Note 29)					
Local Loans	25,004,314,014	-	-	20,713,132	25,025,027,146
Trade And Other Payable (Note 31)					
Creditors Control	1,918,128,500	(2,116,860)	-	2,551,952	1,918,563,592
Contractors Retention	7,529,652,312	-	-	3,191,309	7,532,843,621
Salaries and Other Payables	186,153,298	-	-	1,721,237	187,874,535
Others					
Non Operating Assets	-	-	-	149,681,812	149,681,812
Non Operating Liabilities	-	-	-	72,141,419	72,141,419



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



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எனது இல.
My No.

WSS/A/NWSDB/FA/01/2019

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

09 October 2020

The Chairman
National Water Supply and Drainage Board

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the National Water Supply and Drainage Board for the year ended 31 December 2019 in terms of Section 12 of the National Audit Act, No 19 of 2018.

1 Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the National Water Supply and Drainage Board (NWSDB) (“Board”) for the year ended 31 December 2019 comprising the statement of financial position as at 31 December 2019 and the statement of comprehensive income and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, 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 provisions of the National Audit Act No.19 of 2018 and Finance Act, No.38 of 1971. My report to Parliament in pursuance of provisions in Article 154(6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Board as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Qualified Opinion

- I. Contrary to paragraph 32 of the Sri Lanka Accounting Standard on Presentation of Financial Statements (LKAS 01), a credit balance of trade receivables and debtors collection control account amounting to Rs.9,772,912 which represent the current assets had been set off against payables and identified as non-operating liabilities in the statement of financial position at the end of the year under review. Similarly a debit balance of retention received amounting to Rs.1,078,112 which represent the current liabilities had been set off against receivables and identified as non-operating assets in the statement of financial position at the end of the year under review. Further, depreciation and deferred Income amounting to Rs.1,043,784 in respect of computer software received as grants had been set off each other without been shown separately in the financial statements.
- II. Contrary to the paragraph 07 of the Sri Lanka Accounting Standard on Statement of Cash flows (LKAS 07), a deposit made in a saving account amounting to Rs.1,361,683 had been categorized under non-current assets.
- III. As per paragraph 51 of the Sri Lanka Accounting Standard on Property, Plant & Equipment (LKAS 16), the useful life of the asset shall be reviewed at least at each financial year end and if expectations differ from previous estimates, the changes shall be accounted in accordance with LKAS 08. However, useful lives of the fully depreciated assets amounting to Rs.1,813,275,339 still in use had not been reviewed and accounted accordingly.
- IV. As per paragraph 66 and 144 of the Sri Lanka Accounting Standard on Employee Benefits (LKAS 19), it was revealed in audit that the board had not applied an actuarial valuation method and made any actuarial assumptions and disclose them in order to measure the present value of the post-employment benefit obligation and the related current service cost during the year under review. Further, provision for retirement benefit obligation (Gratuity provision) was not made in the financial statements for the year under review as per the requirements of the paragraph 58 of the standard. Instead of that an amount equivalent to Rs.578,942,828 which was paid as gratuity (excluding

- V. Contrary to the provisions in the Sri Lanka Accounting Standard on Accounting for Government Grants and Disclosure of Government Assistance (LKAS 20), foreign grant balances aggregating to Rs.14,697.25 million relating to 34 Projects which remained without being amortized over a period of 8 to 12 years had been brought to the accounts as at 31 December 2019. The impact on non-amortization to the financial statements could not be ascertained in audit as there were no details available relevant to those foreign grants.
- VI. Contrary to paragraph 23 (a) of the Sri Lanka Accounting Standard on Effects of changes in Foreign Exchange Rates (LKAS 21), the board had not translated the value of five (05) US dollar fixed deposits aggregating to US\$ 84,176,147 in to rupees using the closing rate at the end of the year under review . Hence the value of fixed deposits in the financial statements had been understated by Rs.159.09 million approximately. Further exchange difference arose on translating the monetary items had not been recognized in the financial statements as per the paragraph 28 of the standard.
- VII. Contrary to the provisions in the Sri Lanka Accounting Standard on Investment Property (LKAS 40), the Carrying value of Investment Property amounting to Rs.337,781,741 had been shown as Property Plant & Equipment, instead of been shown as Investment Property as at 31 December 2019. Further, as per the paragraph 75 (f) (i) and 79 of the standard, income from Investment Property had not been disclosed and the Board had not made proper disclosures with regard to methods of depreciation, useful lives or rates of depreciation, the gross carrying amount and the accumulated depreciation at the beginning and end of the period and amount of impairment.
- VIII. During the board of survey of the year 2015, it was observed that fixed assets with an aggregate value of Rs.65,852,393 in relation to 16 water supply schemes in Kurunegala Regional office were not in usable condition and remaining as fixed assets for a long period. However, no proper action had been taken to remove them from books of accounts.

- IX. Economic Service Charges (ESC) paid during the year 2017 amounting to Rs.65,383,426 had been erroneously identified as income tax expense in the statement of comprehensive income of the year under review without making detailed income tax computation in order to recognize actual income tax expense for the year under review.
- X. Upon completion of the ADB (iv) project, three transformers which had been installed for electricity supply to the treatment plant, reservoir and raw water intake valued at Rs.106,835,381 had been transferred to the board. However, the value of assets had been shown as mobilization and other advances instead of being shown as non-current assets in the statement of financial position at the end of the year and provision for depreciation had not been made for above assets during the year under review.
- XI. As per physical verification report of Ampara Regional Office, it was observed that buildings structures and plant & equipment with an aggregate value of Rs.3,596,600 in relation to Maha Oya, Samanthurei, Uhana & Konduwattuwana cost centers had been removed from usage and structures valued at Rs.7,088,478 had been demolished. However, without taking any actions to dispose such assets, a depreciation provision of Rs.212,914 had been made for during the year under review.
- XII. As per the physical verification report of Ampara Regional Office, the assets with an aggregate value of Rs.46,361,081 were not available physically. However, a depreciation provision of Rs.946,602 had been made during the year under review.
- XIII. As per the information received, the cost of fifty-five (55) completed and commissioned Water Supply and Rehabilitation Projects amounting to Rs.1,133,341,195 had remained in the work-in-progress as at 31 December 2019 without being capitalized. Further, out of advances received for rechargeable works, a sum of Rs.12,617,859 relating to 05 projects in Kaluthara Region and western central region had already been completed. However, it had not taken to relevant income account even by 30 June 2020.
- XIV. It was observed that the Board had made prior year adjustments in the financial statements of the year 2018 and 2019 pertaining to years 2016, 2017, and 2018. As a

the forthcoming year could not be ruled out in audit. The details of such prior year adjustments made in the year under review and the previous years are given below.

Year	Amount Debited Rs.	Amount Credited Rs.	Net effect to the accumulated Profit Rs.
-----	-----	-----	-----
2018	8,086,792	108,922,950	100,836,158
2017	18,821,712	140,160,044	121,338,332
2016	243,896,877	139,680,704	(104,216,173)

- XV. In respect of seven (07) Projects, the balances aggregating to Rs.198,729,791 shown under the work-in-progress are remained unchanged over ten years without being investigated in order to make necessary adjustments in the financial statements.
- XVI. As per audit test check carried, it was observed that Interest income received and withholding tax deducted thereon amounting to Rs.15,302,077 and Rs.1,125,718 respectively with regard to three (03) fixed deposits had not been accounted. Further, Interest received on three (03) US dollar deposits amounting to US\$ 91,395.37 had been recorded in the financial statements in dollar terms instead of converting in to rupees. Hence, the interest income, withholding tax receivables and bank balances had been understated by Rs.15,619,025, Rs.780,502 and Rs.14,838,523 respectively. And also accrued interest income of Rs.137 million in respect of four (04) US dollar deposits had not been recorded in the books of account. In addition to that interest received amounting to Rs.3,457,862 on another deposit account for the period 08 November 2019 to 08 December 2019 had not been accounted.
- XVII. Accrued interest income on another fixed deposit amounting to Rs. 1,130,959 had been accounted twice, while accrued interest on another fixed deposit amounting to Rs.352,247 had not been accounted.

- XVIII. Out of the opening balance of interest income receivable on BOC fixed deposits amounting to Rs.71,040,247, only a sum of Rs.49,702,919 had been recovered during the year under review. Hence, the remaining balance of Rs.21,337,328 had not been properly identified and accounted during the year under review.
- XIX. Long outstanding balances of assets and liabilities amounting to Rs.149,681,812 and Rs.72,141,419 respectively which includes other debtors, advances, trade creditors, unclaimed salaries, etc. which had been charged to a suspense account during previous years had been charged to the respective accounts during the year under review and identified as non-operating assets and non-operating liabilities without taken actions to clear such balances. Further, an unidentified balance of Rs.95,796,513 and bank balances of Rs.5,906,882 remained in the above mentioned balance as non-operating assets without taking actions to investigate and settled.
- XX. Stolen stocks in Kelaniya region four years back amounting to Rs.2,549,787 had been included in the inventory as at 31 December 2019. Actions had not been taken to recover such losses from respective officers.
- XXI. Accuracy and completeness of three (03) items of fixed assets such as Land Free Hold, Building Free Hold and Partitions could not be ascertained in audit due to an aggregate absolute difference of Rs.105,427,971 existed in value of Property Plant and Equipment between fixed asset registers of Vavuniya, Batticaloa, Kalutara, Panadura regional offices, regional support centre (Sabaragamuwa) and corresponding schedules furnished to audit.
- XXII. Differences of Rs.139,689,087 in trade debtors and Rs.95,689,900 in new connection debtors were observed between balances shown in the financial statements and the balances shown in the age analysis schedule submitted by the commercial division of the Board. However, actions had not been taken to reconcile the above differences except trade debtors amounting to Rs.264,575,461 and Rs.121,051,407 in Kelaniya and Uva Region respectively.

- XXIII. An un-reconciled difference of Rs.149.49 million was observed between the value of metered sales and bulk sales shown in the reports of commercial section and the financial statements.
- XXIV. A difference aggregating to Rs.12,243.47 million was observed in foreign grants of Kandy City Waste Water Management Project and Dry Zone Urban Water and Sanitation Project when compared financial statements of the board with the financial statements of the respective projects. Out of the difference of Rs.8,482.62 million in Kandy City waste Water Management Project, reason for the difference of Rs.8,425.68 million had only been submitted to the audit. Further, difference of Rs.3,760.86 million in Dry Zone Urban Water and Sanitation Project due to posting error had not been corrected in books of accounts of the board even by 30 March 2020.
- XXV. As per the audit test check carried out, an aggregate difference of Rs.431.5 million was observed between the work- in- progress balance shown in the financial statements of the Board and the corresponding balances shown in the individual financial statements of four Foreign Funded Projects.
- XXVI. An unidentified debit balances and credit balances amounting Rs.20,139,121 and Rs.19,487,118 respectively shown in the bank reconciliations in respect of four (04) banks accounts had not been cleared.
- XXVII. The evidences indicated against each item shown below had not been furnished to audit.

Item	Value	Evidences not Made Available
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	Rs.	
(a) New Connection Debtors	156,043,490	Detailed schedules and age analysis
(b) Special Bonus & Festival Advances	1,211,506	Detailed schedules

(c) Distress Loans and vehicle loans & other employee Loans	16,446,209	Detailed schedules
(d) Other Debtors	78,817,838	Detailed schedules
(e) Non- moving & Slow- moving Stocks	1,039,566,195	Age analysis
(f) Property, Plant & Equipment	53,226,240,081	Fixed Asset Registers and Verification Reports
(g) Trade Creditors	68,854,475	Detailed schedules
(h) Other Creditors	332,650,903	Detailed schedules
(i) Tax expense	65,383,426	Detailed income tax computation for the year
(j) Lease Creditors	3,190,775	Bank confirmations
(k) Short Term Deposits in Other Institutions	13,211,058	Detailed schedules

XXVIII. Based on the directions given by the Director General of Department of Public Enterprises by his letter of PE/WS/NWSDB/GEN/2015 dated 08 July 2015 and as per the Cabinet Decision taken on 04 February 2016, the outstanding loans balance amounting to Rs.85,106,439,687 which had been obtained for the projects commenced after the year 2014 had been transferred to Government Equity account with effect from year 2015. However, as per the records of the General Treasury an amount equivalent to Rs.59,348,887,214 had been capitalized as loans payable on behalf of the National Water Supply and Drainage Board. Hence, it was observed that an amount equivalent to Rs.25,757,552,473 which payable by the board as foreign loans had been transferred to Government Equity without any approval.

XXIX. As compared with the confirmation received from banks in respect of outstanding loan balance of two (02) foreign funded projects and three (03) Local Bank projects with the balances in financial statements, it was observed that outstanding loan balance as per financial statements had been overstated by Rs.292,455,446. Further, as compared with

the confirmations received from banks in respect of accrued interest on loans of nine (09) local funded projects, it was observed an overprovision of Rs.7,558,250 had been made.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Board is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Board.

1.4 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud

be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

National Audit Act, No. 19 of 2018 includes specific provisions for following requirements.

- Except for the effect of the matters described in the Basis for Qualified Opinion paragraph, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Board as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.
- The financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.
- The financial statements presented includes all the recommendations made by me in the previous year final report as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018 except for paragraph 1.2(II), 1.2(III), 1.2(IV), 1.2(V), 1.2(VI), 1.2(XII), 1.2(XVI), 1.2(XX), 1.2(XXV).

Based on the procedures performed and evidence obtained which limited to matters that are material, nothing has come to my attention;

- to state that any member of the governing body of the Board has any direct or indirect interest in any contract entered into by the Board which are out of the normal course of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.
- to state that the Board has not complied with any applicable written law, general and special directions issued by the governing body of the Board as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018 except for;

Reference to Laws/Direction	Description
(a) General Manager's Circulars	
(i) Admin/12/2015 of 12 August 2015	Within three months after the disconnection legal actions should be taken to recover outstanding debtors. However, legal actions had not been taken to recover the outstanding debtors aggregating to Rs.481,739,086 in respect of 2,089 disconnected debtors whose bill value over Rs.50,000
(ii) Admin/09/2018 of 26 Sep 2018 Section (02)	Monthly rent equivalent to the market rent and 12.5 percent of surcharge from salary shall be charged from employees who occupies quarters more than 5 years. However. Penalty rent (rent including surcharge) amounting to Rs.2,326,566 from 17 employees in Regional Support Centre (South) for the year under review and Rs.656,732 from 04 employees in Monaragala Manager office from September 2018 to December 2019 had not been recovered even as at 31 July 2020 although they have occupied quarters over 5 years.
(b) Management Services Circular No. 30 of 22 September 2006	Approval of the Department of Management Services for the Scheme of Recruitment and Promotion Procedure of the Board had not been obtained.
(c) Public Finance Circular No. 02/2016 of 12 February 2016	Trade receivables with regard to stand post connections in Jaffna amounting to Rs.5,390,596 had been written off without obtaining the treasury approval.

- (d) Public Enterprise Circular
No.01/2015 of 25 May
2015
- (i) Section 2 Two vehicles had been allocated for Chairman, Vice
Chairman and Working Director of the Board.
- (ii) Section 3.1 Exceeding the approved limits a sum of Rs.1,590,251 had
been spent as fuel expenses for the vehicles allocated to
Chairman, Vice Chairman and Working Director during
January 2019 to August 2019. Further, a sum of
Rs.463,427 had been spent as fuel expenses of Deputy
General Manager and Assistant General Manager and
Regional Manager in regional support center (south)
during January 2019 to October 2019.
- (e) Section 2 Out of the loan proceeds disbursed, a sum of
Rs.15,273.76 million had been invested in five (05) US
dollar deposit accounts in 08 October 2019.
- Part 3.1,18.15 (c) of the
Facility Agreement of
Gampaha, Aththanagalla
& Minuwangoda
Integrated Water Supply
Project
- (f) Management Audit Only one Internal Auditor had been appointed for the
Circular No.1/2017 of 15 Development Projects which funded by foreign
February 2017 financing.
- (g) Section 8.3.9 of the Public During the year under review, the Board had paid a sum
Enterprises Circular No. of Rs.22.03 million as salaries and allowances of eighteen
PED/12 of 02 June 2003, (18) employees who had been released to the Line
Ministry by 31 December 2019. Accordingly, Ministry
of Water Supply should reimburse Rs.168.45 million to
the Board for the employees released from December
2015 to 31 December 2019.

- to state that the Board has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.
- to state that the resources of the Board had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018 except for;
 - I. Under the Katana Water Supply Project a sub contract had been awarded at a contract value of Rs.67,368,370 to construct a ground water reservoir and a pump house with a capacity of 1000m³ by using contingency provisions of project. However, a sum of Rs.8,084,204 had been charged as profit margin by the main contractor when remitting funds to subcontractor through the interim payment certificates submitted to the Board without actively mediating in procurements activities relevant to the subcontract.
 - II. Three thousand one hundred ninety two (3192) water meters spare parts which are not in usable condition and hundred and forty four (144) bulk meters spare parts with an aggregate value of Rs.8,692,053 had remained in Rathmalana workshop over two years without being used for intended purpose as at the end of the year under review.
 - III. Six thousand four hundred thirty four (6434) water meters valued at Rs.54,253,067 in ten different diameters had remained in the main stores over one year without being used for intended purpose at the end of the year under review. Further, it was observed that the warranty period of certain water meters had already been expired.
 - IV. A generator with a capacity of KVA 2000 installed during the year 2007 in Katugasthota treatment plant had been repaired by incurring a sum of Rs.15 million on 28 March 2016. However, after 2 years from the installation and completing 189 hours, out of 1500 warranty hours and 05 years of warranty period as at 01 April 2019, a break down occurred and no actions had been taken to get it repaired even by 30 March 2020.

- V. With respect to eight foreign funded projects a considerable delay ranging from 184 days to 1825 days was observed due to poor performance of the contractors, delay in land clearance, environmental and resettlement issues, delay in contract awarding, low quality of PE pipes supplied by the contractor etc.
- VI. Even though the contract of Giridara Water Supply Project had been awarded to the selected bidder at a contract sum of Rs.513.28 million which is 29.71 percent less than the engineering estimate. However, the Technical Evaluation Committee (TEC) had not obtained rate analysis from the contractor to prove, how the bidder intends to procure such items, Works and Services as per the quoted rates as per section 7.9.11 (a) of the Government Procurement Guideline.
- VII. Two Alum pumps with a capacity of 1m^3 had been procured at a cost of Rs.3,895,000 (47 percent more than the engineering estimate) in April 2016 for Matale water treatment plant. However none of the above pumps had been utilized for intended purpose even as at 30 March 2020.
- VIII. Contrary to Section 14.6 of FIDIC Guidelines (Conditions of Contract for Construction), payments had been made for bills less than 2.5 percent of total contract value on interim payments certificates No.01 and 02 in Matara Stage (iv) Water Supply Project.
- IX. Contrary to the bill of quantity (BOQ) of Colombo District Town East Water Supply Project (Package 1 and 3), an excess payment of Rs.732.07 million had been paid for temporary road reinstatement for 267,188 meters due to usage of excavated soil for backfilling purpose. And also as compared with the prevailed rate of the National Water Supply & Drainage Board during the year 2018, an excess payment of Rs.79.79 million had been paid for 10,000 water meters imported for package (iii). Even though brass union is a part of the water meter and is being supplied as a part of the water meter, it had been separately included in the bill of quantity. Hence, a separate payment of Rs.25.32 million had been done for package (i) and (iii) for supplying of brass unions.

3. Other Audit Issues

- I. Trade debtors, new connection debtors, sewerage debtors and other debtors aggregating to Rs.1,392 million had remained over two years without being recovered. Out of that 54 per cent represents in Colombo, Kelaniya, Kotte and Dehiwala regions.
- II. A sum of Rs.3,637,204 in respect of 17 water connections given to ministers quarters had remained without being recovered as at the end of the year under review. Out of that a sum of Rs.2,268,899 had remained over two years without being recovered.
- III. Outstanding disconnected debtors as at 31 December 2019 was Rs.1,328,616,496. Out of that debtors amounting to Rs. 1,049,623,385 which equivalent to 79 percent had remained outstanding over two years without being recovered.
- IV. As per the financial statements of the Board, the receivable from Sri Jayewardenepura Hospital was Rs.7,712,773. However, as per the financial statements of the Sri Jayewardenepura Hospital it was shown as Rs.2,201,854.
- V. No legal actions had been taken to recover the advances given to contractors in Regional Support Center (Central) during the year 2003 to 2008 aggregating to Rs.8,177,506 and advances given by head office amounting to Rs.26,103,612 during the year 2009 to 2012.
- VI. Short term deposits aggregating to Rs.47,430,495 deposited in external institutions including Road Development Authority, Colombo Municipal Council, Provincial Road Development Authority and Municipal Treasurer had remained outstanding over three years without being recovered. Further, an advance kept at line ministry amounting to Rs.4,378,828 had remained outstanding over seven years without being recovered and due to unavailability of detailed information it could not be verified in audit.
- VII. Contractor's retention and refundable tender deposits amounting to Rs.1839.2 million and Rs.3.19million respectively had remained over three years without being released to relevant parties or to treat them as income. Further, no evidences were made available for audit to verify whether the contracts related to those retentions and deposits had been completed.

- VIII. The Board had purchased a land to construct a Wastewater Treatment plant under Galle Area Wastewater Disposal Project and the Department of Valuation valued this land as Rs.71.5 million. A sum of Rs.21.25 million equivalent to 30 percent of the land value had been given on April 2014 to the land owner as advance on the recommendation of senior legal officer of the Board. However, a court case had been filed to recover the advance paid, due to dispute regarding the ownership of the land occurred subsequently. However, the land already occupied some families and existing owner had removed the soil from the land after receiving the advance. The advance paid and penalty thereon had not been recovered from the land owner or the responsible officers of the Board even as at 31 July 2020.
- IX. A fraud amounting to Rs.1,145,235 committed by a meter reader in Kaluthara region during the year 2008 to 2017 had not recovered from the responsible parties even as at 31 July 2020.
- X. Cash frauds amounting to Rs.248.44 million committed at Trincomalee, Kelaniya and Ampara regions during the year 1999 to 2006 had not recovered from responsible parties even as at 31 December 2019. Further, another Cash fraud amounting to Rs.272,735 committed at Bandarawela Region during the year 2001 had not recovered from responsible persons even as at 31 December 2019.
- XI. As per audit test check carried out regarding the fraud committed by meter readers during the year 2017 to 2019, two frauds had been committed in Monaragala Region, two frauds committed in Kaluthara and Central Region. Further, out of frauds committed in Wellawaya in Monaragala Region, the loss occurred due to rejection of bill payments by consumers had not been recovered even as at 31 January 2020.
- XII. As per the financial statements, the imported stocks in transit as at 31 December 2019 was Rs.876.23 million. Out of that stocks amounting to Rs.162.92 million had remained over two years as stocks in transit without being investigated.
- XIII. Out of total production of 746.2 million cubic meters of treated water, 186.1 million cubic

instead of being separately accounted, though it makes a significant loss to the Board due to leakage, unlawful connections, free supply and administrative inefficiencies etc. Further, the non-revenue water in Colombo city had recorded 41 percentage while Galle, Kegalle, Rathnapura, Hambanthota, Bandarawela, Kandy and Trincomalee regions had recorded over 25 percent during the year under review.

- XIV. An amount equivalent to Rs.1,561,573 had been incurred as default interest due to delay in repayment of installment by the board in respect of two (02) projects which was funded by local banks.
- XV. Due to delay in clearance of raw material containers from the port, an amount aggregating to Rs.376.52 million had been incurred as demurrages with regard to Polgahawela, Pothuhera, Alawwa integrated water supply project, Deduru Oya Water Supply project, Anamaduwa Water Supply Project and Kelani Right Water Supply Project Phase (ii) implemented during the year under review.
- XVI. It was observed that 28 connections had been given to Housing Development Authority and the annual consumption of the year under review was 1,246,157 cubic meters which equivalent to billing income of Rs.44.52 million. However, it had not invoiced even as at 31 December 2019.
- XVII. When compared with the prevailed market rates, an additional payment of Rs.21 million had been paid to the contractor for the construction of buildings in Deduru Oya Water Supply Project.
- XVIII. The abnormal debit balance in rechargeable works amounting to Rs.6,005,215 in north central ground water section and an abnormal credit balance in cash in transit amounting to Rs.665,580 had not been cleared even by 30 June 2020.
- XIX. Actions had not been taken to dispose the obsolete stocks valued at Rs.29,180,175 and it had been included in the financial statement of the year 2019.



- XXI. No actions had been taken in respect of un presented cheques amounting to Rs.24,081,457 which remains without presented for more than six months.
- XXII. 461 number of Condemned Articles in Matara stores and 43 articles in Monaragala District identified during the stock verification of the year 2018, had not been disposed even by 31 March 2020.

W.P.C. Wickramaratne
Auditor General



Abbreviations

AC	- Asbestos Cement	GIS	- Geographic Information System
ADB	- Asian Development Bank	GM	- General Manager
ADRA	- Adventist Development and Relief Agency	GMWSP	- Greater Matale Water Supply Project
AE	- Area Engineer	GN	- Grama Niladari
AFD	- Agence Française de Développement	GND	- Grama Niladari Division
AGM	- Assistant General Manager	GoSL	- Government of Sri Lanka
AIWSP	- Anamaduwa Intergrated Water Supply Project	GPOBA	- Global Partnership on Output-Based Aid
AWSSIP	- Ambatale Water Supply System Improvement & Energy Saving Project	GR	- Ground Reservoir
BMICH	- Bandaranayaka Memorial International Conference Hall	GVWSP	- Greater Vavuniya Water Supply Project
BOC	- Bank of Ceylon	HDPE	- High Density Poly Ethelene
BOQ	- Bills of Quantites	HRM	- Human Resource Management
BOI	- Board of Investment	IEC	- International Electrotechnical Commission
CBO	- Community Based Organization	ICT	- Information and Communication Technology
CCN	- Colombo City North	ICTAD	- Institute for Construction Training and Development
CCS	- Colombo City South	IWA	- International Water Association
CCTV	- Closed Circuit Television	IWSP	- Integrated Water Supply Project
CEA	- Central Environment Authority	IEE	- Initial Environmental Examination
CEB	- Ceylon Electricity Board	IESL	- Institution of Engineers Sri Lanka
CETRAC	- Construction Equipment Training Centre	IMS	- Inventory Management System
CHPB	- Center for Housing Planning and Building	IoT	- Internet of Things
CI	- Cast Iron	ISO	- International Organization for Standardization
CIPM	- Chartered Institute of Personal Management	IT	- Information Technology
CKDu	- Chronic Kidney Disease of Unknown Etiology	ITEC	- Indian Technical and Economic Cooperation
CMC	- Colombo Municipal Council	IPVPN	- Internet Protocol Virtual Private Network
CP	- Corporate Planning	JICA	- Japan International Cooperation Agency
CRIP	- Climate Reliance Improvement Project	JPY	- Japanese Yen
CRIWMP	- Climate Resilient Integrated Water Management Project	KCWMP	- Kandy City Wastewater Management Project
CS	- Corporate Services	Km	- kilo meter
cu.m	- Cubic meter	KRB	- Kelani Right Bank
DAB	- Dispute Adjudication Board	LBF	- Local Bank Fund
DEWATS	- Decentralized Wastewater Treatment and Disposal System	LKR	- Sri Lankan Rupee
DGM	- Deputy General Manager	M&E	- Mechanical & Electrical
DGM(WC)	- Deputy General Manager (Western Central)	MD&T	- Manpower Development & Training
DI	- Ductile Iron	MIS	- Management Information System
DMA	- District Metering Areas	MoU	- Memorandum of Understanding
DoNCWS	- Department of National Community Water Supply	MSC	- Master of Science
DS	- Divisional Secretariat	MUDWSHF	- Ministry of Urban Development, Water Supply & Housing Facilities
DSC	- Design & Supervision Consultancy	NAITA	- National Apprentices & Industrial Training Authority
DSD	- Divisional Secretariat Division	NBRO	- National Building Research Organization
DZUWSP	- Dry Zone Urban Water and Sanitation Project	NC	- North Central
EIA	- Environmental Impact Assessment	NCP	- North Central Province
EPZ	- Export Processing Zone	NDB	- National Development Bank
EWSP	- Ettampitiya Water Supply Project	NDT	- National Diploma in Technology
GCWWMIIIP	- Greater Colombo Water and Wastewater Management Improvement Investment Programme	NGOs	- Non-Governmental Organisation
		NHDA	- National Housing Development Authority
		NIBM	- National Institute of Business Management
		NPD	- National Planning Department
		NRW	- Non-Revenue Water

NWSDB	- National Water Supply & Drainage Board	VPP	- Vauniya Participatory Planning
O&M	- Operation & Maintenance	VAT	- Value Added Tax
OKP	- Orange Knowledge Programme	WASSIP	- Water Supply & Sanitation Improvement Project
PAM	- Polyacrylamides	WDCE	- Water and Development Congress & Exhibition
PE	- Poly Ethelene	WHO	- World Health Organization
PVC	- Polyvinyl Chloride	WSP	- Water Supply Project/Water Safety Plan
OIC	- Officer in Charge	WSS	- Water Supply Scheme
P&D	- Planning and Design	WTP	- Water Treatment Plant
PAC	- Project Appraisal Committee	WWDS	- Wastewater Disposal System
PDMRC	- Planning & Design Manual Review Committee	WWTP	- Wastewater Treatment Plant
PMU	- Project Management Unit		
PRDA	- Provincial Road Development Authority		
PTB	- Physikalisch Technische Bundesansdalt		
PWD	- Public Works Department		
R&D	- Research & Development		
RDA	- Road Development Authority		
RDB	- Rural Development Bank		
RFP	- Request for Proposal		
RIDEP	- Rural Infrastructure Development Project		
RM	- Regional Manager		
RO	- Reverse Osmosis		
RSC	- Regional Support Center		
RSC(WN)	- Regional Support Center (Western North)		
RSC(WS)	- Regional Support Center (Western South)		
RSC(N)	- Regional Support Center (North)		
RSC (NW)	- Regional Support Center (North Western)		
RWS	- Rural Water Supply		
SBD	- Standard Bidding Documents		
SCADA	- Supervisory Control and Data Acquisition		
SCAPC	- Standing Cabinet Appointed Procurement Committee		
SDG	- Sustainable Development Goals		
SEP	- Sanitation Enhancement Project		
SHIFT	- Sanitation and Hygiene Initiative for Towns		
SIDA	- Swedish International Development Agency		
SLIDA	- Sri Lanka Institute of Development Administration		
SLSI	- Standard Institution of Sri Lanka		
SMS	- Short Message Service		
ST	- Small Town		
STPs	- Septage Treatment Plants		
TA	- Technical Assistance		
TCE	- Total Cost Estimate		
THM	- Tihalomethane		
ToR	- Terms of References		
ToT	- Training of Trainers		
UDA	- Urban Development Authority		
UNICEF	- United Nations International Children's Emergency Fund		
UPVC	- Unplasticised Polyvinyl Chloride		
USD	- United States Dollar		
VPN	- Virtual Private Network		

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
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Web: www.waterboard.lk

Line Ministry

Ministry of Urban Development, Water Supply & Housing Facilities.

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. K. A. Ansar - Chairman, NWSDB
(Since 05.02.2015)

Mr. M. H. M. Salman - Vice Chairman, NWSDB
(Since 24.01.2018)

Mr. P. I. T. Mahilal Silva - Working Director, NWSDB
(Since 05.02.2015)

Mr. Shantha Rathnayake - Board Member, NWSDB
(Since 12.02.2015)

Mrs. K. A. Subadra Walpola - Board Member, NWSDB
(Since 13.02.2015)

Dr. T. B. Ananda Jayalal - Board Member, NWSDB
(Since 20.01.2017)

Dr. L. T. Gamlath - Board Member, NWSDB
(Since 04.06.2019)

Mr. J. M. U. P. Jayamaha - Board Member, NWSDB
(Since 02.04.2015)

Ms. P. K. A. De Silva - Board Member, NWSDB
(Since 13.06.2019)

Secretary to the Board

Mrs. W. P. Sandamali De Silva

Senior Management

Eng. D. U. Sumanasekara - General Manager (upto 01.09.2019)

Eng. R. H. Ruvinis - General Manager (since 05.09.2019)

Eng. S. G. J. Rajkumar - Addl. GM (Northern/ Central)

Eng. N. H. R. Kulanatha - Addl. GM (Sewerage)

Eng. T. S. Wijethunga - Addl. GM (Policy and Planning)

Eng. J. K. S. Pathirana - Addl. GM (Southern/ Eastern)

Eng. T. W. S. Perera - Addl. GM (Water Supply Projects)

Eng. C. C. H. S. Fernando - Addl. GM (Western)

Eng. Dr. (Mrs.) Wasantha Illangasinghe (Corporate Services)

Mr. G. K. Iddamalgoda (Human Resource Management)

Mr. R. A. M. S. Weerasena - Addl. GM (Finance)

Deputy General Managers of Divisions

Mrs. N. Y. S. Abeygunawardena (Industrial Relations)

Mr. W. A. S. Sumanasooriya (Human Resources)

Mr. R. M. A. Bandara (Supplies & Material Management)

Mrs. M. M. S. Peiris (Finance)

Mr. A. G. S. Kumara (Costing)

Eng. S. G. G. Rajkumar (Commercial)

Eng. K. D. P. F. Siriwardene (Corporate Planning)

Eng. I. V. W. Ediriweera (ST /RWS)

Eng. (Mrs.) D.M.L.C. Pitawala (Development)

Eng. J. L. Seekkuge (ADB Projects)

Eng. T. M. W. Sunil Bandara (M&E) - Acting.

Eng. W. G. C. L. Weerasekara (Planning & Designs)

Eng. J. Chandradasa (Information Technology) - Acting.

Eng. Dhanesh Gunethilake (Sewerage)

Eng. S.S.S. Vipulanandan (Project Coordination)

Ms. A. Sriyalatha (Internal Audit) Covering Up

Deputy General Managers of Provinces/ RSCs

Eng. K.P.R.S. Samarasinghe (Western Central)

Eng. M. T. M. Razil (Western South)

Eng. P. Ramawicrama (Western North)

Eng. W. N. Premasiri (Production)

Eng. Dr. (Mrs.) Wasantha Illangasinghe (North Western)

Eng. G.V. Wijerathne (North Central)

Eng. M.K.D.J.H. Meegoda (Central)

Eng. T. Barathidasan (North)

Eng. R.S. Liyanage (Uva)

Eng. S. S. Devaraja (Sabaragamuwa)

Eng. (Mrs) M.K.A.J.M. Wijesinghe (Southern)

Eng. N. Sudesan (East)

Addl.GMS/ Deputy General Managers working as Project Directors

Eng. S.A. Rasheed (Colombo Water Supply Service Improvement Project)

Eng. R.A.A. Ranawaka (SHIFT Project)

Eng. M.M. Umar Lebbe (Anuradhapura North Phase II)

Eng. N. H. D. P. Dharmapala (Gampaha Attanagalla Water Supply Project)

