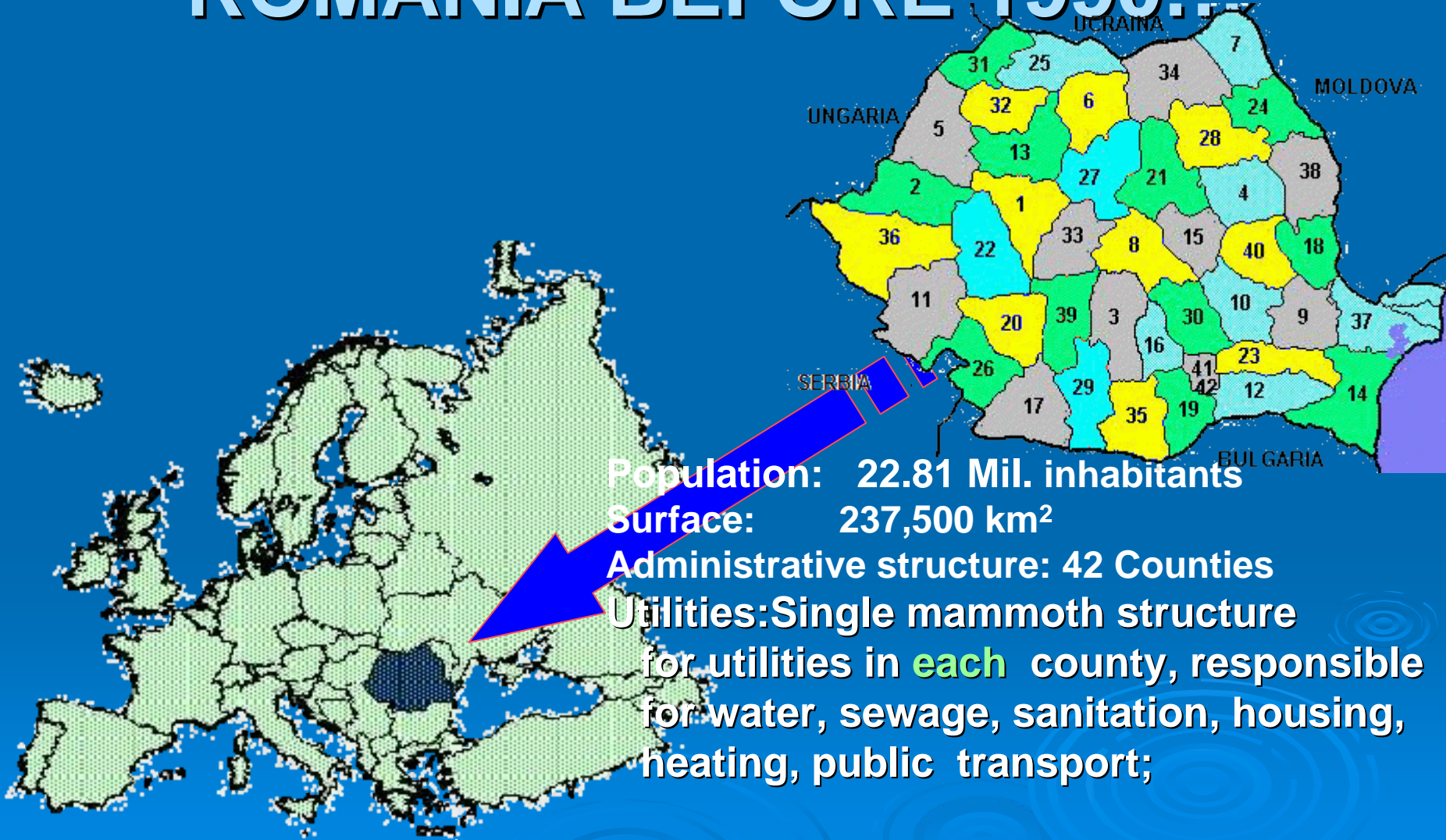


**THE ROMANIAN EXPERIENCE IN
ESTABLISHING REGIONAL
WATER UTILITIES:
“SOMES” WATER CASE STUDY**

Vasile CIOMOS
RWA President

THE WATER UTILITY SECTOR IN ROMANIA BEFORE 1990...



Population: 22.81 Mil. inhabitants

Surface: 237,500 km²

Administrative structure: 42 Counties

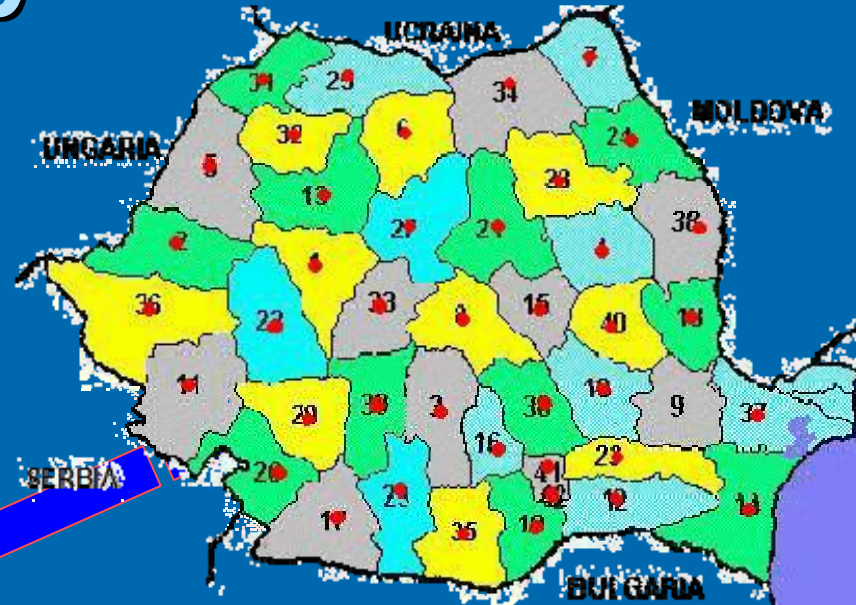
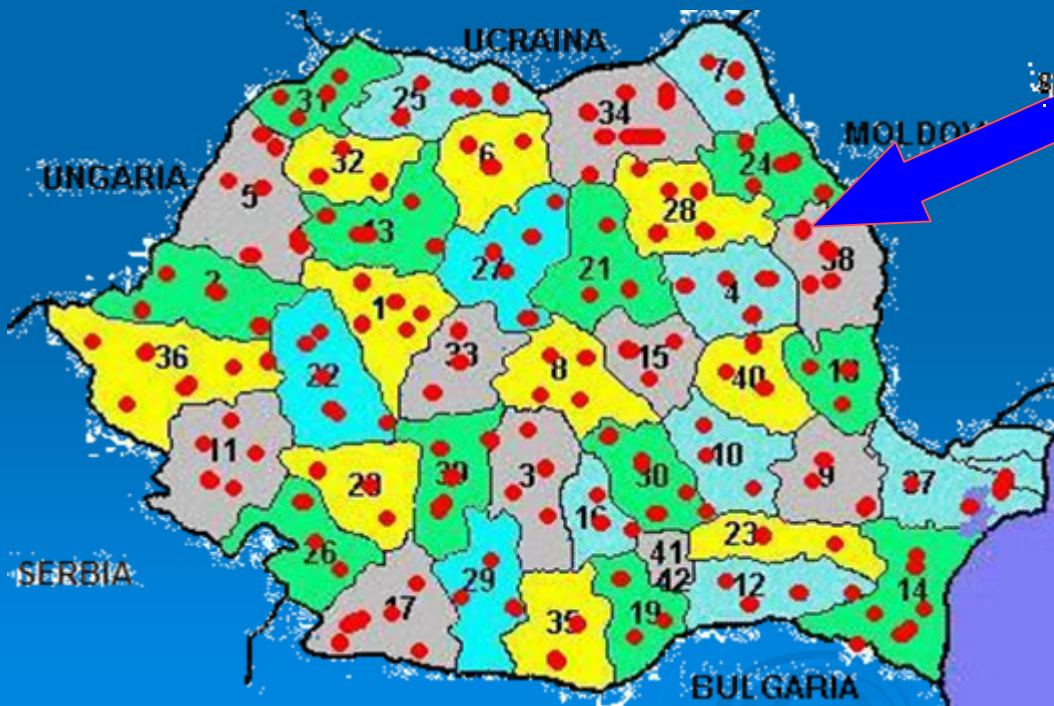
Utilities: Single mammoth structure for utilities in **each** county, responsible for water, sewage, sanitation, housing, heating, public transport;

1990 – A LANDMARK

- ✚ In **1990**, BY LAW, the former state owned structures are reorganized in “Regia autonoma” - subordinated to county / local authorities;
- ✚ The water and sewage infrastructure is defined as “public patrimony” and belongs to the local authorities;

Water utilities multiplication after 1990

42 county utility operators in 1989 across Romania




More than 400 local & county water-sewage operators in 1992


Other national landmarks

- ✚ **1997** – Legislation concerning the restructuring of the Regia autonoma
- ✚ **2002** – SAMTID – Small and Medium Towns Infrastructure Development Program;
- ✚ **2006** – Establishment of the National Development Plan for 2007- 2013;
- ✚ **2007** – Sectorial Operational Plan (POS) for Environment developed by the Government of Romania;

**CASE STUDY:
THE EXPERIENCE OF
ESTABLISHING THE FIRST
REGIONAL WATER UTILITY IN
ROMANIA**



**“SOMES” WATER – PAST AND
PRESENT**





- ✚ **January 1990**—RAJAC is formally established
- ✚ **January 2005** - CASSA is registered
- ✚ For the time being, the company is servicing only the existing county system: **one** city, **25** rural localities, water transport for one another town.



✚ **2005:** 8 other local authorities become Company shareholders:

- the County Council of the neighboring SALAJ County;
- the Local councils of 7 towns in Cluj and Salaj Counties;

✚ The local authorities join into an Association of Municipalities (AoM);



July 1st 2006 - Effective Regional operator company (ROC): SOMES Water takes over the effective administration in the two counties – a first in Romania - replacing **four** former local operators



The comparative dates before and after aggregation are as follows:



Before 2006

After 2006

 Inhabitants:	441.430	657.430
 Cities:	1	8
 Rural localities:	25	54
 Water network (km):	583	1013
 Sewage network (km):	346	648
 Staff (no.)	836	1,412

Some of the results...

*Water & Waste
Water Treatment
facilities expanded
and modernized*



Water & sewage networks expanded and rehabilitated





Storage
facilities built
and
rehabilitated

Pumping
stations
modernized
and automated



Equipments and tools modernized



Environment issues addressed



CASSA after regionalization: lessons learned

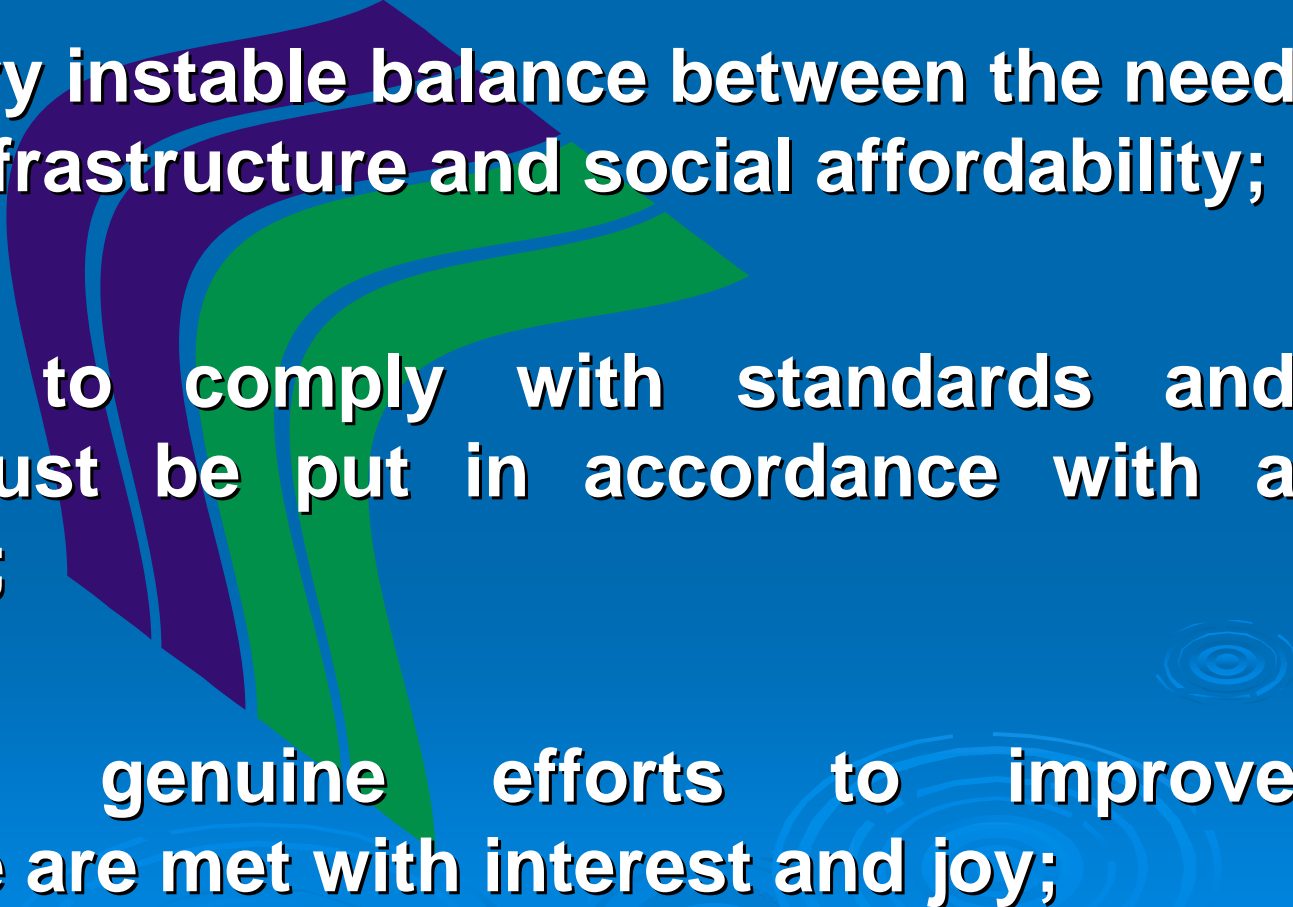
The gains following regionalization :

- Large investments
- Better operational performances
- Decrease of water losses;
- Energy costs savings;
- Decrease of HR costs as compared to the combined HR costs of the previous 5 companies,

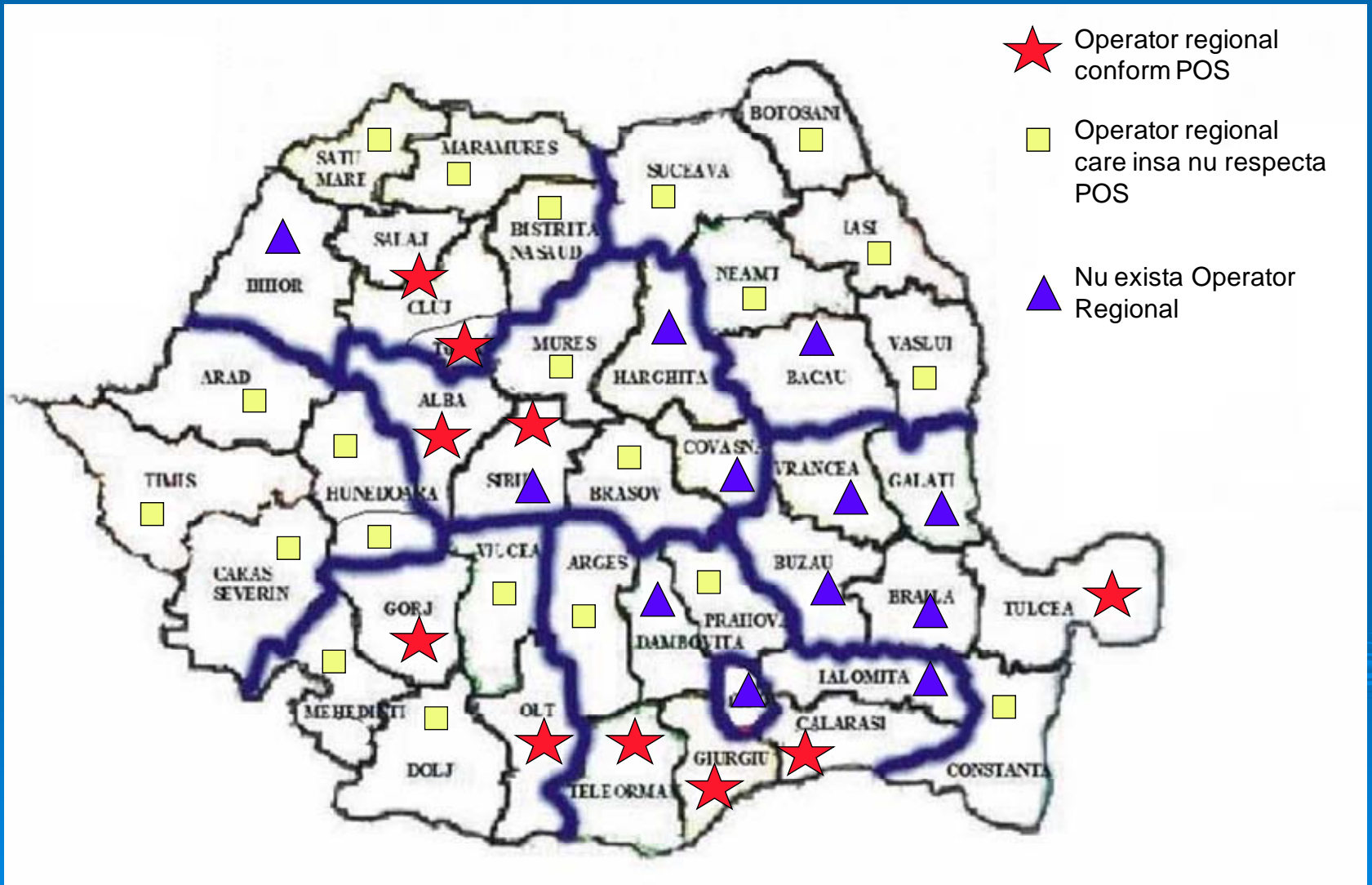


- ✚ Unified tariffs for a large area, possible only with a regional company;
- ✚ The concession fee returned to the company from local authorities (shareholders) adds up to existent investment funds;

We also learned that...

- ✚ Social responsibility has economic costs;
 - ✚ There is a very instable balance between the need to improve infrastructure and social affordability;
 - ✚ The targets to comply with standards and directives must be put in accordance with a limited funds;
 - ✚ Not always genuine efforts to improve infrastructure are met with interest and joy;
- 

Regionalization status today



**THANK YOU FOR YOUR
ATTENTION !**

