



National Water Supply & Drainage Board

2020 Annual Report



Ministry of Water Supply

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

Contents

Message from the Secretary, MWS	iii	Water Safety Plans	33
Notice of the Report	iv	Infrastructure Development	
Chairman's Statement	01	Regional Support Centres	36
Corporate Governance and Statistical Review		Water Supply	
Key Players	06	Ongoing Foreign/ Local Bank Funded Water Supply Projects	46
Existing Water Supply Schemes	09	GOSL Funded	
Corporate Planning	10	Small & Medium Scale WSP	58
Key Performance in Water Supply & Sewerage	12	Projects in Pipeline (WSP)	59
Summary of Operations	15	Planning and Design (WSP)	60
Summary of Investments	19	Sewerage	
Employees	21	Existing Sewerage Schemes	61
Sustainability Report		Ongoing Sewerage Projects	62
Information Technology	26	Planning and Design (Sewerage)	64
Commercial Activities	27	Expected Key Performance	65
Rural Water and Sanitation	28	Sustainability and Emergency Response	66
Public Awareness Programme	28	Financial and Audit Reports	
Energy Management	29	Report of the Audit and Management Committee	67
Central Laboratory	30	Financial Statements	70
Non Revenue Water Reduction	30	Auditor General's Report for the year ended 31 st December 2020	93
Groundwater	30	Abbreviations	**
Supplies & Material Management	31	Corporate Information	Inner Back Cover
CKDu Programme	31		
Development	32		
Research and Development	32		
GIS & Mapping	33		



► **Message from the Secretary, Ministry of Water Supply**



The significance of "Providing safe Water for All" was recognized in the country's National Policy Framework, "Vistas of Prosperity and Splendor". Therefore, the government decided to segregate the water sector as a separate entity and establish the Ministry of water supply. Since then, the Ministry has been guiding the National Water Supply and Drainage Board (NWSDB) to provide the invaluable service of distributing piped drinking water and piped sewerage facilities to the citizens of Sri Lanka.

Through the Corporate Plan 2016-2020, the goal was to provide 55% of the population to have pipe-borne water and 2.22% of the population to have piped sewerage by year 2020. However, amidst the global pandemic, NWSDB was able to increase the pipe-borne water supply coverage of the country to 53.1% and piped sewerage connected coverage up to 2.05% in the year 2020.

In 2020, one of the significant responsibilities the Ministry of Water Supply handled was the preparation of the Comprehensive Strategic Investment Programme for the Water Supply and Sanitation Sector. In parallel to this, the Ministry of Water supply guided NWSDB in developing strategic plans for achieving the pledge "Water for All" stated in the National Policy Framework "Vistas of Prosperity and Splendour", which is in par with the UN's Sustainable Development Goal-06 for "Clean water and sanitation for all". NWSDB's corporate plan (2020-2025) outlines strategies for increasing overall pipe-borne water coverage to 79% by 2025. The remaining 21% will be covered by the Department of National Community Water Supply (DNCWS). Strategic Plans are prepared by DNCWS to cover areas that cannot be covered by NWSDB.

According to SDG 06, Piped-Sewerage Coverage is proposed to increase to 6.8% by the year 2030. Thereby increasing Sri Lanka's total sanitation coverage, including safely managed and basic onsite sanitation facilities, to 100% by the year 2030. The Sanitation Master Plan is being prepared by NWSDB and will be finalized in 2021 to achieve the set targets.

I would like take this opportunity to express my sincere gratitude to His Excellency the President, the Hon Prime Minister & Hon Minister of Water Supply for their leadership and guidance in implementing government policy in Water Supply and Sanitation. My special thanks to the Hon. State Minister of Rural and Divisional Drinking Water supply Projects Development, for the guidance extended to all of us in these endeavours. I also thank the Secretary and the Heads of Departments of the Treasury for their continuous support in carrying out all programmes and activities in the water supply and sanitation sector. I am grateful to our investors for their various contributions to the development of the water supply and sanitation sectors.

I wish all the success to the endeavours of the NWSDB to provide the nation with high quality and efficient pipe-borne water supply and sewerage services, as well as in the implementation of several development programmes lined up for 2021 for achieving their water supply and sanitation targets.

A handwritten signature in blue ink, appearing to read "Priyath", with a stylized flourish at the end.

Dr. (Eng.) Priyath Bandu Wickrama
Secretary
Ministry of Water Supply



National Water Supply & Drainage Board

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

The National Water Supply & Drainage Board currently functions under the Ministry of Water Supply.

Notice of the Report

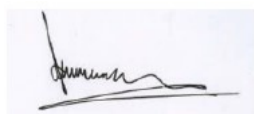
Hon. Minister of Water Supply,
Ministry of Water Supply,
Lakdiya Medura,
No. 35, Sunil Mawatha,
Pelawatta,
Battaramulla.

Dear Sir,

Annual Report and Financial Statements - 2020
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 2020.

Yours faithfully,



Nishantha Ranatunga
Chairman
National Water Supply & Drainage Board



Chairman's Statement



“The NWSDB was able to provide 122,733 new water supply connections during the year, bringing the total to 2,560,237 and raising the country's population served with pipe-borne water coverage to 53.1% while NWSDB provided 43.2% of the total population.”

.



I took over the responsibility as the Chairman of the National Water Supply & Drainage Board (NWSDB) in January 2020 and together with the Board of Directors and my staff steered the organization throughout the year 2020, to serve the nation by providing sustainable water and sanitation solutions ensuring total user satisfaction, in line with the Vision and Mission of the organization.

The Government's development agenda, the Vistas for Prosperity, has very clearly spelt out, that by the end of the year 2025, the NWSDB shall develop strategies to provide safe drinking water to all the people in Sri Lanka.

In this endeavor, it was considered to be of paramount importance that the NWSDB develop a well compiled Corporate Plan/Business Plan for the next 5 years. One of my first duties was to direct the NWSDB officials to develop such a plan aimed at providing excellent service to consumers.

As a first step in the development of this plan, a Consultative Workshop was conducted in February 2020 at Miloda, with the focus on Financial Studies and obtaining ideas of all employees of the NWSDB through a consultative approach, with the participation of all stakeholders viz: the Ministry, NPD, ERD etc. After several rounds of discussions, consultative sessions and presentations were conducted, a final consensus was reached on the way forward to achieve our final target of providing the service coverage as expected by the government. As the outcome of this exercise, the NWSDB developed its Corporate/Business Plan amidst the Covid-19 lock-down period which prevailed for most part of the year 2020.

The Corporate Plan (2020-2025) of NWSDB was launched and presented to the Hon. Prime Minister in November 2020, with a stated goal of providing 79% of the households with safe drinking water by the year 2025.

The 'Water For All' concept was a direct result of these discussions. Shortly after this corporate brainstorming, it was initiated as a vital cog in the wheel of development of the Corporate Plan 2020 - 2025 to provide water to the population on a short, medium and long term basis to cover the entire country by the year 2025, irrespective of financial constraints and other challenges that we may face.

The islandwide drinking water supply & sanitation coverage was to be implemented under the following plan;

- i. Short-term: Completion of ongoing projects and capacity & quality enhancements to existing water supply schemes
- ii. Medium-term: Improvements for utilization of the full capacity of existing water supply & sewerage schemes and efficiency improvements
- iii. Long term: Implement projects identified in the Business/Corporate Plan 2020 – 2025 to meet the goals envisaged in the fulfillment of the final outcome of Vistas of Prosperity.

The NWSDB was able to provide 122,733 new water supply connections during the year, bringing the total to 2,560,237 and raising the country's population served with pipe-borne water coverage to 53.1% while NWSDB provided 43.2% of the total population. It is planned to increase overall pipe-borne water coverage to 79% by the year 2025. The remaining 21% will be covered by community water supply schemes and safe point sources.

The NWSDB has produced 782 million cu.m of drinking water in 2020 which is a 4.83% increase compared to the 746 million cu.m produced in 2019. In addition, 1,364 piped sewerage connections were provided during the year bringing the total to 25,858 with a total wastewater treatment capacity of 90,600 cu.m/day.

The NWSDB invested LKR. 100.86 billion during the year 2020 on development activities in the water supply and sewerage sector which is a 30.24% increase compared to the year 2019. Further to the direct allocation of LKR. 43.03 billion by the Government, financing strategies included LKR. 52.94 billion invested on water supply projects through loans borrowed from foreign/local banks and LKR. 3.35 billion from local banks and LKR. 1.54 billion from its funds.

This investment was made to continue the implementation of 23 large scale water supply projects, 03 sewerage projects, 11 local bank funded water supply projects, 03 small and medium water supply projects, 01 water sector community facilitation project and 05 development of rural and divisional drinking water supply projects. Out of these projects, the NWSDB was able to complete two large-scale foreign-funded water supply projects and one local bank funded project during the year 2020.

Further, special attention was given to providing safe drinking water for people living in the areas affected with Chronic Kidney Disease of unknown aetiology (CKDu) through the development of rural and divisional drinking water supply projects spending LKR. 273.72 million. In addition, arrangements have been made to provide water supply to schools without water facilities throughout the country.

The Kelani River Bank WTP (Kelani River Bank WTP) was ceremonially opened in November 2020, marking a significant milestone for the Water Board. In addition, the Alawwa-Polgahawela and Gampaha-Attanagalla water supply projects were reactivated and commissioned.

For improvement of the business efficiency, the NWSDB accelerated reducing Non-Revenue Water (NRW) and the islandwide NRW rate was noted as 24.63% of production by the end of 2020. With the assistance of the

Asian Development Bank (ADB), it is hoped to further reduce the amount of non-revenue generated by water projects in the Colombo area. The NWSDB also continued its focus on Information Technology development and Energy Management programmes throughout 2020.

As a service provider in 2020, the budget loss was Rs. 3092 million but we were able to increase it to a net profit of Rs. 528 million. Although the government has asked for a 20% - 25% reduction in institutional costs, we have been able to reduce it by 28%-32%.

Despite the great challenges posed by the Covid epidemic, in collaboration with the Ministry of Health and the Armed Forces, we have been able to properly supply water and wastewater facilities to hospitals and Covid treatment centers throughout Sri Lanka.

Most notably, initial works to prepare the Sanitation Master Plan Report (2021-2030) commenced in November 2020 and by implementing the plan, it aims to increase the total basic sanitation coverage currently available in the country to 100% by 2030.

The NWSDB has initiated the development of institutional procedures such as; Organizational Restructuring Process, preparation of Cadre Norms, Schemes of Recruitments, Key Performance Indicators etc. in terms of the guidelines as laid by the Department of Management Services (DMS) since 2012. However, it had not been successful due to continuous resistance raised by the employees when draft proposals were tabled. It was one of the challenges that I undertook to resolve issues of employees and fulfilled such mandatory requirements as required by the DMS having obtained concurrence of the Board of Directors and the Secretary to the Ministry of Water Supply.

The process of decisions making and the process by which decisions implemented are followed in terms of Good Governance Principles. We have begun minimal paperwork by implementing the 'less paper' concept to minimize resource use.

I assure that corruption is minimized. The views of minorities were taken into account and voices of the most vulnerable in the Board and stakeholders were heard in decision-making of which is responsive to the present and future needs in the NWSDB.

Online awareness programs were conducted to introduce a sustainable water tariff system to water consumers and through these facilities, the percentage of network tariff collection could be increased to 123%. In addition, the mobile service was activated to increase the

water connection of the water supply system. In addition, the implementation of a mobile water quality regulation program and obtaining 5S certification for regional laboratories are significant achievements.

It has also been able to computerize and set up an asset register that has not been maintained for 45 years, and has developed asset management system software that adds up to 75,000 units worth 294 billion dollars in as little as 16 months.

Following the recommendations of WHO guidelines for drinking water quality, Water Safety Plans have been implemented in 281 Urban Water Supply Schemes throughout the country. In addition, the NWSDB accelerated regular testing of water samples and data analyses in 2020 revealed that 99.2% of microbiological testing was satisfactory. An online water quality monitoring system has been launched that allows any officer to view water quality indicators at any time.

At present, several laboratories of the Water Supply and Drainage Board have obtained the ISO 17025: 2017 Quality Certificate from the Sri Lanka Accreditation Board. These laboratories are the Central Laboratory, the Ambatale and Biyagama Production Laboratories, the West-South, Jaffna and Vavuniya Regional Laboratories.

The Ministry of Water Supply 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 achieve all these and continue its services besides cost recovery issues without a tariff increase since 2012.

However, as the Chairman of the NWSDB, I have observed that the NWSDB requires structural changes to achieve productivity and efficiency improvements to enhance customer service. The new functional areas such as Commercial, Marketing and Public Relations need to be demarcated to ensure accountability and improved customer satisfaction.

High priority has been given to IT developments and a comprehensive plan for the IT section has recently been formulated to be effective from 2020 - 2025. The IT Division has been able to develop and implement Software Applications Systems such as; Project Progress Monitoring System, Smart Meter Reading App, Online Payment Solutions, Smart Zone Web Portal, Mobile Apps for Customer services (Self-Care App & SMART Pay App), Mobile Apps for internal Employees (Field Service App & Navigator App), Attendance Management System, Water Quality

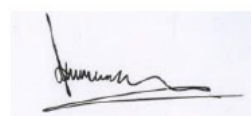
Monitoring System, Inventory Management System and Board Meeting Management System under the new Management to resolve the outstanding issues and improve efficiency.

The NWSDB has also facilitated the online payment of water bills, increased fund-raising for mobile water bills, conducted meter readings and bill issuance even during the Covid lock period, and encouraged people through awareness programs to obtain new connections. The new software system that has been developed to monitor the 'Water for all' programme can keep a record of projects island-wide with a progress monitoring mechanism.

I would be failing in my duties, if I do not mention the significant contribution made by our Secretary, Ministry of Water Supply, Dr. Priyath Bandu Wickrama for HIS leadership to the NWSDB teams by visiting almost all the regions and spearheading and guiding those teams to identify the requirements & technical constraints and stimulate the thinking process to come up with innovative ideas.

I wish to extend my gratitude and thanks to His Excellency Gothabaya Rajapaksa the President of the Democratic Socialist Republic of Sri Lanka; The Prime Minister Hon. Mahinda Rajapaksa; Hon. Vasudewa Nanayakkara, Minister of Water Supply; Hon. Sanath Nishantha State Minister of Rural and Divisional Drinking Water Supply Projects Development; Dr. (Eng) Priyath Bandu Wickrama, Secretary Ministry of Water Supply and his staff; Mr. N.R.Ranawaka, Vice Chairman, all members of the Board of Directors, the entire Staff of the NWSDB, for their unstinted support and encouragement given to me to carry out my duties to the best of my abilities.

I am confident that with the Corporate Plan/ Business Plan which provides a very strong foundation and a clear road map for the success of achieving the expected goals, the NWSDB would be able to stand alone as a self-sustaining institution. I expect commitment, dedication and focus from all employees of the NWSDB working towards this change and to be a strong and self-sufficient organization rendering an invaluable service to the entire nation.



Nishantha Ranatunga

Chairman

National Water Supply & Drainage Board

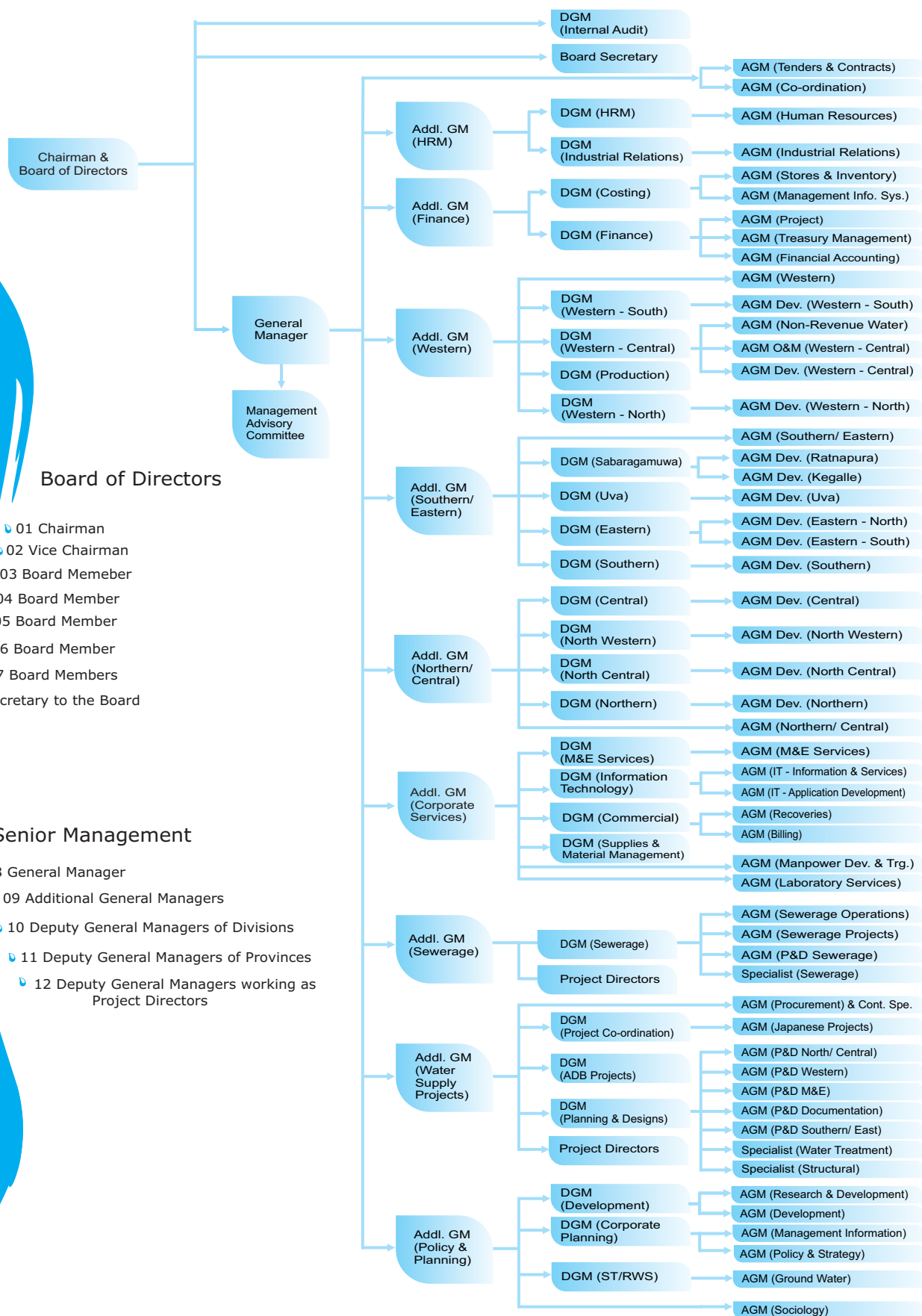


“Water is the driving force of all nature.”

- Leonardo da Vinci



Key Players



Board of Directors

01 Mr. Nishantha Ranatunga

Chairman,
National Water Supply & Drainage Board
(Since 16.01.2020 - up to date)

02 Mr. Nimal R. Ranawaka

Vice Chairman, NWSDDB
(Since 23.01.2020 - up to date)

03 Dr. L. T. Gamlath

Deputy Director General (Environmental Health, Occupational Health & Food Safety)
Ministry of Health, Colombo, Sri Lanka
(Since 04.06.2019 - up to date)

04 Mrs. A. R. Wickramasinghe

Assistant Director
Department of Public Enterprises
Ministry of Finance, Economic and Policy Development
Secretariat, Colombo 01, Sri Lanka
(Since 11.01.2020 - up to date)

05 Eng. T. M. R. P. Thennakoon

(Since 09.01.2020 - up to date)

06 Eng. R. A. S. L. Ranasinghe

(Since 18.02.2020 - up to date)

07 Mr. B. N. Damminda Kumara

Senior Assistant Secretary (Admin & Training)
Ministry of Public Administration, Home Affairs, Provincial Council and Local Government
No/ 330, Union Place, Colombo 2, Sri Lanka
(Since 22.06.2020 - up to date)

Secretary to the Board

Mrs. W. P. Sandamali De Silva

Secretary to the Board

16 Mrs. of Board Meetings were held during year 2020

Senior Management

08 General Manager

Eng. R. H. Ruvinis (05.09.2019 to 06.09.2020)

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

Eng. T. S. Wijethunga (15.10.2020 to Date)

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

09 Additional General Managers (Addl. GM) (as at end 31st December 2020)

Eng. K. D. P. F. Siriwardene (North Central) -

M.Sc. (Environ. Eng.) Denmark, PG Dip (Const. Mgt)
Moratuwa, 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. 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. S. G. G. Rajkumar (Corporate Services)

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

Eng. R.A.A. Ranawaka (Southern /Eastern)

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

Eng. Dr. (Mrs.) I.M.W.K. Illangasinghe (Policy & Planning)

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

Mr. G. K. Iddamalagoda

(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

10. Deputy General Managers (DGM) of Divisions (as at 31st December 2020)

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) - Covering up

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. I. V. W. Ediriweera (Corporate Planning)

B.Sc. Eng. M.Sc.(Water Resources Management),

M.Sc. (Development Studies), C.Eng., FIE(SL), MIWA(UK)

Eng. (Mrs.) M. A. C. Hemachandra (ST/RWS)

B. Sc. Eng., PG. Dip.(env. & Mgt), PG. Dip (Stra. Eng)

MIE (SL)

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)

PG Dip. (B. Admin.), PG Dip. (Disaster Mgt.)

C.Eng., MIE (SL)

Eng. A. Munasinghe (Planning & Designs)

B.Sc. Eng. (Hons), M. Eng., H&WR (Netherlands)

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

B.Sc. Eng., PG Dip. (eGov), M.Sc. (GIS/RS), MPA (eGov),

C.Eng. MIE (SL), MBSC, MIEEE

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)

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

B.Sc. (Busi. Admin.) University of SJ, MBA - University of Colombo

PG Dip. (Busi. & Fin. Mgr.) CUSM (UK), Ex.Dip (Acc. & Fin.) CA (SL),

Int. CA (SL), Member of IMSL

**11. Deputy General Managers of Provinces
(as at 31st December 2020)****Eng. K. P. R. S. Samarasinghe (Western Central)**

M. Sc. (WSP Eng.), Netherland. M. Sc (Eng.) Moratuwa

C. Eng. FLE (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. N.U.K. Ranathunaga (Western North)

B.Sc. Eng., PG.Dip. Env. Eng, Master in Dev. Studies, FIESL

Eng. W. N. Premasiri (Production)

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

C.Eng. MIE (SL)

Eng. W. G. C. L. Weerasekara (North Western)

B. Sc. Eng., MBA, PG Dip. (Const. Mgt), M. Sc. (Structural

Engineering Design), C. Eng. Intl. PEng., FIE (SL)

Eng. G. V. Wijerathna (North Central)

B. Sc. Eng., PGD (Management), M. Sc.(Water Resource 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. A. K. Kapuruge (Sabaragamuwa)

B. Sc. Eng., M. Sc. Eng., C. Eng. (IESL)

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

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

Eng. N. Sudevan (East)

B.Sc. Eng., M.Sc. (Const. Mgt.), M.Sc. (Structural Engineering Designs),

C.Eng. Intl. PEng., FIE (SL)

**12. DGMs working as Project Directors
(as at 31st December 2020)****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. T.R.J. Fernando**(Kaluganga Water Supply Project)**

B.Sc.Eng, C. Eng. (IESL), Member CCP enf. MIE - Australia, Member (M.ASCE)

PG. Dip - (IR) - IRBCIS, PG. Dip (Con. Mgr) - OUSL

Eng. N.A.S. Shantha**(Kalani Right Bank Water Supply Project)**

B.Sc.Eng, PG. Dip. (Stru. Desing), C. Eng. (IESL)

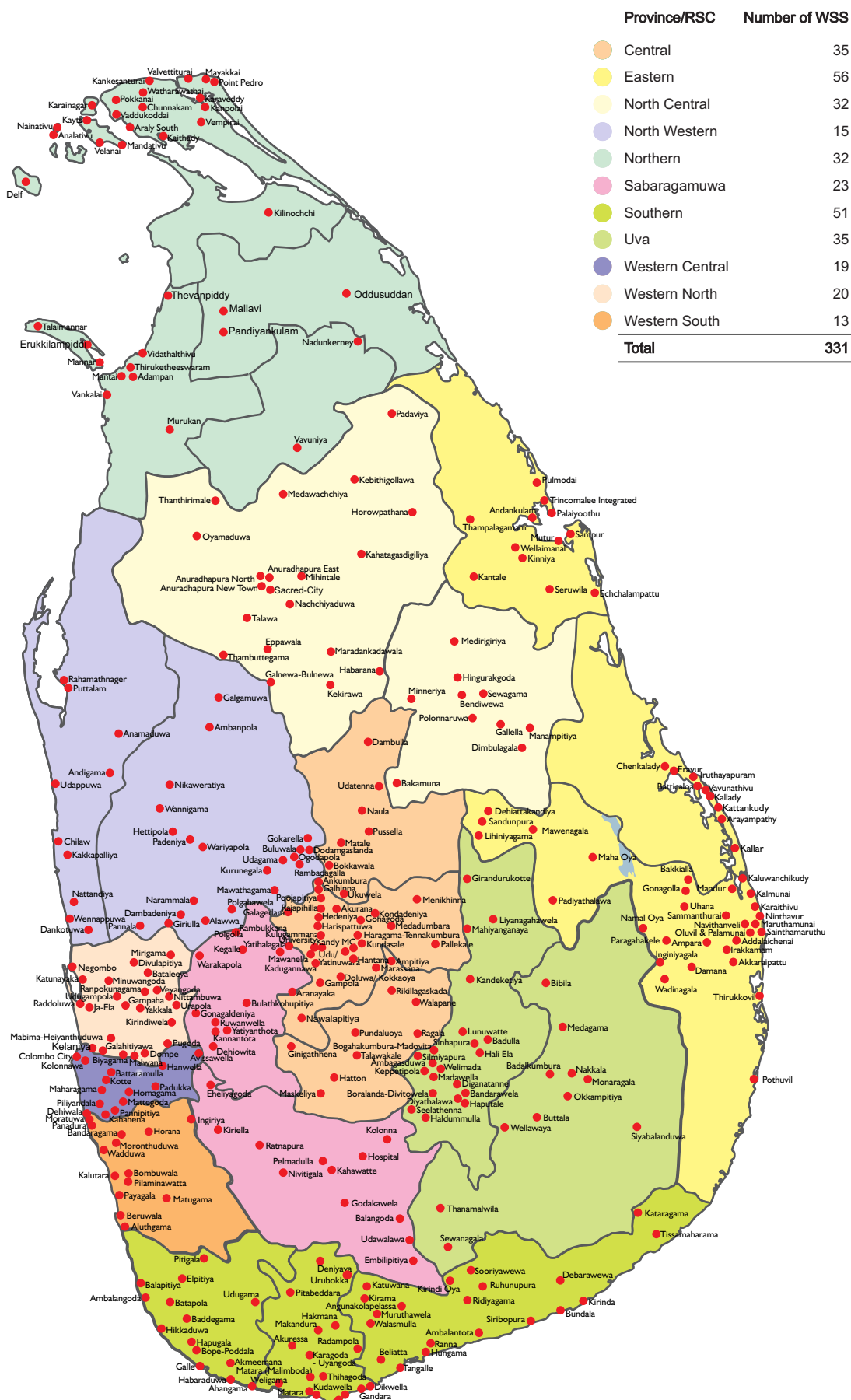
Eng. N. H. D. P. Dharmapala**(Gampaha Attanagalla Water Supply Project)**

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 last 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 93.2 % of the population have access to the safe drinking water of which 53.1% is through piped water supply systems throughout the country. 2.05% 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 2020 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 2020. 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 2020 there were 281 urban Water Safety Plans implemented Island - wide by the DGMs of RSCs with assistance of WSP advisory unit established in Kandy. Further, the NWSDB in collaboration with the Institution of Engineers, Sri Lanka (IESL) and WHO country office, have conducted 14 external formal audits for the first time in the Southeast and South Asian regions.

It was considered important to have timely reviews for the successful achievement of the goals, objectives and the targets set. Accordingly, 4th quarter of 2019, 1st, 2nd and 3rd quarters of 2020 progress reports on the Corporate Action Plans were reviewed by the Members of the Board at Board meetings held in 2020.

Further details including targets and achievements of the Goals for the year 2020 - 2025 are presented in page 11 of this report.

Corporate Plan 2020 - 2025

As given in the “Vistas of Prosperity and Splendour”; the Government's Vision for drinking water, providing access to clean & safe drinking water and piped borne water to the entire (100%) population of the country by 2025; NWSDB has developed Corporate plan 2020-2025 and launched on 18th November 2020.

Progress Towards Stated Goals

Goal	Key Objectives	Target end 2020	Achievement end 2020
1. Increase the water supply and sanitation coverage	1.1 Total Pipe-borne water supply coverage	55.00%*	53.10%
	1.2 Piped sewerage coverage	2.27%*	2.07%
	1.3 Access to safe drinking water supply coverage	91.7%	93.2%
2. Improve business efficiency	2.1 NRW (island-wide)	25.30%	24.63%
	2.2 Total staff for 1,000 connections	4.70%	3.66%
	2.3 Expenditure on power to total recurrent cost	15.55%	14.57%
	2.4 Maintenance expenses to total recurrent cost	6.87%	6.42%
	2.5 Establishment expenses to total recurrent cost	12.22%	11.39%
	2.6 Estimated bills to total number of bills	1.0%	7.1%
	2.7 Collection efficiency	100%	93%
	2.8 Accounts receivable from -		
	(a) domestic and commercial institutions	30 days	48 days**
	(b) Government institutions	40 days	37 days**
	2.9 Promote Human Resource Development		
	(a) In-house training (nrs. of participants)	9,300	2,552
	(b) In-country external training (nrs. of persons)	180	235
	(c) Overseas training (nrs. of persons)	120	10
	2.10 Improve service to customers and promptly attend to public complains Public awareness programs to be carried out all island (school/other)	100 nrs.	37 nrs.**
	2.11 Annual savings from energy efficient projects.	73.36 million	29.7 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	20 nrs.	15 nrs.
	Audits on stores and supplies	12 nrs.	15 nrs.
	Audits on cash/ cheque payments	25 nrs.	17 nrs.
	Audits on construction contracts	5 nrs.	2 nrs.
	Total Audits conducted in 14 fields	160 nrs.	98 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	10.0%	9.9%

* Targets were revised with approval of the Board of Directors.

** Appear low progress due to Pandemic Situation of the country.

Key Performance in Water Supply & Sewerage

“With the new water supply connections provided by NWSDB during the year, altogether 53.1% of total population is served with piped drinking water supply, island wide.”

There are 331 major, medium and small water supply schemes in operation under the NWSDB's purview.

With provision of 122,733 new service connections during the year, the population that is covered with piped drinking water supply by the NWSDB only was increased to 43.2%. With these new water supply connections provided by NWSDB during the year, altogether 53.1% 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, 11 Local Bank Funded water supply projects, 03 Small & Medium water supply projects, 05 Development of Rural and Divisional Drinking Water Supply projects and 01 Water Sector Community Facilitation projects were implemented during the year to increase the pipe borne water supply coverage of the country. Of these, 02 Large Scale Foreign Funded projects and 01 Local Bank Funded water supply project 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 03 Foreign Funded sewerage projects implemented during the year to increase piped sewerage coverage and to improve the sanitation facilities.

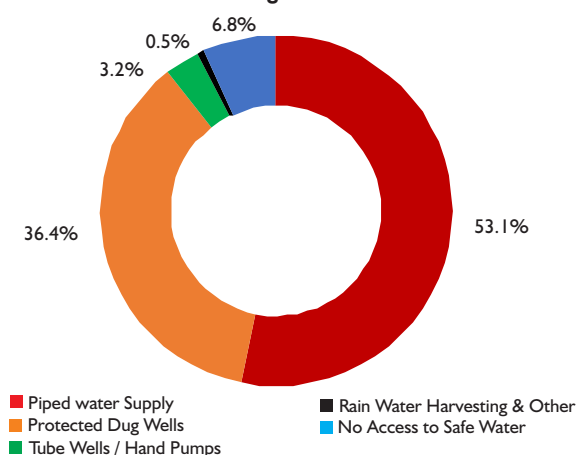
To assure the water safety, operational monitoring and verification monitoring is done by the central laboratory with the cooperation of the regional laboratories in the NWSDB. Analytical data in year 2020 revealed that out of the total test samples, 99.2% was satisfactory in bacteriological testing while 77.3% 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 25.86 % and 24.63 % respectively, by end of the year.

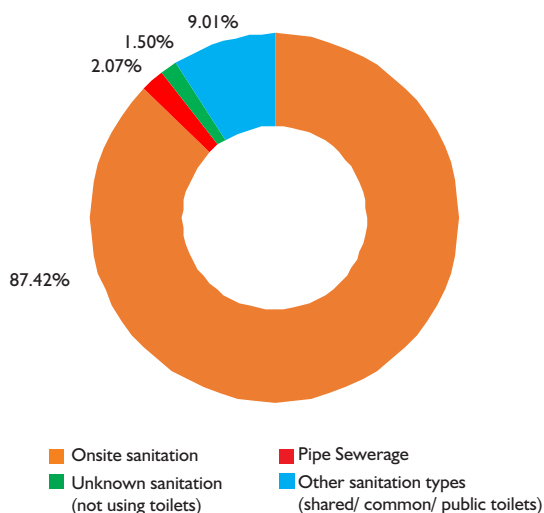
The tariff revision has not been in line with the increase in the operational expenses from the year 2012. Hence the Board has experienced difficulties in managing its' cash flow during the recent years. Despite the policy decision taken in the year 2014 by the General Treasury to convert the total outstanding 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 LKR. 528,995,250 profit for the year 2020; however it turned into loss for the previous two years as LKR. 568,695,429 and LKR. 1,176,834,646 in 2018 and 2019 respectively.

Access to Safe Water Coverage



Sanitation Coverage



	2019	2020	Variance (%)
KEY STATISTICS: WATER SUPPLY			
No. of Water Supply Systems	348	331	-
Piped Water Production (million cu.m.)	746	782	4.83
Piped Water Consumption (million cu.m.)	560	589	5.18
Domestic Connections (Nrs.)			
(a) Western Province	967,594	1,005,424	3.91
(b) Other Provinces	1,273,049	1,349,127	5.98
Total Domestic Connections	2,240,643	2,354,551	5.08
Public Stand Posts (Nrs.)			
(a) Western Province	480	471	1.88
(b) Other Provinces	865	752	13.06
Total Public Stand Posts	1,345	1,223	9.07
Non-Domestic Connections (Nrs.)			
(a) Western Province	94,895	97,920	3.19
(b) Other Provinces	101,966	107,766	5.69
Total Non-Domestic Connections	196,861	205,686	4.48
(Including total public stand posts)			
Total No. of Service Connections	2,437,504	2,560,237	5.04
Average Monthly Household Consumption			
(cu.m. per house connection)			
(a) Western Province	17.63	18.52	-
(b) Other Provinces	13.60	14.26	-
Average Recurrent Cost of Water Production (LKR/ cu.m.)	41.20	38.64	-
Average Total Cost/ Unit Sold (LKR/ cu.m.)	51.52	49.06	-
Average Unit Revenue (Billing*/ Consumption) (LKR/ cu.m.)	42.86	42.78	-
Average Household Bill Value per Month (LKR)			
(a) Western Province	801.57	862.17	7.56
(b) Other Provinces	491.32	524.93	6.84
Collection Efficiency	1.10	0.93	(15.45)
Deep Wells (Nrs.)			
(a) Drilled	201	150	-
(b) Successful	178	134	-
Non-Revenue Water (%)			
(a) Western Province	26.14	25.86	1.07
(b) Other Provinces	23.62	23.31	1.31
(c) Island-wide	24.95	24.63	1.28
KEY STATISTICS: SEWERAGE			
Domestic Connections			
Western Province	16,849	16,930	0.48
Other Provinces	2,168	3,110	43.45
Non-Domestic Connections			
Western Province	1,401	1,402	0.07
Other Provinces	410	750	82.93
Housing Scheme Connection(Bulk)			
Western Province	3,666	3,666	-
Other Provinces	-	-	-
Total Sewerage Connections			
All Island	24,494	25,858	5.57
Western Province	21,916	21,998	0.37
Other Provinces	2,578	3,860	49.73

Note : “ * “ - Without VAT

+ (Ve) Variance reflects a favorable result.

	2019	2020	Variance (%)
OTHER KEY STATISTICS			
Total Revenue (LKR million - without VAT)	26,080	27,762	6.45
Total Recurrent Expenditure (LKR million)	29,969	30,286	(1.06)
O&M Staff/ 1,000 Connections	3.36	3.07	8.63
Total Staff/ 1,000 Connections	3.99	3.66	8.27
Total Development Expenditure (LKR billion)	77.44	100.86	30.24

Note : “ * “ - Without VAT

+ (Ve) Variance reflects a favorable result.

Summary of Operations

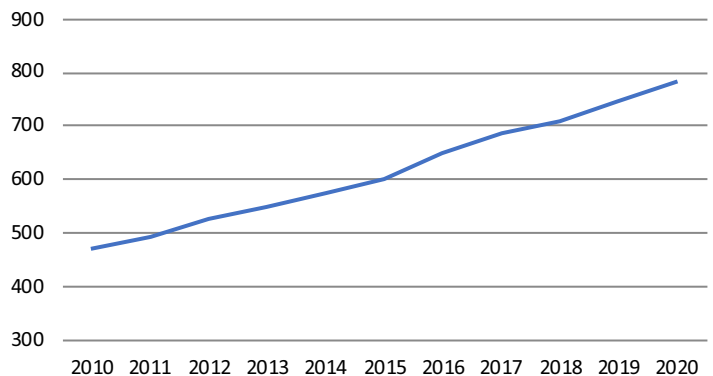
“With a 4.83 % increase compared to the production in 2019, the total quantity of drinking water produced by NWSDB during the year 2020 was 782 million cu.m.”

WATER SUPPLY

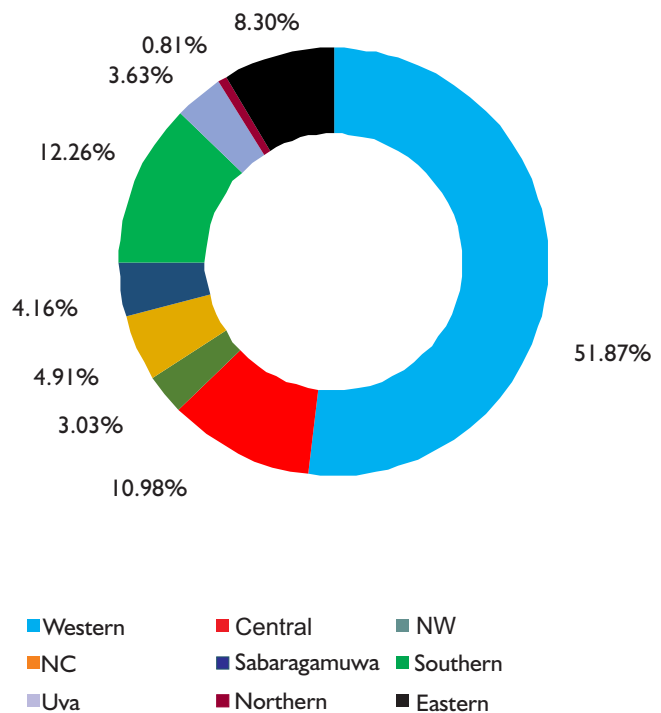
Drinking Water Production

With a 4.83 % increase compared to the production in 2019, the total quantity of drinking water produced by NWSDB during the year 2020 was 782 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 51.87% of the total water production of the NWSDB during the year.

million cu.m



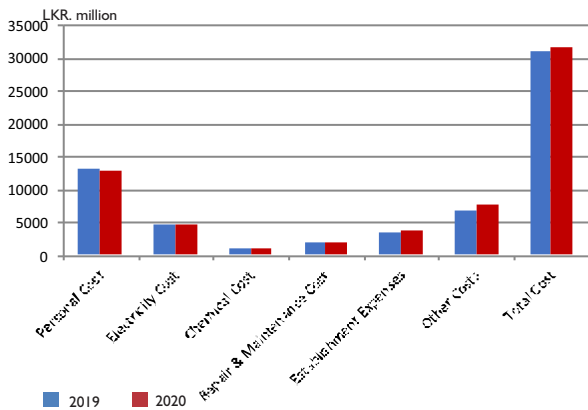
Water Production by Provinces during 2020



Cost of Production

Breakdown of the total production cost (LKR. million) in comparison with 2019 is shown below:

Cost of Production



Cost of Production LKR. /cu.m.

2019	2020
51.52	49.06

Cost of Production = Total Cost / Units Sold

Comparison of Service Connections

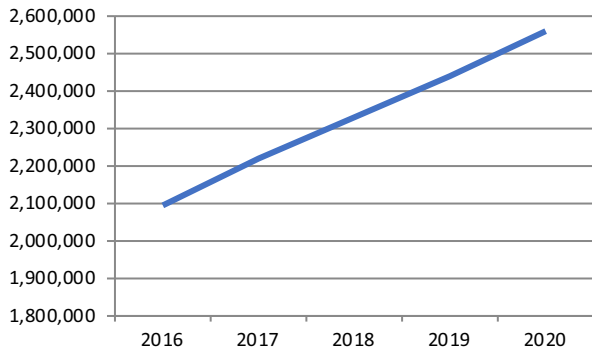
Province/ RSC	No. of Connections Province/ RSC-wise			NWSD Region	No. of Connections NWSD Region-wise		
	As at end December 2019	As at end December 2020	Change %		As at end December 2019	As at end December 2020	Change %
Western - Central	494,037	515,176	4.28	Priority*	1,879	1,885	0.32
				Colombo City**	145,607	145,130	(0.33)
				Kotte	177,054	181,270	2.38
				Maharagama	169,497	186,891	10.26
Western - North	293,704	305,299	3.95	Kelaniya	210,942	220,646	4.60
				Gampaha	82,762	84,653	2.28
Western - South	274,748	282,869	2.96	Dehiwala	111,302	112,796	1.34
				Kalutara	72,903	74,324	1.95
				Panadura	90,543	95,749	5.75
Central	282,214	291,357	3.24	Kandy North	108,741	112,070	3.06
				Kandy South	91,498	94,122	2.87
				Kandy East	81,975	85,165	3.89
North Western	87,855	95,308	8.48	Kurunegala	87,855	95,308	8.48
North Central	131,995	144,495	9.47	Anuradhapuraya	131,995	144,495	9.47
Sabaragamuwa	118,854	127,668	7.42	Ratnapura	59,182	66,587	12.51
				Kegalle	59,672	61,081	2.36
Southern	330,915	343,093	3.68	Hambantota	113,066	118,673	4.96
				Matara	101,954	103,645	1.66
				Galle	115,895	120,773	4.21
Uva	109,115	120,006	9.98	Bandarawela	63,010	70,432	11.78
				Monaragala	46,105	49,574	7.52
Northern	28,064	31,575	12.51	Jaffna			
				Mannar	28,064	31,575	12.51
				Vavunia			
Eastern	286,003	303,391	6.08	Ampara	67,459	71,714	6.31
				Trincomalee	81,560	84,768	3.93
				Akkaipattu	81,752	86,836	6.22
				Batticaloa	55,232	60,073	8.76
Total	2,437,504	2,560,237	5.04	Total	2,437,504	2,560,237	5.04

* In year 2020, Priority connections include only Colombo City area.

**Abandon connections finalization according to Board Decision.

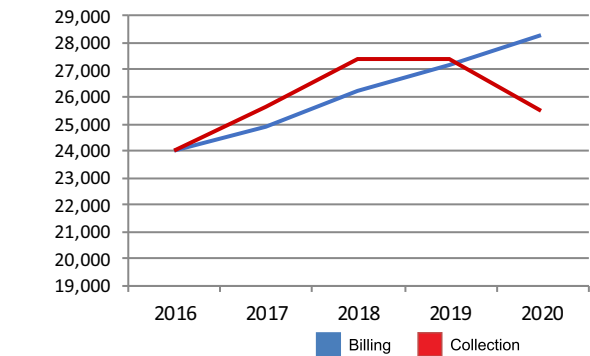
Growth of Connections

No. of connections

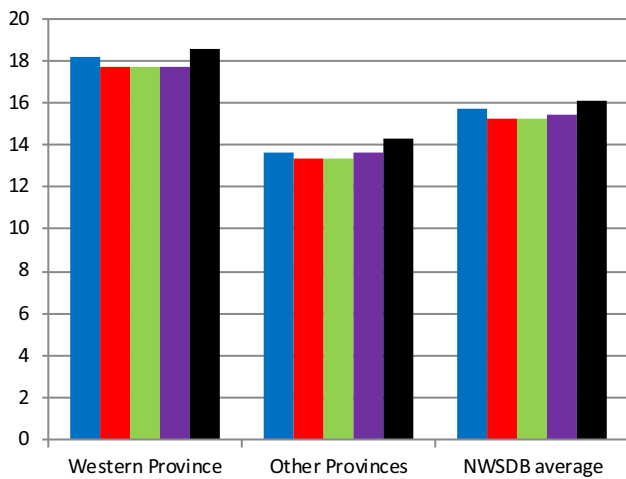


Comparison of Annual Billing and Collection (with VAT)

LKR. million



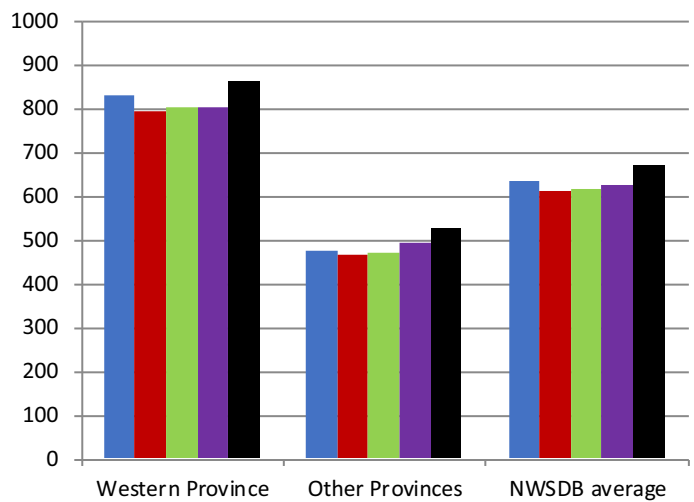
Average Household Monthly Consumption (cu.m per Connection)



2016 2017 2018
2019 2020

Average Household Monthly Bill

LKR.



2016 2017 2018
2019 2020

Billing Statistics

Description	2019	2020
	(LKR.million)	(LKR.million)
Billing Target (without VAT)	23,830	25,056
Actual Billing (without VAT)	23,579	25,218
Collection Target (with VAT)	28,437	28,211
Actual Collection (with VAT)	28,397	25,424

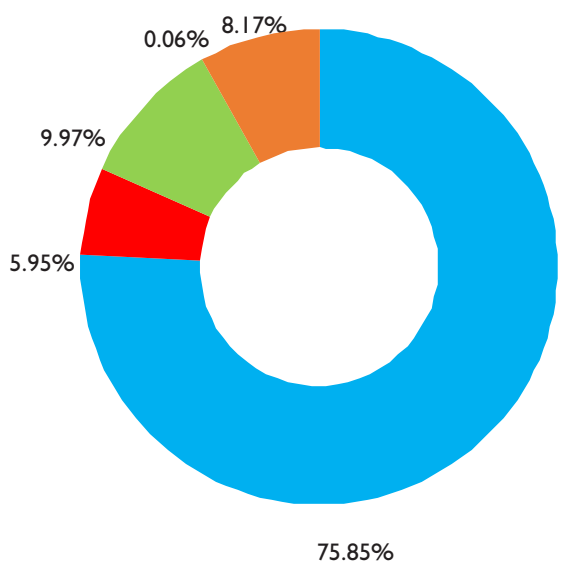
Quantity of Water Sold and Revenue by Consumer Categories (2020)

Consumer Category	Quantity sold		Revenue	
	cu.m '000s	%	LKR million	%
Direct billing #	452,616	75.85	18,794	66.08
Schools	5,421	0.91	121	0.43
Tenement gardens	2,272	0.38	101	0.35
Public stand-post supply	373	0.06	6	0.02
Government institutions, NWSDB premises	35,516	5.95	2,368	8.32
Commercial and industrial	59,525	9.97	5,696	20.02
Tourist hotels	2,552	0.43	231	0.81
Shipping	146	0.02	76	0.27
Board of Investment	8,486	1.42	570	2.00
Religious premises	5,891	0.99	135	0.48
Subtotal	572,798	95.98	28,096	98.78
Bulk billing	18,698	3.13	328	1.15
Others*	5,310	0.89	19	0.07
Grand Total	596,806	100.00	28,443	100.00

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

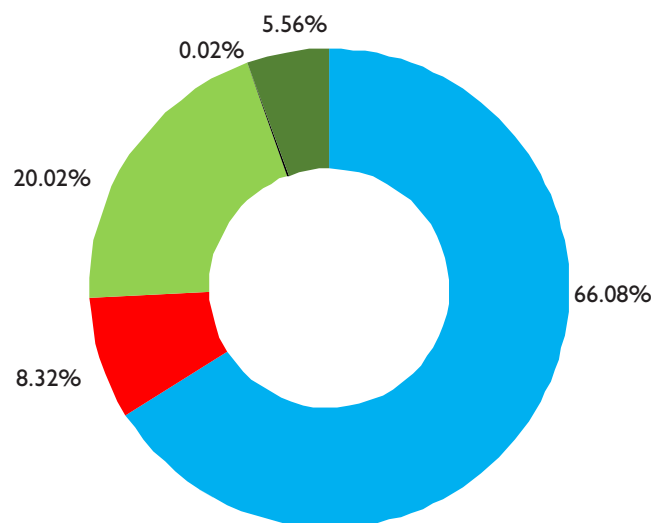
* All other billing categories which are not under "Direct Billing" or not specified as above have been grouped under 'Others'. Setting-off rebates have also been included in this category.

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

“These financing strategies together enabled the NWSDB to carry out LKR.100.86 billion worth of investments during the year 2020 on development activities in water supply and sewerage sector.”

Financial Sources

National Water Supply and Drainage Board continued its development activities in water supply and sewerage sector throughout the year 2020 investing different means of funds made available to the Board.

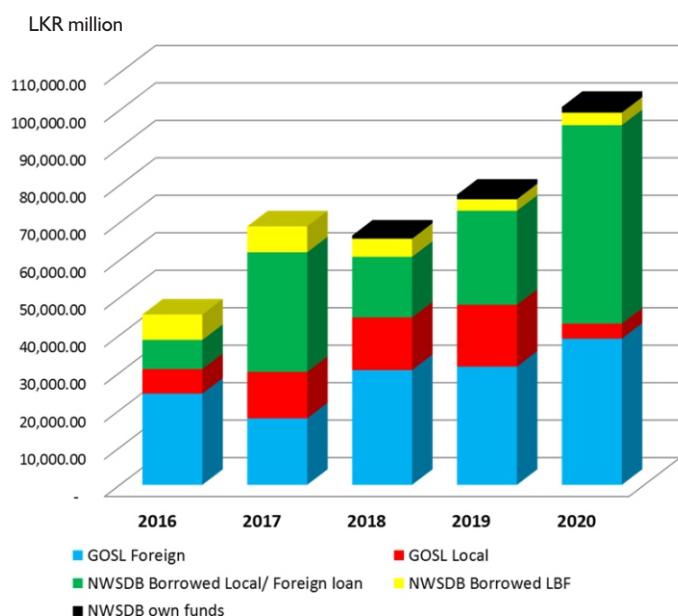
The NWSDB was allocated with LKR 62.2 billion for the foreign loan disbursements of large scale water supply and sewerage projects for the year 2020. This allocation was for the works in 2020 as well as to cover the un-accounted payments in 2019. The local counterpart funds of these projects, was managed with LKR 4,589.7 million local funds provided by the Treasury for the local expenditure including VAT and Custom Duties; and the balance local component was managed with the NSB loan serviced by the Treasury and LKR 921.07 million of NWSDB's own funds. Meanwhile LKR 101.44 million foreign grants were also allocated for one large scale water supply project and one large scale sewerage project. In addition, out of LKR 30 billion NSB loan serviced by the Treasury, LKR 15.49 billion has been utilized for debt service payment of the water supply projects while LKR 865.48 million was spent on domestic component of foreign funded projects and LKR.69.09 million on water for all projects.

Under emerging small townships (small & medium) water supply & sewerage projects, LKR 943.01 million domestic funds was provided for implementing three small and medium scale water supply projects, utility shifting work all over the country, acquiring lands and billing for Government Schools & Sacred City Water Supply. For implementing the project under water sector community facilitation, LKR 2.82 million of domestic funds and LKR 15.0 million of foreign grants were also provided.

Further to the direct allocations by the GOSL, LKR 36.52 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 11 Local Bank Funded (LBF) water supply projects by borrowing LKR 3.35 billion from local banks during 2020.

These financing strategies together enabled the NWSDB to carry out LKR 100.86 billion worth of investments during the year 2020 on development activities in water supply and sewerage sector.

Total Investment on Water Supply and Sewerage Sector in 2016 -2020



Utilization of Capital Funds received under Capital Budget 2019/2020

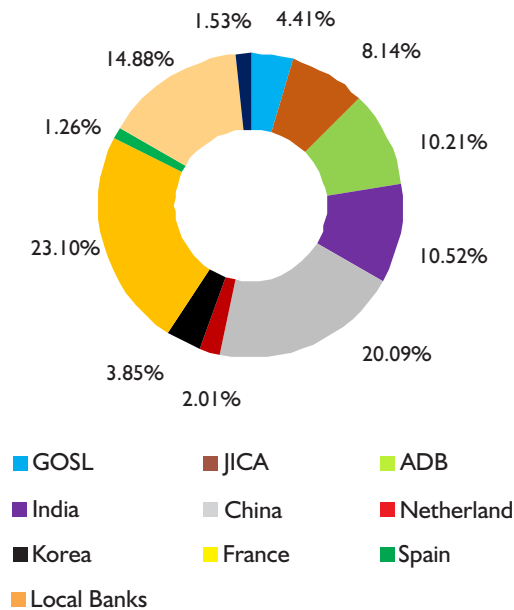
Description	2019		2020	
Foreign Component (LKR million)	31,551	112%	39,005	62%
Foreign Aid Related Domestic Component (LKR million)	3,962	90%	2,640	50%
Consolidated Funds for Local Projects (LKR million)	795	46%	1,387	50%
Debt Service Payment				
Total	45,491	104%	40,033	61%

During the year NWSDDB has invested Rs. 1,152.36 million for rehabilitation activities, LKR 404.69 million for reduction of NRW, LKR 108.57 million for energy saving activities, LKR 70.54 million for purchase of capital items and LKR 22.6 million for maintaining sewerage schemes. Those activities have been mainly carried out from the revenue earned from the investments made by the government over the period until 2020. Further, 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.

During the year 2020, it was very difficult to plan the work as there was no full year allocation for the year at beginning of the year. Capital Budget allocations were provided through four Vote on Accounts and funds providing for the full year were informed at end of November 2020.

This situation was leading to a low utilization of funds. Further the unplanned issues faced due to Covid 19 situation was another major reason for low utilization of allocated capital funds.

Foreign Aid Contribution by Funding Agencies and Related GOSL Funds



Details of Projects Completed during the year 2020

RSC	Project Name	Agent	TEC LKR Million	Beneficiaries
Western	Towns East Colombo District WSP - Packeg I	LBF	5,170.00	373,304
	Kelani Right Bank WSP - Stage II	France	32,700.00	1,750,000
North Western	Dry Zone Water and Sanitation Project	ADB	17,196.39	453,000

Employees

“The NWSDB was able to reduce the ratio of staff per thousand service connections to 3.66 in the year 2020 from 3.99 in 2019.”

Staff Strength

Staff	2019	2020
(a) Permanent	9,564	9,227
(b) Casual	0	0
(c) Contract	137	132
(d) Plant Technician Apprentice & GT	24	24
Total	9,725	9,383

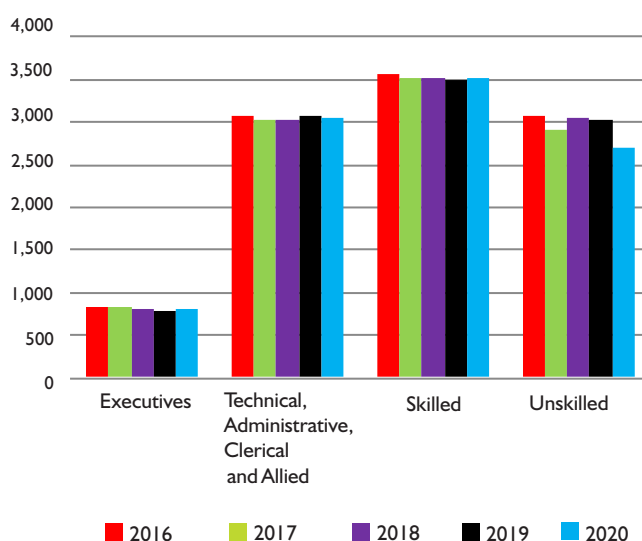
At the end of 2020 there were 9,227 permanent staff, 132 contract and 24 Plant Technician Apprentice & Graduate trainees. Most of the contract employees were recruited to work for foreign funded projects.

There were 296 permanent and 01 contract recruitments of various staff categories during January to December in 2020. In the same period there were 633 permanent and 06 contract terminations which includes retirements, resignations, vacated posts and deaths in different categories of staff. This resulted in decrease of total staff by 342 compared to December 2019.

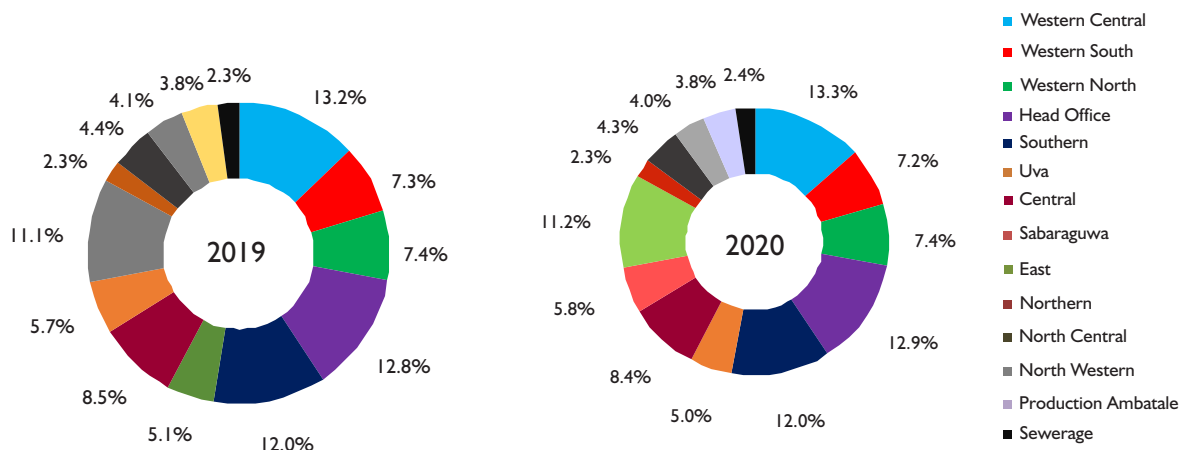
The NWSDB was able to reduce the ratio of staff per thousand service connections to 3.66 in the year 2020 from 3.99 in 2019.

STAFF BENEFITS

Distribution by Key Job Function



Staff Distribution by Location



- An Annual Bonus of LKR 42,000.00 including productivity incentive was paid during the year.
- Encashment of unutilized medical leave was continued as in the previous years.
- 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.
- LKR 650 was granted monthly 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 LKR 10,000/= per employee was paid to the employees.
- LKR 22,146,770.00 among 45 employees as 12 month loan and LKR 477,775,624.00 among 1,504 employees as 10 month loan have been distributed at a concessionary rate during the year 2020.
- LKR 83 million (approx.) was incurred for the reimbursement of medical expenses of employees (including family members), in addition to medical expenses incurred for critical illnesses.

Comparison of Staff Remuneration in 2019 and 2020

Description	2019 LKR million	2020 LKR million
Salaries	11,985	11,522
Contribution to Employees' Provident Fund	994	968
Contribution to Employees' Trust Fund	248	242
Total	13,227	12,732

STAFF REMUNERATION AND BENEFITS

MANPOWER DEVELOPMENT & TRAINING

Based on the Training Needs Analysis 2020 and special training requirements received from Sectional Heads, Manpower Development & Training Division (MD&TD) has planned 310 **In House** training programmes and conducted 131 In House training programmes during the year 2020 for employees of various categories and total employee participation was 2,552 (Managerial – 158, Other Executives-875, Supervisory – 680, Clerical & Allied -729 and Operational – 110). Due to Covid -19 situation in the year 2020, In Class training programmes couldn't conduct after March 13th and MD&TD has made arrangements to conduct training programmes remotely through Google Meet from mid of June 2020.

MD&TD arranged training for 235 employees externally through other training institutes under **Training at Other Training Institutions within the Country**. 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.

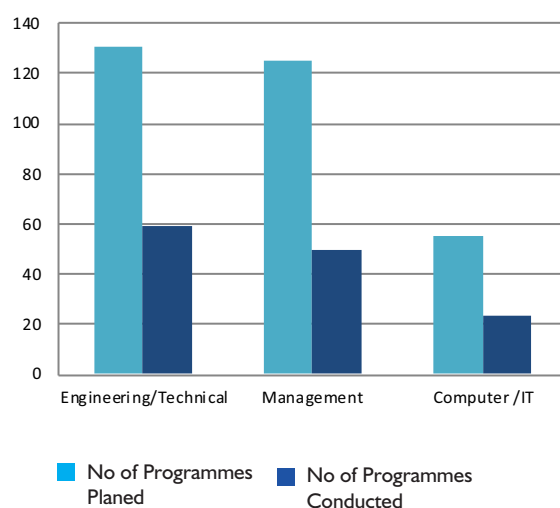
Under **Overseas Training and Official Visits**, short term training was provided for 09 employees of NWSDB with the financial assistance of JICA and ITEC. One NWSDB Engineer has received the opportunity to follow the Master Degree through JDS scholarship programme. In addition, Manpower Development & Training Division has facilitated official visits for 21 officers in respect of Pre-shipment Inspections through various ongoing projects and other O&M activities in the year 2020.

Industrial Training was provided to 512 apprentices including 269 Undergraduates, and 243 trainees in Technical, Accounting & ICT categories.

Progress 2020 : nrs. of participants



Summary of Training Provided through MD&T Division



Comparison of Training Participation (2019 & 2020)

	2019	2020
In House Training	11,560	2,552
External Training	247	235
Overseas Training	88	10
Industrial Training	547	512



“Pure Water is the world’s first and foremost medicine”

- Slovakian Proverb





Information Technology Solutions For Improving Service Excellence and Operational Efficiency

Information Technology – Improving Operational Efficiency and Service Levels

Information Technology is considered as the most effective tool to improve the operational efficiency and service levels of Government Institutions. Therefore, computerization has given the top priority in the organizational agenda. NWSDB has taken various steps to expedite the ongoing process of computerization. In this effort, while improving the existing IT Solutions and relevant infrastructure, NWSDB IT Division has added number of new software solutions and improved the infrastructure facilities throughout the year. Also, some new solutions are in pipeline and expected to be launched soon.

Improvements to Commercial Operational Management System

Launched in 2016, the Commercial Operation Management System (COMS) has completed over 4 years in active operation. Considering the end user feedback and requirements for improving the operational practices, many improvements have been incorporated in to the COMS software system. Further improvements to the Field Services Mobile App have been done to facilitate the field level operations such as new connections, disconnection, reconnections etc. and payment collection at the customer locations.

Hardware and IT Infrastructure

Hardware/Infrastructure maintenance has been a major task of the in-house hardware team with the support of suppliers/service providers. Continuous improvements to hardware / Infrastructure facilities were carried out during the year. Extension of the network connectivity to the remote offices/stores was done.

IT Human Resources

Considering the importance of the IT facilities and reliability of the systems, the top managements has taken steps to improve the IT cadre structure and strengthen the in-house IT human resources to suit the future needs. Decision was taken to recruit new engineers to the division to strengthen the IT team. Also the initial steps to fill the vacancies in the Division were taken.

Improvement of Office Environment

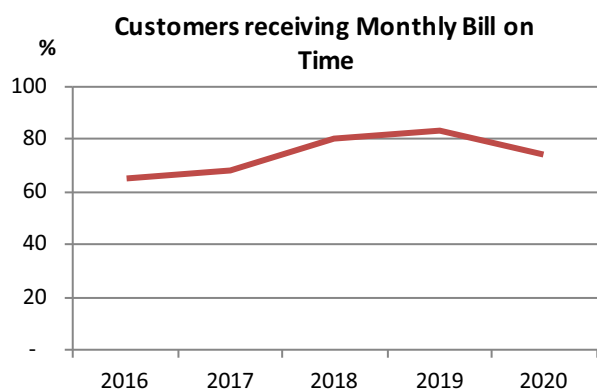
Steps were taken to restructure the office environment of the IT Division and modernize the working environment. A contract to renovate the IT Division based on the designs provided by the P&D Division was formulated and funding for the contract was allocated from the funds reserved for head office improvements.

Cyber Security and Protection of Systems

Cyber Security is considered as an important area of focus to safeguard the IT systems of the organization. Various steps were taken to improve the cyber security status and enhance the reliability of the systems. A powerful firewall was procured and installed.

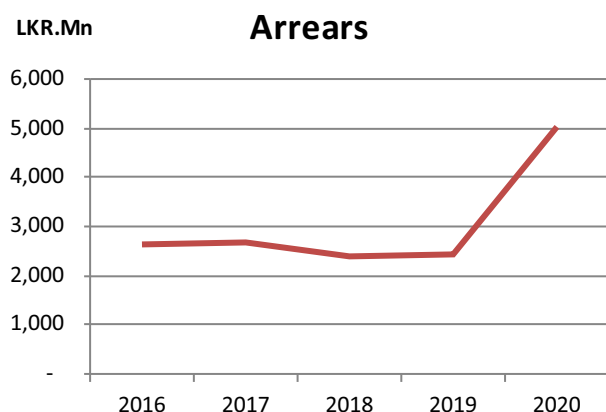
Commercial Activities

The Commercial Division is the main division to quantify the water consumed by the customers by taking meter readings, handing over the monthly bills on real time basis and bringing in revenue from the sale of water. Despite the Covid19 impact on the country, timely delivery of monthly bills was continued even though the process got slightly delayed during lockdown periods. The Billing targets have been exceeded but collection could not be achieved.



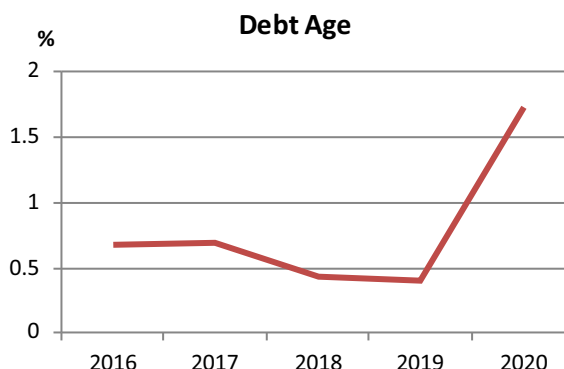
Billing and Collection

Many convenient methods have been initiated to settle monthly bills at customer's convenience; the customers using those facilities have been observed and some shifting from one facility to another was noticeable. The settlement of monthly bills has got delayed due to several reasons such as, customers paying couple of bills together, further delay due to the impact of Covid-19 situation, non-adaptation of disconnection program and so forth. Therefore, the customer making payment along with mobile collection was implemented. They were educated on benefits through the early settlement of bills within 14 days and the penalty imposed when payments are made after 30 days.



Reduction of Debt age

The debt age is a measure of debt in relation to the monthly bill. This has come down from 0.67 to 0.40 in 2019 but increased to 1.73 in 2020 due to COVID 19 relaxation in arrears recovery approach considering social factors. The key performance indicator (KPI) is 1.



Internal & External Customer Satisfaction

Continuous reviews of customer needs were analyzed for better service delivery, products, such as, self-care mobile application, communication through SMS were developed to delight the customers and also the delivery of monthly bill on time, staff capacity development, awareness creation on multitude levels of staff for better customer service delivery.

Rural Water and Sanitation

The Rural Water and Sanitation section (RWS) played a supportive role in many events apart from major works in the section.

Under Climate Resilient Integrated Water Management Project (CRIWMP)- of Ministry of Mahaweli Development and Environment (MMDE) with the assistance of the United Nations Development Program (UNDP), the RWS section actively involved in component 2 – drinking water supply monitoring the overall progress..

Recommendations and assistance were given on Water extraction for the new RWS schemes, Pipes & Fittings , Mechanical & Electrical items & Construction Materials, Construction activities, Consultants to approve Method Statements, Construction Drawings, Feasibility Reports & other Technical requirements, Measurements & Recommendations for Monthly bills, Factory visits and Testing carried out in construction work; for providing technical assistance, monitoring and supervision of constructions in 08 RWS schemes in four districts - Putlam, Anuradhapura, Vavuniya and Kurunagala. Coordinating and monitoring Training of Trainers (TOT) programs in the areas of O&M of Rooftop Rainwater Harvesting Systems and Climate Resilient Water Safety and security plan also were carried out.

As per a request received by the Ministry of Education, assessments and analysis were carried out in 689 schools with no access to safe drinking water in nine provinces. Details and information of schools were collected from RSCs and Estimates for long and short term solutions were finalized and submitted to the Ministry of Education and the Department of National Planning.

NPD Format for the forth coming World Bank project

under WaSSIP additional financing, was prepared and submitted to the Department of National Planning (NPD) with the proposed sub projects in urban, semi-urban, rural, and estate areas.

Rehabilitation of CBO programme was prepared to technically assist nearly 30 CBO managed water supply schemes in Hambantota district with the participation of RSC staff and the DNCWS staff in the designated areas. Moreover, data from RWS units were collected to identify where small town projects can be implemented and rehabilitated if necessary. Funds are yet to receive to implement the programe in year 2021.

Funds were obtained from UNICEF to provide material for latrine construction, including water supply and hand washing facilities which contributes to the quality and sustainable health service and infection prevention to improve the mother and child care with lower mortality rates of rural health care centers in Embilipitiya and Kollonna DS Divisions. Tenders are to be called by the local government authority, under the assistance of RSC Ratnapura and RWS section.

Three CBO managed RWS schemes have been selected in Kaluthara and Putlam districts for installation of Iron Exchange plants in existing CBOs to improve water quality. Coordination and required facilitation were provided collaboration with RSCs and R&D section for system performance analysis while coordinating with CBOs and the donors in implementation process. Construction work in Payagala CBO managed RWS scheme is ongoing at present.

Action was taken to speeding up the update of existing ST,RWS Database with RSCs, WaSSIP and DNCWS staff.

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 was 10 while the number of government institutes and private sector programmes was 07.

Periodicals were published to educate the target group on many different aspects related to the water Service. is

another task of the section. The issues of water magazine (Jalaya) were published in 2020 for the months March, June and September.

The PRU engaged in Mass Media Publicity works. Information such as message on water cuts, special reports on the National Water Supply & Drainage Board opening ceremony etc. are provided through the media. If media articles tend to tarnish the image of the NWSDB actions are taken to correct the same.

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 2020 was approximately LKR 4,624 million and out of this total consumption, 96% amounting to LKR 4,439 million has been spent for water production and pumping. Further, LKR 65 million has been spent for sewerage treatment and pumping. Meanwhile around LKR 120 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 2020 has resulted a high energy and cost savings.

Six numbers of energy audits and studies were carried out with support of M&E Sections of the RSCs during the year 2020 even with covid-19 situation in the country. There are 11 numbers of projects completed in 2020. Total expenditure for the year 2020 is around LKR 108 million for these completed and ongoing projects. The annual cost saving due to these projects is LKR 29.7 million. It has been scheduled to implement 26 numbers of ongoing and new projects during year 2021 with a cost investment of nearly LKR 490 million (including ongoing projects in the year 2020).

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 NWSDB 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 2020 revealed that the 99.2% is satisfactory for Bacteriological water quality and 77.3% satisfactory for Physical and Chemical quality of water served by the NWS&DB.

ISO/IES 17025 : 2018 has been granted to the NWS&DB laboratories – Central Laboratory , Western South, Western Production, Jaffna, Vavuniya- for the water and water treatment chemical testing.

Material composition testing for the Gun metal ferrules has been started at the Central Laboratory and two fire resistance cabinets were installed to safe storage of the flammable chemicals.

Water quality survey for the dug well testing has been conducted island wide with the support from regional laboratories in NWSDB to find the safe water coverage in the country.

Non Revenue Water Reduction

NRW Section of RSC (WC) has carried out many Non-Revenue Water (NRW) reduction activities including leak detections, valve tracings, pipe line tracings, flow and pressure measurements, illegal usage detections, leak survey, internal leak detections, defective meter replacements and leak repairs in western central, western south and western north regions. In addition, NRW monitoring and management activities were carried out with the Greater Colombo Water and Waste Water Improvement Program (GCWWMIIP) in Colombo city area.

Under the above circumstances it has been able to reduce NRW in Colombo City up to 39.12% and western central region up to 29.53%. In addition to the NRW reduction activities, training programs were conducted to aware the NRW management in NWSDB.

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 2020.

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 recharge activities, hand pump repairs and rehabilitations, and conducting of studies for groundwater issues were carried out successfully.

As a total, 340 hydrogeological investigations, 150 deep

and shallow borehole constructions, 151 flushing and well developments, 8 new hand pump installations, 221 of repair & rehabilitation of hand pump tube wells and 68 pumping tests were completed within 2020.

The groundwater development activities up to 1000 cu.m/day Himbilyakada village for agriculture activities were completed. The groundwater source capacity of existing WSS, new NWSDB WSS and other institutions were increased by 12,000 cu.m/day.

As capacity building of groundwater section including groundwater resource development, pumping test, drilling and maintenance activities were conducted for groundwater staff and others. The groundwater dynamics, contamination modeling, groundwater mapping, groundwater recharge and isotope studies are new future focuses of the section.

Supplies & Material Management

The required materials for NWSDB's operations need to be readily available while maintaining 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 for 342 water treatment plants and providing of connection materials without any interruption, throughout the year 2020 even under the covid-19 situations prevailed during the year.

More than 425 shipments were cleared during the year coordinating with many government and private institutions while maintaining high standard of clearing and ensuring efficiency to avoid paying demurrages. In addition, 639 of purchase orders and approximately 125 award letters for local purchasing with the value of LKR 270 million were issued in 2020. Further it was able to save more than LKR 100 million by redistributing excess materials from RSCs Island wide without purchasing new materials.

A process is underway to link all the 327 stores throughout the Island by an Inventory Management Software. Plans were succeeded to supply 143 computers to island wide stores and 252 out of 327 stores have been systemized with IT. Considering stock value, LKR 5,200 million out of LKR 9,000 million have already been captured to the system and now under

operation.

During the year, 26 contract documents worth of LKR 1,224.21 million were prepared and bids were called for 85 lots of redundant and obsolete items with an estimated value of LKR 47 million. In 2020, Supplies and Material Management Section managed to achieve expected objectives within the budget allocations and overall performance 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 Water Supply the NWSDB implemented many CKDu preventive activities investing Rs. 273.72 million during the year 2020. 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 and repairing RO plants and hand pumps were mainly covered through this allocation.

Development

Development Section was mainly engaged in Water Resource and Water Safety Planning (WSP) related activities.

High-Level Steering Committee for water sharing among stakeholders was initiated in 2019 which continued to have a broad dialogue on water extraction issues faced in the absence of water extraction rights from the relevant organizations as well as difficulties come across in implementing new projects. The Development section contributed to establishment of a common mechanism for Integrated Water Resources Management which is to be formulated, as per the Cabinet Decision, by an Expert Committee appointed by the Secretary to the Prime Minister.

Worked in coordination with the Mahaweli Authority and Department of Irrigation for monitoring and coordinating water resource issues related to Corporate Plan 2020-2025 in all RSCs, preparation, maintaining and updating a water resource database related to the new CP, finalizing MOU related to water extraction requirement and arrangement for approvals for intake designs etc.

Further, with the increase of water use especially in the domestic & industrial sector and as a result of climatic changes, impounding reservoirs for drinking purposes should be introduced. Feasibility studies were initiated for Wee Oya, Yatimahana and Vadurapeenuella as proposed reservoirs and the feasibility study for

Yatimahana was completed while the EIA is ongoing.

Provided guidance for monitoring the implementation of WSP in RSCs, conducting brainstorming sessions with the WSP Advisory Unit, Internal Informal Auditing and Internal Formal Auditing for the said regions by conducting WSP training programs are some other works attended during the year.

WSP Advisory Unit and WSP Unit, Development Section held a WSP Advocacy workshop in July 2020 to share the External Formal Auditing outcomes and the way forward of WSP proceedings to the management. The WSP country report, "A journey toward safe drinking water for all" was launched on the same day at the workshop.



Advocacy Workshop on WSP

Research & Development

Many research and development activities were carried out in 2020 by the R&D Section. Studies on Flange protection mastic materials including comparison between flange protection mastic materials and stainless steel nut and bolt joints; Intake quality of drinking water at Kalubowila - Colombo South Teaching Hospital and Reduction of Algae levels in Dry Aru water treatment plant were conducted during the year. Further, a research study for effective removal of iron in groundwater was also conducted at Mirigama WTP with a student of Kothalawala Defence University.

Consultation for providing solutions for some concerns at the Package Water Treatment Plants at Unichchai, Pugoda, Mawathagama, Gokarella; Preparation of specification for RO Filter in Negambo; Package plant improvements by reviewing designs and accommodating

O&M issues and forming necessary databases are some other works conducted during the year.

Further, Collaborative Studies were done to assess sustainability of Ion Exchange Water Treatment system in the rural context with Ion Exchange India Ltd. and to assess sustainability of advanced water treatment for low capacity treatment systems (Nano filtration, defluoridation and EDR) with JRDC.

Other than the above, there were some other studies carried out by NWSDB staff in the areas of groundwater, automation systems, water treatment etc. and they were facilitated by R&D section.

GIS & Mapping

GPS field survey for Ambalantota, Weeraketiya & Kataragama WSSs (75, 176 & 144 Km length of pipelines and 75, 105 & 120 Valve points, respectively) were completed and maps were handed over to RSC Southern; and for transmission main- Labugama/Kalatuwawa (19 Bridges) were completed and maps were handed over to P&D Section, Head Office.

Digitization of Base Maps and Water Utilities in Buttala, Sevanagala in Uva, Lihiniyagama & Sandunpura in East, Ambalanthota in Southern and Galgamuwa in North Western RSCs were conducted and all the data were handed over to relevant RSCs.

Wide range of informative maps comprising, existing GND-wise NWSDDB water supply coverage, ongoing projects, proposed projects, RWS schemes, projected population density maps for 2020, 2025, 2030 & 2050, major river basins with water extracting intakes, etc. were prepared for each district to use for Comprehensive Strategic Investment Plan for the Water Supply and Sanitation Sector (Master Plan).

Other important maps such as stores locations, water treatment plants and river basin-wise water extraction locations from rivers & tanks were prepared for NWSDDB. Maps prepared and handed over as per the

request of outside organizations are Battaramulla, Colombo City & Kesbewa water utility maps for Ceylon Electricity Board, Ceylon Petroleum Corporation & Urban Development Authority respectively; NWSDDB water treatment plants map for Paranthan Chemicals Company and NWSDDB water intakes maps (existing & proposed) for Ministry of Environment & Central Environmental Authority.

Also steps were taken for expedite completion and sustainability of GIS on water utility. Specification for preparation of As Built Drawings of water utility network in GIS format was handed over to the Documentation Section to include in relevant Tender Documents. GM's circular was forwarded to RSCs on digitalization of balance pipe network with a method statement to be followed.

Water Safety Plans (WSPs)

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

Understanding the advantages, WSPs have been implemented in 281 (as at 31st of December 2020) urban Water Supply Schemes (WSSs) which is around 82% of the total WSSs maintained under NWSDDB. In addition, three Key Performance Indicators have been introduced under Key Result Area of safe drinking water in order to monitor the level of WSP implementation for next 05 years.

Further, 29 internal formal audits and 34 internal informal audits have been conducted to ensure the effectiveness of ground level applications. Moreover, the NWSDDB in collaboration with The Institution of Engineers, Sri Lanka (IESL) and WHO country office, have 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 in the country. Further, the Department of National Community Water Supply (DoNCWS) has taken the lead in applying WSPs in all regional community based organizations across the country.

The implementation of WSPs will ensure to have a sustainable approach under the "Water for all" program of Government of Sri Lanka. the NWSDDB, i.e. "Safe Water for a Wealthy Life".



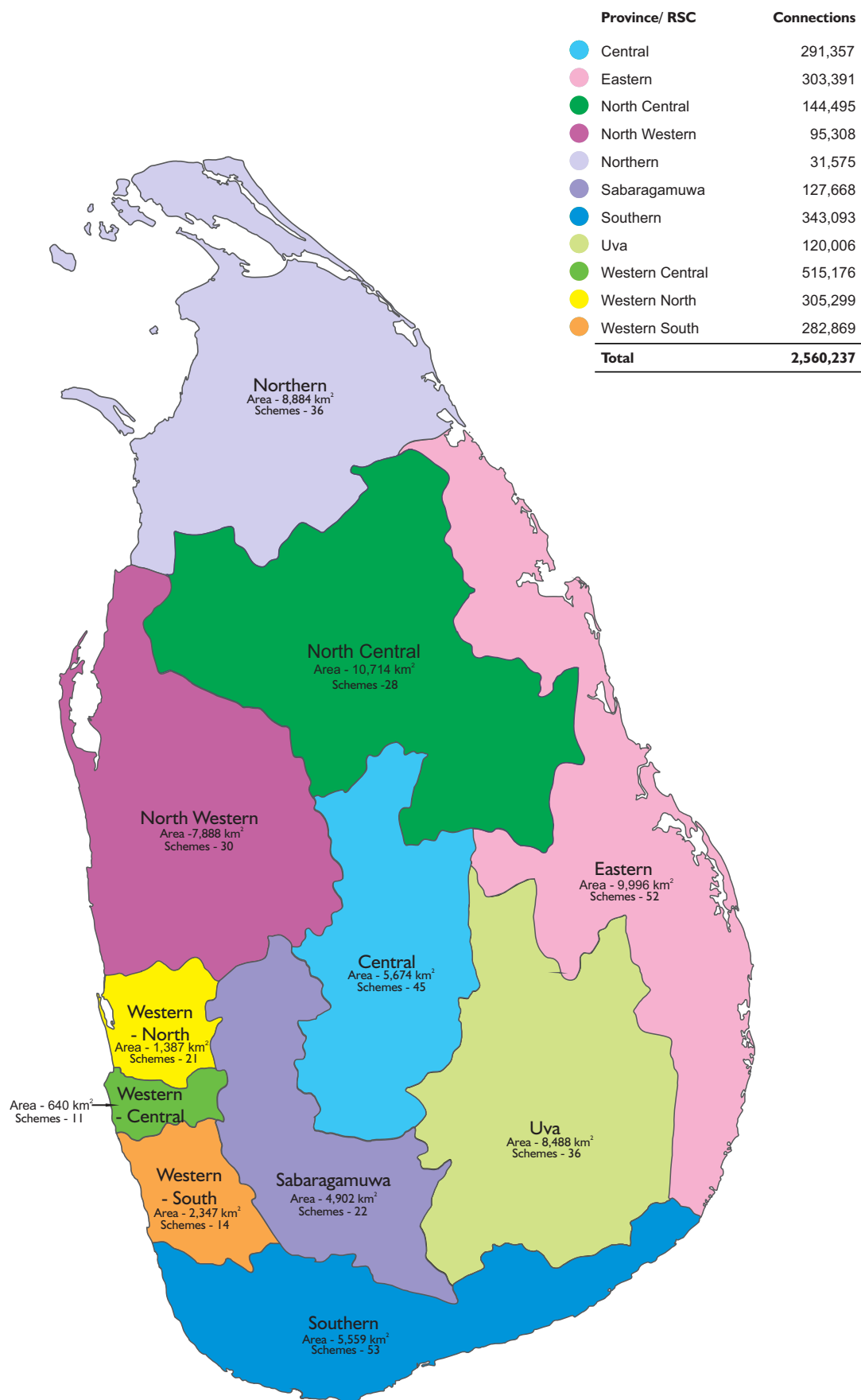
“Without water, life would just be rock.”

– Anthony T. Hincks





Regional Support Centers



REGIONAL SUPPORT CENTERS

Western - Central

The RSC (WC) consists of CCN, CCS, Kotte and Maharagama Manager Regions.

NRW Section of RSC (WC) has carried out many NRW reduction activities such as night leak surveys, leak detection, illegal usage detection, defective meter replacement, leak repair and isolation of DMA Zone, etc. NRW monitoring activities were carried out by the GCWWIIP, and training programs about NRW management for NWSDB regional Staff were also conducted coordinating with training division. It has been able to reduce NRW of Colombo city from 40.2 % to 39.12 % and NRW (WC) from 30.7 % to 29.53 % during the year.

A critical situation was identified at Maharagama and Galawilawatte Pumping Stations due to rapid infrastructure developments in Maharagama and Kotte Manager areas. Supply and Installing of new Pumps needed procurement process which may take several months and it was decided to do the capacity improvements under No Investment projects by utilizing available man power of NWSDB with the pumps transferred from other sites which were suitable for the said two sites, and projects were completed before August 2020.

The existing Pump of 1,580 cu.m/h was replaced by capacity of 1,770 cu.m /h pump at Maharagama Pump House, which created 3 duty 1 standby facility by overcoming all 4 duty condition with capacity improvement of 190 cu.m/h until they are being replaced in the future.

Also the existing pump of 190cu.m/h was replaced by 370 cu.m/h pump at Galawilawatte which created 1 Duty and 2 Standby facilities by overcoming all 3 duty condition with capacity improvement of 180 cu.m/h until they are being replaced in the future.

For Jubilee pump house, replacing 02 existing pumps of 200 cu.m/h capacity with 300cu.m/h pumps to cater the demand at peak hours; and replacing existing Jubilee distribution pump of 800cu.m/h capacity with 1,300 cu.m/h pump for providing stand by facility, through RH budget are at the Bid Awarding Stage.

As energy saving activities, it was able to save Rs.40,000 per month by controlling Lift and Air Conditioners operating hours at Maligakanda New Building and Rs. 8,000 per month by applying auto pumping system at Nagaswatta Pump house under RH budget.

During 2020, there were about 41km (90mm-225mm) distribution extensions done in the region through regular extension programs while there were about 198km (63mm-90mm) pipe line extension/ common line/ water supply for property development lands through O&M budget under the Acceleration Programme in Maharagama.

Billing for the year was LKR 8,890 million (106% achievement) while collection was LKR 7,725 million with a collection efficiency of 87% and debt age is 2.2 months, for the total RSC (WC) for the year ended.

Augmentation of Water Treatment Plant at Penrithwatta, Avissawella WSS is at Bid Calling stage and Halhotawatta Intake Improvement – Avissawella WSS is at Document Preparation Stage.

Western - South

The RSC(W) comprises of RSC(W) office and 03 Regional Manager Offices named Manager (Dehiwala), Manager (Panadura-Horana) and Manager (Kalutara).

Many special events were taken place in the RSC during 2020 and some scheduled special programs for 2020 were postponed with Covid -19 Pandemic. RSC(W) applied for National Productivity Awards -2018/2019 and 5S Certification competition. RSC(W) office with three Manager Regions arranged Art Competition, several Water Conserving Awareness programmes in selected Schools of Kalutara Region and 17 no.of Physical and Online training programmes were arranged at RSC (W) office targeting to improve the Productivity.

Drive through bill payment system of RSC(W) premises is completed and has been opened to the consumers.

Action were taken to reduce the NRW value by repairing and replacing Bulk meters in all regions, AC pipe line replacement in Beruwala and Dehiwala/Moratuwa areas and leak repair in Alwis Place reservoir. Specially, JICA granted project, "Enhancement of Operational Efficiency and Assets Management Capacity of RSC (W), NWS&DB" is ongoing in Panadura area focusing active leakage control in the selected pilot zone in Panadura.

Energy Saving Activities such as Installation of high lift pumping sets at Beruwala and Soysapura pump houses were carried out. Source of funds are Energy and Rehabilitation respectively.

Water quality surveillance and water security activities were carried out in several areas including few RWS schemes. 132 no. of CBO Schemes were being implemented and 20 schemes are ongoing providing 17,000 of connections for 76,500 beneficiary families. All ten water safety plans in the region were completed. Among those, five water safety plans were revised.

Furthermore, pipe line extensions for a total length of 57.9 km (20.17 km in Kalutara Region, 35.16 km in Panadura-Horana Region and 2.57 km in Dehiwala Region) were completed. 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 Kolemudara targeting to transmit raw water to Kethhena treatment plant in dry weather period as a medium term solution. Further to that, a feasibility study is carrying out by the Irrigation Department to construct a salinity barrier closer to the estuary of Kalu River.

Following major projects were included to the 2020-2025 Corporate plan. Improvement of Ingiriya WSS, Capacity Improvement of Kandana WTP, Laying of Transmission main from Alwis Place to Wadduwa and Laying of 500mm dia. DI pipe line from Kethhena WTP to Central Junction are the projects in which designs were completed in year 2020. In addition designs on Distribution expansion of Mathugama/Agalawatta areas in Kalutara District and pre-feasibility study of Kethhena Improvement and Expansion Project was initiated. The pre-feasibility study of the Multi-stake holder Approach to Kalu ganga catchment protection was completed.

Ingiriya – Handapangoda water supply project is proposed to improve the coverage of Manager (Pananura-Horana) region.

All three Regions were taken 100% of their meter readings, using meter reader Application Software. The Special Investigation Unit of NWSDB has confirmed 26 illegal connections within RSC (WS) region in 2020.

Western - North

The RSC (WN) Comprises of RSC(WN) office at Kadawatha and 02 Regional Manager Offices named Manager (Kelaniya) & Manager (Gampaha).

RSC(WN) and the two manager offices have applied for the 2020 National Productivity awards 2018/2020 and

5S Certificate competition. Negombo laboratory Achieved “5S” Certificate from the National Productivity Institute. RSC (W/N) arranged 12 nrs. of physical and online training programs targeting to improve IT Applications & Productivity. Several IT related applications were introduced to facilitate operational and maintenance activities, and about 90% of customer locations and 85% of pipeline network have been digitized.

RSC(WN) received LKR 19.9 million for NRW activities and this allocation was used for repair and maintenance of water towers as well as establishing DMA system for Ranpokunagama water supply scheme and replacement of AC pipelines targeting to reduce the NRW in those areas.

Under energy saving, works such as pump usage optimization and solar panel installation were initiated in 2020.

In order to reduce the stock levels, small stores were merged and goods not issuing more than ten years were identified and handed over to Thelawala main stores. Inventory Management System (IMS) was introduced to facilitate stores activities.

Water quality surveillance and water security activities were carried out in Gampaha & Kelaniya areas including public institutions, community water supply schemes, private institutions and public wells. Around LKR 14 million worth of works were completed in 2020 as RWS activities. WSP internal formal audits were completed for 06 water supply schemes out of which Biyagama AE distribution system achieved 107 points, the highest recorded in SL.

Furthermore, pipe line extensions for a total length of about 50 km were completed. LKR 115 million worth Rechargeable & Rehabilitation activities were also carried out in the region throughout the year.

Methods such as bowser water supply and valve control were used to control water shortages during dry weather period and also responded to various public requests regarding Water Issues and Providing short terms solutions.

Research studies have been conducted to improve the water quality of Meerigama & Bataleeya WSS for removal of extra Iron content.

Planning and Designs section prepared the input for Corporate Plan 2020-2025 of NWSDB, has started the detailed designs of two large scale projects in the region

namely; Mirigama and Divulapitiya and also completed all the works required for procurement including the preparation of detailed design works for six medium-term strategic projects.

Procurement and pipe laying work for RDA 100,000km program was started in 2020 with closely coordinating with the RDA staff. Several meetings with RDA officers were held to review the progress and to discuss the issues.

Southern

In Southern Province, Water Safety Plans of Ruhunupura & Muruthawela WSS scored more than 100 in an Internal formal Audit and Ranked as 'Good'.

Under Energy Saving fund, 03 nrs. of vertical turbine Pumps with panel board for Greater Galle intake and centrifugal pumping set for Arahena Dickwella WSS has been replaced.

Many activities were carried out under rehabilitation budget during the year. Chemical dosing pump for Baddegama and Wackwella, High lift pump for Wewahamanduwa pump house, back wash air blower & control panel for Nadugala WTP, lighting protection system for RSC(S) and new generator at Tihagoda WSS have been installed. Flocculator/structures and building of Wackwella WTP, steel truss for Batheegama & Kudawella bridges, water tower at Kachcheriya Kanda have been rehabilitated. Wewahamanduwa pump house & access Road and water tower at Ruwanwella have been constructed. Pumping main at Urapilissu Road (Kudawella WSS) has been re-laid. Filter media for Muruthawela WSS and Alum dosing tank Kirindioya have been replaced.

Actions were taken to reduce the NRW values by replacing Old water meters, checking illegal connections, replacing defective meters, checking zero bills, estimated bills and conducting a night time leak survey.

Water quality surveillance and water security activities were carried out in several areas including some RWS schemes. In order to ensure safe water supply 3,108 water samples in Matara, 5,583 samples in Hambantota and 2,123 water samples in Gallere region have been checked.

Mapping works in Hambanthota and Matara are 100% completed while progress in Gall region is 85%.

Training programmes in several areas such as First Aid, Fixed Asset Verification, basic MS Excel- Word, New

Connection Estimate Systems, Inventory Management System (IMS), NRW Management & GIS Based Water Asset Management, Filtration Process, Online Stores Management system, and Calibration of Measuring Devices have been carried out.

In-order to reduce stock levels maintained in Galle region Non-moving & Slow moving items have been identified & Transferred to required sites.

Pipeline extensions of 50 km were done in all the regions. Under Rechargeable funds, Laying of New Pipes lines (4.0 km) on Hakmana Road 100% and Pumping Main Angunukolapelessa WSS 95% have been completed and under the redundancy improvement of Hambantota water supply scheme, 1.5 km pipe laying at Udamalala was carried out. Laying work has been started in Gonnoruwa, Sooriyawewa and Mavusirigama, CKDu dominant areas.

In 2020-2025 Corporate Plan, major projects for improvements in seven Water Supply Schemes in Matara Region, four Water Supply Schemes in Galle region and eleven Water Supply Schemes in Hambanthota region were included.

Design & Documentation works have been completed for some of those projects while Feasibility Studies has been completed or in progress for other projects.

RSC (southern) faced many issues due to inadequate water supply in many areas. Temporary Salinity Barriers had to be constructed across Nilwala & Polwathumodara rivers for Salinity intrusion to Nadugala and Kananke intakes. Water quality issue persists in some areas. Some of the issues could be solved after completion of Matara Stage iv project.

North Central

A total of 20 WSS are in operation in Anuradhapura region. Billing Target for the year 2020 was LKR 843.83 million and the achievement was LKR 940.16 million which is a 111.42% achievement. Collection target for year 2020 was LKR 871.18 million and achievement was LKR 889.95 million which is a 102.15% achievement.

A total of 12 WSS are in operation in Pollonnaruwa region. Billing target & achievement by end of December 2020 were Rs. 395.33 million and LKR 482.91 million respectively. This is a 122.15% achievement. Collection target & achievement by end of December were LKR 410.44 million and LKR 445.65 million respectively which is a 108.58% achievement.

22 nrs. of Tender Documents were prepared and processed for Utility Shifting, CKDu, Rehabilitation, Rechargeable, O&M and RWS funds. The amount of the works was LKR 144.44 million. Designs related to Head work improvements in Galnewa, Thuruwilla, Nuwarawewa, Thissawewa, Minneriya and Gallella WSS were done by RSC (NC) P&D section with the assistance of P&D division, Head office.

Water safety plan has been initiated in 22 WSS. Up to 11 modules were completed in 12 WSPs and 04 informal internal audits were conducted. CBO handing over programme was implemented in Anuradhapura North Project area.

Financial progress of RH budget and NRW budget was 84%, 8.6% respectively. Physical progress of Pibidemu Polonnaruwa Development Project is 96.23% and the financial progress is 71.08%. Physical progress of Medirigiriya water supply Project phase II is 99% and the financial progress is 86%.

Drilling activities were carried out in 35 number of production wells. Out of this, 40 new wells were drilled in four water supply schemes. In addition, 34 wells were flushed and developed while 30 number of hand pumps were repaired during 2020. Further, 35 Hydrological Studies were also carried out during the year.

Anuradhapura North Water Supply Project phase I and Thambuththegama WSP were in progress during the year. Progress of Consultancy contract of Anuradhapura North WSP phase II is 90% and construction work to be started in 2021.

Land acquisition is in progress (68 plots) for proposed projects in Anuradhapura and Polonnaruwa. Annual Asset verification was completed and the value of total assets under RSC(NC) is LKR 1,718.9 million. Capitalization of Deyata Kirula, Minneriya, Medirigiriya, Kalawewa & Ranavirugama Water Supply Scheme were completed.

Laboratory facilities & Water Quality activities have been improved to obtain ISO-17025. Necessary trainings were provided through PTB project.

Productivity improvement activities were conducted in WSSs and water treatment plants. As a result of identifying and rectifying 10,568 leaks by December, NRW was reduced to 15.6% in Anuradhapura. As a result of identifying and rectifying 5,418 leaks by December, NRW was reduced to 22.8% in Polonnaruwa.

During the year 04 training programmes were conducted for the employees spending LKR 41,398.00.

North Western

Environmental Protection License (EPL) was acquired for Greater Kurunegala Water Reclamation System (GKWRS) for year 2020. 45 new sewer connections were provided and earned LKR 9 million to NWSD. New solar power system (130KW) was installed at GKWRS. Several design and consultancy works were also carried out for Wayamba University (Makadura), Dankotuwa Fish Market and feasibility study for BOI Mawathagama.

By apprehending to the government goal, preparation of sanitation master plan was initiated at GKWRS. A 13-acre land for the proposed Greater Kurunegala Septage Treatment Plant was acquired during year 2020.

The design work of new Septage treatment plant is carried out at GKWRS.

Designs and preparation of estimates for the 14km pipe line extensions were carried out during the year and 4.5km simplified line extension proposals are at procurement stage.

69% of the RH budget amounting LKR 83.73 million was spent for augmentation of existing schemes Naththandiya, Kakkapalliya, Old Treatment Plant at Rahamathnagar & Puttlam WSS in Puttlam District.

Production of Giriulla WSS was increased by connecting Old bore hole at Dambadeniya. 27.14% of the NRW budget amounting to LKR 24.42 million was spent to installation of electromagnetic Flow meters, construction of valve chambers and improvements to distribution systems in Dambadeniya, Nikaweratiya, Wariyapola and Giriulla schemes and to temporary overcome the big issue of collapsing intake weir at Eluwankulama. LKR 3.4 million was also paid to Irrigation Department to improve the weir at Eluwankulama.

52 km long extension in Bingiriya area was taken over from ADB 5th Project. Madurankuliya Swashakthi CBO was connected to Puttlam distribution system and 1,600 connections were added.

Achieving 136% of the target, 7,455 numbers of new connections have been provided. Billing progress was LKR 788.81 million which is 105% as the target. 93% of the targeted collection was achieved amounting LKR 711.38 million while achieving 93% of target water sale LKR 65 million was invested to replace pumps at Wariyapola, Solar Power system at Greater Kurunegala WSP, Nattandiya WSS and Wennappuwa from the Energy Saving budget which will save LKR 8.5 million annually. CCTV cameras were installed for 8 WSS for security improvements. The new workshop building constructed with AIWSSP funds is completed.

LKR13.76 million spent from the CKD Budget for Hettiarachchigama (95% completed) and Ambukkagama (100% completed) RWS schemes. LKR 35.77 million spent from the RWS budget achieving 100% completion of Maragama, Diddeniyawatta and 85% of Musalpitiya WSPs and 50% of Thoranegedara RWS Schemes.

Feasibility report for Makandura Pannala Bingiriya Udubaddawa IWSP was submitted for PAC approval.

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 Narammala, Bingiriya, and Dankotuwa were completed while others are partially completed.

7 out of 20 RWS schemes were completed and 05 Schemes were partially constructed with RC funds by Wayamba Development fund. LKR 69.5 million has spent under RC budget for pipe line extension to Bigiriya EPZ, RWS schemes from NHDA and Aruakkaru Project from Megapolice .

170 km of pipe extensions (63mm, 90mm in 110mm and 160mm diameter) were performed within the region.

64 investigations for tube wells, 13 nrs. of drilling, 14 of flushing of tube wells and 21 pumping tests amounting LKR 15.14 million have been carried out by the Ground water section.

Central

During the year 102% targeted collection was achieved with a collection of LKR 2,066 million for the sales of 57 million cubic meters which is a 109% of the target.

Three main leaks in transmission mains and 73 invisible leaks were detected. Activities committed under the NRW budget 2020 were successfully completed by utilizing LKR 21 million out of allocated LKR 100 million. Apart from that, 4,570 major and minor leaks were attended by the RSC staff.

Installation of Yatiwawala high lift pumping system, Angunawala and Medadumbara pumping system were made to a price of LKR 94 milion. Further, 24 Hydrogeological investigations, 22 bore hole well drillings, 10 times bore hole well flushing, 2 times hand pump rehabilitation works which earned LKR 11.45 million, were also carried out.

Overall Water Safety Plans (WSP) implementation achievement in the region is 90% and WSP verifications were made in 7 schemes.

The laboratories have tested altogether 22,515 samples including 6,195 samples of NWSDB and 5,307

of out siders for chemical parameters and 6,203 samples of NWSDB and 4,810 of out siders for Microbiological testings. Under CBO water quality surveillance program 240 microbiological samples were tested and only 53 samples were satisfied.

Within the Central East Manager Region, installation of solar power system at Maligathenna Pump House, lab upgrading with new tools valued to LKR 3.3 million provided by 'WaSSIP', baffle board replacement at Maskeliya and Ragala WTPs, office building construction at Haragama WSS, pipe replacement at Madadumbara WSS and new intake pump installation at Sri Padha were done. Also, Pussathenna CBO was acquired with fixed assets and 230 connections were added to the system.

At Central North Manager Region, rehabilitation of Galagedara, Udathenna and Matala WTPs, pipe laying in Dambulla Economic Center area, replacement of tube settlers in Matala WSS were carried out. Additionally,

another 8.8 km of new pipelines and 2.86km of pipeline replacement were also completed.

Within the Central South Manager Region, rehabilitation activities like replacement of filter media of Hantana WSS, intake improvements in Gampolawatta & Paradeka WTP, rehabilitation of Hantana Sewerage Plant and construction of a security hut for Elpitiya WTP were carried out. Further, pipe relaying of Gampola Dolosbage road, and aged pipe replacement in Mount Temple – Sakkarankotuwa transmission have been completed. Installation of SCADA software in Meewatura plant, supply and delivery of three radio units and valve chamber constructions in Udu Yati Nuwara area were done during the year. distribution pipeline replacement in Akurana WSS and Development studies are being conducted to enhance the existing coverage of Kandy District from 63% to 77%, Matala District from 30% to 85% & Nuwara-Eliya from 10% to 14%. Fourteen new water supply projects were incorporated in the Corporate Plan 2020-2025 and are being processed.

Tenders were called by P&D section for two package plants, a new Plant, augmentation of 3 plants including a CBO, rehabilitation of university WTP with pipe relaying, 2 transmission improvements and improvements at 10 Water Supply Schemes. Distribution modeling and analysis under Puraneguma project and Renovation of RSC-Central office building was also made.

Completion of fixed asset verification report 2019, project capitalization of Grater Kandy Phase II, Greater Dambulla project and entering of regional data to the Fixed Asset Data base were made within the year and also arked 90% completion of fixed asset register-2020.

RSC training division has conducted 06 numbers of in-house training programs and productivity concept was introduced to Manager Regions moreover to the progressive practice at the RSC.

Sabaragamuwa

NRW reduction activities were carried out in the RSC spending LKR 8.2 million on ongoing activities while Allocating LKR 10.00 million for new NRW activities in the region for 2020.

Under the Rural Water Supply component of the project Waraketiara, Gal Amuna and Randola water supply schemes were completed serving 221, 185 and 113 households respectively at the cost of around LKR 22 million. Also 62% of the overall physical progress has been achieved in the Pambahinna WSS under Urban Water supply component of the WaSSIP Project. The project consists of construction of 4,500 cu.m/day capacity WTP, intake, transmission and distribution system with service reservoirs covering 05 GNDs serving 6,312 people and the University of Sabaragamuwa. The total cost of the project is LKR 1,100 million.

88% of the overall physical progress has been achieved in Galigamuwa WSS under Urban Water supply component of the WaSSIP Project. The total cost of the project is LKR 2,300 million.

It was proposed to supply 5,000cu.m of drinking water per day from Embilipitiya WTP to Padalangala area and funds for the proposed scheme will be supplied under WaSSIP project and CKD funds. Supply and laying of 4.5km long, 400mm diameter pumping main from Embilipitiya WTP to proposed water tower at Padalangala has been done by NWSDB under CKD Funds and construction work has been completed. The awarded contract amount was LKR 92.97 million. Construction of treated water pump house in Embilipitiya WTP premises to feed Padalangala pumping main is carried out by RSC under CKDu funds at the estimated cost of LKR 3.5 million.

Rehabilitation of Udawalawa Water Treatment Plant is to be carried out under Rehabilitation funds. The estimated cost for the project is LKR 9.0 million and construction work ongoing.

Kahawatte- Pelmadulla transmission main project for laying 280mm diameter PVC transmission main (7km) from Kahawatta WTP to Batalanda junction in Pelmadulla with a project cost of around LKR 160 million under rechargeable funds is ongoing and overall progress is physical 10%.

Installation of redesigned abandoned Package Treatment Plant at Eheliyagoda treatment plant premises at the cost

of LKR 19.0 million under capital budget was carried out.

Implementation of water safety plan was continued in the year 2020 in Ratnapura & Kegalle regions. Stake holder awareness programmes were conducted in both regions. Water safety plan module completion in Rathnapura region is 50% & internal informal audits were completed for Udawalawa WSP and Kahawatta WSP. The module completion of kegalle region is around 40%.

During the year 2020, around 6,000 plants were distributed in Kegalle & Rathnapura districts and more than 3,000 plants were distributed in Ratnapura district via Pradeshiya sabas and Divisional Secretariets. Another 3,000 plants were planted by NWSDB together with the Department of National Community Water Supply in catchments of CBOs.

Many construction activities were carried out in the Kegalle region under resettlement and utility shifting funds.

Uva

The RSC- Uva consists of two regions as Bandarawela and Monaragala. Uva RSC office Badulla and Demodara Water Treatment Plant were awarded with ISO 9001: 2015 QMS Certification in year 2020 which was a great achievement.

NRW section was formed under CE (Construction) to undertake a NRW monitoring and reduction programme in both Bandarawela and Monaragala Regions. Night leak surveys, monitoring disconnections and detecting illegal connections were done by the section. Rectification of existing service connections, replacing low pressure rated pipes and aged pipes, etc. were done under the NRW budget in 2020. It was able to reduce the NRW from 27% in 2019 to 26% in 2020.

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 the maintenance cost and the pump breakdown period has also been reduced.

In order to maintain the stocks in the RSC, most of the items were entered to the IMS system. In the region, about 35km pipe laying was done using the available pipes and fittings in order to reduce the stock levels in RSC. Thirty training programmes including the trainings conducted via zoom, were carried out during the year from training budget as well as from some other sponsorships.

Under the Catchment Protection Programs, Shramadana campaign for Kahagolla catchment, tree planting programme for Demodara WSS and two school training programmes were carried out. Water Safety Plans were started for almost all the schemes and all the modules were

completed in seventeen schemes of the province. Internal Audit was completed in Monaragala, Buttala, Demodara, Mahiyangana and Keppetipola WSSs during the year 2020.

Pipeline extension works of 40km were done in Bandarawela, Badulla, Demodara and Haliela WSSs and 54km in Mahiyangana WSS, in Badulla district. 21km of extensions were carried out in Monaragala, Wellawaya and Okkampitiya WSSs in Monaragala. Also 76km extension in Madulla WSS completed under WaSSIP Project was handed over to the NWSDB.

About 43km pipe laying along A5 road was proposed to carry out as Rechargeable activities in both Badulla and Monaragala Districts and it was able to complete 30km. Details of water supply status in schools of the province were collected and estimation work was done by the RWS section of the province. Pumping main extension for Rideemaliyadda area is ongoing under CKD budget.

More than 100 contracts with total contract amount of LKR 244 million were carried out under rehabilitation and NRW budgets. Rehabilitation of water supply schemes, improvements to OIC office and quarters, laying of transmission and distribution systems and M&E improvements of the region were also carried out. Though the improvement works were affected by COVID – 19 pandemic during the the year, utilizing more than the allocated RH budget is a great achievement.

PAC approval was obtained to Hambegamuwa WSP, Water treatment improvement in Badulla District, Distribution improvement in Demodara WSS and Water treatment improvement in Monaragala District during the year.

Northern

Regional Support Centre(North) provides drinking water supply facilities and advice to public & institutions, within Northern Province covering 5 districts namely Jaffna, Killinochchi, Mullaithivu, Vavuniya and Mannar under Regional Manager (Jaffna) and Regional Manager (Vavuniya).

Total pipe borne water supply through NWSDB in this region is 10.12% of population while rural water supply coverage is 1.73%.

There are 33 WSSs under this RSC. Nainathevu and Thaiyaddi new schemes were taken over by NWSDB. During the year, 51.4 km pipe line extension works were carried out. As mitigation measure of NRW, distribution improvements including replacement of 2.77 km AC

Pipe lines, 12 valves and 1,843 defective meters were also carried out. Further, 81 new valves were installed. Valve chambers were constructed and some are in progress. Laying of extension pipelines in distribution systems worth of LKR 274 million were completed including Madhu WSP. Nikawewa WSS was completed and handed over to Community.

Seven no. of WSS were completely digitized under the WAMS, using ArcGIS.

Both regional laboratories are upgraded and accredited for ISO 17025:2017 for chemical testing and getting accreditation for microbiological testing is in progress. With Laboratory services to various stake holders LKR 3.5 million was gained. Water Safety Plan (WSP) for 5 WSSs was implemented. Auditing for WSP was carried out for Delft WSS and total score received is 82 out of 120 and qualitative assessment is "Average". WSP document for Kilinochchi WSS has been forwarded to WSP Advisory Unit.

Construction of pump houses, renovation of towers, ground sumps and valve chambers have been carried out. RSC(North) extended its support to cater drinking water supply and other secondary water supply to 500,000 devotees who gather at the Gazetted festival of Holy shrine of Madhu and Thirukketheesawarm temple of lord Siva.

List of Unserviceable & nonmoving items listed in the Post Verification 2020 (Total value- 1.54 million) were sent for approval to dispatch to Head Office. Solar power systems were completed at Pump houses in Pointpedro WSS & Kilinochchi WSS.

M&E works were carried out in all districts for LKR 38 million and tender documents were prepared for procurement of LKR 200 million worth M&E Equipment.

Written approval from Provincial Irrigation Department for constructing reservoir across Kal Aru for Greater Mannar WS Project was obtained. Design-Built Bid document for Greater Vavuniya was prepared & reviewed by P&D, Head office. 21 projects were identified to implement in 2020-2025 under the Corporate Plan.

Design works of LKR 1,127 million were completed for 3 WS projects. RSC(North) has been recognized as a training office for Engineers in Design and Construction for awarding IESL Corporate membership.

Capacity enhancement of 828 cu.m/d groundwater intakes was completed by constructing borehole wells. Operational issues prevailed in intake wells were solved by the well development programme.

East

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

Many NRW reduction activities were conducted during the year under the NRW reduction programme. Transfer of existing PVC service connections to PE are in progress. New connections were given with PE pipes and fittings in Trincomalee, Ampara and Batticaloa regions. In addition, several training programmes were conducted to enhance the efficiency of the staff.

Under Energy Saving, regular preventive maintenance of pumps and equipment, energy audit and efficiency/performance tests, establishing Pump Data Base and replacement of low performance equipment were carried out in 2020. Also, procurement of solar panels System to Regional Manager's offices at Trincomalee (80 KW) and Batticaloa (40KW) is in progress.

As RWS activities, current sanitation conditions in schools in Trincomalee, Batticaloa, Ampara and Akkaraipattu Regions were collected and submitted to Head Office.

For Stock Levels Maintenance, 46 million worth of non-moving and slow moving materials were transferred to other projects and the updated material stock list was circulated among the other regional offices.

Collection of LKR 1,902 million has been reported against the billing of LKR 2,082 million during the year. Further in 2020, income of the RSC was LKR 2,286.05 million while the expenditure was LKR 3,491.73 million. During the year, 120 tenders were handled while 49 contracts worth of LKR 261 million were awarded.

A total of 6,000 chemical and bacteriological sample tests were carried out during 2020. Target dates were given to regional offices towards the water safety plan implementation. Considerable achievements were made by all regional offices towards implementation of water safety plan modules. A total 90 km pipelines were laid during 2020.

Under Asset management in 2020, fixed asset verification was carried out, fixed asset register in Regional Offices were updated and region wise

vehicles, infrastructures, plant machinery, other equipment, mobile equipment, computer & land details were prepared.

Under the Rehabilitation budget, LKR 120.0 million and LKR 80.0 million has been allocated for Rehabilitation works and NRW activities respectively, out of which total of LKR 73.3 million has been spent and LKR 35.49 million worth of bills are in hand. LKR 19 million worth of water supply works in Batticaloa region, LKR 8 Million worth works in Akkaraipattu region and LKR 17 million worth of water supply works in Trincomalee region were carried under rechargeable works with funds provided by other institutions.

Under CKDu programmes, 7 Million worth of water supply improvement works were completed in Gomarankadawela DS division and Morawewa DS divisions in Trincomalee.

All regional activities were functioned during Covid-19 pandemic situation while facing the other issues such as water scarcity in Pottuvil area during drought, water scarcity in Thirukkivil, salinity intrusion at verugal river during drought season, water source (Ground Water) of Pulmoddai WTP getting salinity, reduced water flow in Mahaweli river during drought season, limitation on water extraction from Kantale irrigation tank by Department of Irrigation.

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 45 % of the total production of RSC- WP. The total production of RSC - Western Production is increased to 1.27 million cubic meter of drinking water per day since November-2020 with the commissioning of KRB II project which has the capacity of 180,000 cu.m/day. RSC- WP produces more than 50 % of the total daily production of NWSD. The ongoing Augmentation of Keththena WTP to increase the capacity to 72,000 cu.m /day is expected to complete by March 2021. Ambatale capacity improvement by 50,000 cu.m /day and Welivita WTP of 180,000 cu.m /day are also expected to boost the production capacity in the near future to cater the

growing demand in the western province. The kick off meeting for Kandana - Phase II was also held in October 2020 and expected to proceed in near future.

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.

Water supply to Kollonnawa reservoir was improved in 2020 with a new interconnection between OLD 30" – OLD 20" pumping mains - Kollonnawa reservoir to ensure 24 hrs. water supply from Kollonnawa reservoir. A 258 meter, 800 mm Diameter DI pipe was laid to receive the excess water from newly commissioned Biyagama Phase II plant to Ambatale reservoir for 2 years until the Ambatale capacity improvement is done.

Three water treatment plants namely Ambatale, Biyagama and Bambukuliya have acquired ISO 9001-2015 Quality Management System certification. Ambatale laboratory has upgraded the ISO 17025 -2005 accreditation to ISO 17025 -2017 accreditation following the recertification audit by Sri Lanka Accreditation Board (SLAB) held in Dec 2020. This enables the Ambatale laboratory to meet the new lime standard SLS 1577-2017 which includes Magnesium Oxide. In addition, accreditation for four more water quality parameters (Ferrous , Floride, Phosphate and Nitrate) were also added to the existing list of accredited water quality parameters (pH, Turbidity, Conductivity, Chloride, Hardness and Alkalinity) using APHA 23rd edition. At present Ambatale laboratory has accreditation for 25 parameters including heavy metals (Cadmium, Lead, Chromium, Manganese and Ferrous) in alum. Applications were forwarded in 2020 to Sri Lanka Accreditation Board (SLAB) for 17025-2017 certification for Biyagama and Kandana laboratories as well.

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". Internal Informal Audit for Labugama WSP was conducted in 2020 and remaining WSPs are ready for the audit. 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.

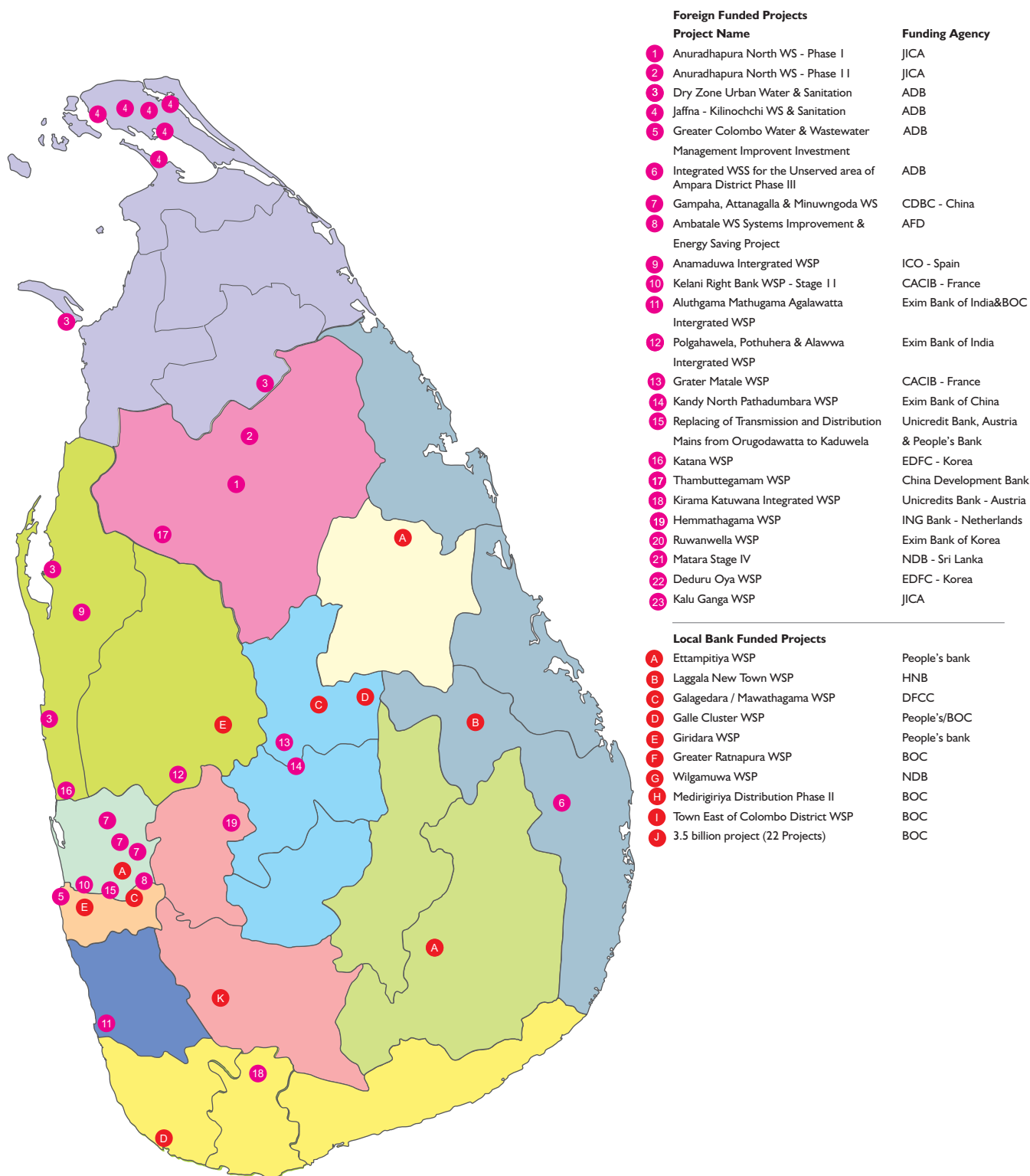
Ambatale Water Supply System Improvement and

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 8000 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 Water Supply

Location Map of Foreign-funded/ Local Bank Funded Projects under Construction/ Augmentation during 2020



FOREIGN FUNDED WATER SUPPLY PROJECTS

1. Anuradhapura North Water Supply Project (Phase I)

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

The Objective of the project is to provide safe drinking water for 115,600 population 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 9,900cu.m/day capacity, 4 elevated water towers and 3 Ground Sumps of total capacity of 7,000cu.m, 89km long transmission mains, 520km long distribution system and Operational buildings (OIC offices, Care Taker quarters, Area Engineer Quarters etc).

The overall physical progress of the project is 57% as at 31st December 2020 and it has been planned to complete and commission the project on end of December 2020.



WTP Site - Intake

2. Anuradhapura North Water Supply Project (Phase II)

The main scope of the ANWSP - Phase II is to ensure the supply of safe pipe borne drinking water to the people lives in DSD of Padaviya, Horowpothana, Kahatagasdigiliya, Kebithigollewa and Part of Rambewa in Anuradhapura District.

JICA and GoSL have signed a loan on 17th November 2016 for the amount of JPY 23,137 million for the ANWSP – Phase II. The GoSL contributes LKR 4,732 million for this project. The loan was effective from 14th June 2017 and the Consultancy Contract for Detail Design and Bidding Assistance was commenced on 1st of May 2018.

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 Project is divided into 12 packages. The consultancy contract for design and Bidding Assistance is in progress. Detail design have been completed and currently in bidding assistance stage with 90% physical progress and 54.54% financial progress. Overall Physical & financial progress at the end of 2020 was 10.3% and 0.73% respectively.

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

NWSDB is implementing the DZUWSP for water supply and sanitation improvements in North Western and Northern Provinces. Under this project Vavuniya, Mannar, Chilaw and Puttalam towns will be provided with enhanced water supply and sanitation facilities. The total cost estimate of the project is USD 163.33 million (Approximately actual cost LKR 18,400 Mn). The overall financial progress at the end of December 2020 is 98%

The project components in the all four regions have been completed and handed over to the relevant authorities for operation and maintenance.



Water Treatment Plant - Chilaw

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. Due to the proposed restructuring, the project cost was revised and the estimate is LKR 35,881.49 million including the additional financing LKR 23,256.00 million.

15 of the elevated water towers were completed and balance 05 are ongoing. 143.5 km of Treated Water Transmission Main were completed and 42.4km were also completed except fixing of air valves and

accessories. 79.4km Distribution Network pipeline is completed while 247 km is ongoing. Procurement process for SWRO, Jaffna City Distribution package (283km) and Island Distribution package (25km) were finalized and awarding the contracts are in progress. Chunnakam water supply contract and balance distribution is in design stage. Project Monitoring Supervision Consultancy contract and Environmental Monitoring Team contract for Sea Water Desalination Plant are at awarding stage.

The Physical and Financial progresses including additional financing achieved at the end of 2020 are 47.37% and 46.41% respectively (Exchange Rates - IUS\$ = LKR111.73 for original loan and IUS\$ = LKR152.00 for Additional loan)



Completed Clear Water Sumps and Pump house

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

GCWWMIIP project aim the Water Supply Network Rehabilitation of CMC area, through the pipe replacement, service connection transfers / repairs and establishment of DMAs. For this purpose, work has been divided into four contract packages and international Civil Works contractors have been procured to execute the works. Key deliverables of the project are replacing the 766 km pipe, installation of Seventeen System Input Meters (SIV) at the Colombo city boundary, relocating the 140,000 service connection water meters and replace the defective water meters, calibrating and updating of the GIS network and construction of buildings and training center for supportive activities.

The overall physical progress for Project 01 and Project 02 are 84% and 61% respectively and the financial progress for Project 01 and Project 02 is 82% and 48% respectively.

Despite the COVID-19 pandemic in 2020, project has

completed the pipe laying around 126km (altogether around 640 km completed) and the construction of 10 DMAs. The pipe laying work is ongoing in 45 DMAs, in which 17 DMAs are nearing completion. NRW reduction was assessed for 20 DMAs out of 26 completed DMAs.

As per the result, most of the completed DMAs indicate the NRW below 18%. Mostly due to COVID-19 pandemic estimated consumption was used in the NRW calculations and 17 DMAs at the nearing completion stage could not be completed due to lockdown in several areas in the Colombo city. Hence, there is no significant improvement in the Colombo city NRW reduction.

Under the supportive activities to achieve the project objectives Ellie House area engineer's office construction completed and it is handed over to O&M. Construction of booster pump house at Ellie House is completed and yet to be commenced for operation. Finishing works are in progress for NRW building at Maligakanda and new training center and accommodation facilities at Thelewala.



New Training Center and Accommodation Facilities

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 Estimated Cost of the project LKR 20,825 million. Objectives of the Project are, to increase the Coverage and provide 40,000 new water service connections to the needy people those who are living in the coverage area.

Project Component 1 - including 27,000 cu.m/d WTP & intake, transmissions, sumps and pump houses and supply of 698 km distribution pipes which were executed under Foreign and part of GoSL fund by Foreign Contractor was completed and handed over to O&M.

Project Component 2- for construction of 6 Elevated

Water Tanks was awarded under two separate contracts to a Local Contractors under GoSL component and considering the urgent need of Water Towers to eliminate consumer's issue these both contracts have been terminated Pursuant to Conditions of the Contract on 24th August 2020 due to Contractor's poor performance. At the time of termination the progress achieved 59% physically and 58% financially. Currently recalling tender for balance works is in progress.

Project Component 3 - for Yard Piping in 6 water tower premises awarded to a Local Contractor is in Progress with 80% Physical Progress.



Intake- Himidurawa

7. Gampaha, Attanagalla and Minuwangoda Integrated Water Supply Scheme

Gampaha, Attanagalla and Minuwangoda Integrated Water Supply Scheme is to provide 88,000 new connections and service improvement of 22,000 existing service connections in 443 GN divisions in Gampaha District.

A Treatment Plant of 54,000 cu.m, 05 Elevated Towers of 1,500 cu.m, a Ground Reservoir of 10,000 cu.m, 90 km of transmission and 630 km of distribution pipe lines are to be constructed. As the main water source, a dam will be constructed to build 3.5 million cu.m capacity reservoir at Basnagoda.

Dam and Intake constructions were delayed due to acquisition and compensation delays and now are about to commence. Treatment Plant, 04 Elevated Towers and the Reservoir constructions are going on. 35 km transmission and 335 km distribution pipe lines in Pasyala, Naiwala, Minuwangoda, Balummahara and Attanagalla area are completed but Contract Packages for Nittambuwa and Gampaha are yet to be awarded.

Overall physical progress is approximately 63% and financial progress is LKR 31,000 million.

8. Ambatale Water Supply Systems Improvement & Energy Saving Project

NWSSDB 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 & improve the Efficiency of the conveyance facilities at Ambatale Water Supply System. The GoSL undertook AWSSIESP with the assistance of ADB and AFD; the co-financier of the Project. The total estimated project cost is US \$100 million. The physical progress of the project was 38.46% while financial progress was 25.95% as at end of 2020.

The Construction Contracts & Consultancy Contract were delayed due to numerous reasons which were beyond the control of NWSSDB particularly the Covid 19 Pandemic. Hence, Contractors and Consultant had requested Extension of time and these EOTs will be granted with proper review and approval of the Engineer and the awarding of ICB 03 Contract package on 04.08.2020. Therefore, further extension of project completion will be required with the extension to the AFD Credit Facility Agreement.

Also, the progress of Construction Contract packages is being closely monitored by PMU in order to complete and deliver the project.

9. Anamaduwa Integrated Water Supply Project.

Anamaduwa Integrated Water Supply Project 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 Ingimitiya reservoir with a capacity of 12,500 cu.m/day, full treatment plant of capacity 11,000cu.m/ day with 1km long raw water main. The 61 km long clear water transmission main serves four water towers with capacities of 1,500 cu.m, 1,000 cu.m & 300 cu.m, and the project also includes 328 km long distribution system including all electro-mechanical equipment and institutional development.

Even with the difficulties and hindrances caused due to Covid-19 Project has been able to continue the pipe laying and tower construction in a considerable level and expecting to commence the construction of Water Treatment Plant by the mid of January 2021. Moreover Project has achieved a Physical Progress of 55% and Financial Progress of 43.24% at the end of December 2020.

10. Kelani Right Bank Water Supply Project - Stage II

The Kelani Right Bank Water Supply Project Stage II is implemented with the primary objective of ensuring the supply of safe drinking water for the Towns North of Colombo where there is increasing demand, by constructing a new drinking water treatment plant of 180,000 cu.m /day capacity in the vicinity of the Biyagama Water Treatment Plant.

Under the project, improvements to the transmission mains network is done by laying of approximately 24km of DI pipes to fulfil the drinking needs in Biyagama, Kelaniya, Mahara, Ja el, Wattala and Katana GN Divisions. The project will serve 1,750,000 of population with about 120,000 new connections.

The project is funded by Credit Agricole Co-operate and International Bank of France, Hatton National Bank, Bank of Ceylon and Government of Sri Lanka. The total project cost is approximately LKR 32,700 million. The project was commenced in January 2017 and, the new plant was officially opened and dedicated to the public by the Hon. Prime minister Mahinda Rajapaksa on 18th November 2020.

The overall physical and the financial progress of the project was 97% and 84% respectively at the end of December 2020.



Pump House

11. Aluthgama Mathugama Agalawatta Integrated Water Supply Project

The objectives of this project are to provide safe drinking water supply facility to meet the increasing demand for water in 269 GN Divisions of Mathugama, Dodangoda, Kalutara, Beruwala, Agalawatta and Madurawela DS areas by expanding the production capacity of Kethhena Water Treatment Plant and to mitigate the current Salinity Intrusion Issue by transmitting raw water from Kuda Ganga, by Constructing a new Intake at Kolemmodara.

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

Project is financed by Exim bank of India, Bank of Ceylon and Government of Sri Lanka and the total estimated cost is LKR 32,278 million. The project was commenced on 15/05/2017 & planned to be completed on 31st March 2021 (Time Extension to be granted).

Construction works of Kolemmodara New Intake, Kethhena Water Treatment Plant, Transmission Mains and Distribution system are in progress. Dodangoda Ground reservoir is complete and towers at Mathugama, Mathugama Kanda, Agalawatta and Neboda are completed except pipe lines. Overall physical & financial progress as at end 2020 are 70.55% and 70.52% respectively.



Construction of New Intake at Kolemmodara

12. Polgahawela Pothuhera & Alawwa Integrated Water Supply Project

The Polgahawela Pothuhera & Alawwa IWSP is a Plant, Design & Build contract to supply & distribution of safe drinking water to 162,725 people within 167 GNDs in project area. It is funded by Exim Bank of India (85%) and BOC (15%). Total project cost is USD 108 million.

The overall physical and financial progress as at end 2020 are 81.1% and 79.0%. The project is expected to complete by end March 2021.

There were many challenges had to overcome during implementation. RDA did not allow pipe laying along road shoulders. All the transmissions have to be shifted to the railway reservations and railway crossings has to be done. Open cut road crossings were not allowed and HDD has to be done for 60 road crossings. Further, 06 crossings cannot be executed until completion of earth filling of Expressway entrances and river flow fluctuation during monsoon was affected for Intake construction.

13. 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 + LKR 8,210,959. The contract period is 36 months, and was commenced in April 2017.

As at end of year 2020, 91% of treatment plants, 94% of reservoirs, 85% of intakes and 66% of pipe laying works are completed and 90% of mechanical items are supplied while installation works are in progress. 80% of financial progress has been achieved.

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 and 09 nrs. are yet to be acquired.

It is expected to commission the project in April 2021 with partial completion, which includes 4 completed treatment plants and 72% of the distribution system. The balance will be completed by Aug 2021.



Ambanganga WTPk

14. Kandy North – Pathadumbara Integrated Water Supply Project

Kandy North Pathadumbara Integrated Water Supply Project covers six (6) divisional secretariats. Pathadumbara, Akurana, Harispaththuwa, Pujapitiya, Kandy Four Gravets & Thumpane in Kandy District, and beneficiary populations are 470,000 by increasing the production capacity of existing WTP from 50,000 cu.m/day 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 LKR 8,356.25 plus GOSL amount of LKR 7,313.94 million. Contract was commenced on 21st August 2019 and to be completed by 20th August, 2022.

KNPIWSP consists of Improvements of WTP and Intake,

27 service reservoirs, 17 new pump houses, supply and laying 570 km distribution & 83km transmission lines and provisions for RWS and NRW prevention and reduction programme. Total physical progress is 28.5% and financial progress is 24.5% by end of 2020.

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

Under this project, Transmission lines from Labugama, Kalatuwawa & Ambatale WTPs are being replaced by 1,200 mm & 1,000 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 are being laid in this segment.

Physical and Financial Progress as at end of the year are 62.09% and 59.85% respectively.

This project is being implemented with parallel to the RDA road widening project. In some road stretches pipe laying cannot be carried out due to incompleteness of land acquisition and embankment filling. In addition to the RDA issues utility lines and poles (CEB, LECO and Telecom) also have to be shifted at some locations.



Pipe Laying-DI

16. Katana Water Supply Project

Under this project, safe drinking water is to be supplied to people living in three zones (Katana south, Katana central and Katana North) covering 46 GND's in Katana Divisional Secretariat (DS) area and total number of beneficiaries is 156,000.

The project is a design-build project which includes 2000 cu.m capacity 3 high elevated water towers, 12 km long transmission mains, 240 km long distribution system, M & E works including SCADA system and buildings (2 OIC offices, 01 bachelor quarters and 2 pump houses). Physical progress up to end of December 2020 is 96.76% while financial progress is 85.3 %. Flushing works of pipe lines and M & E installation works are in progress. This project will be completed by end of February 2021.



North Tower - Bambukuliya

17. Thambuttegama Water Supply project

To provide safe and reliable pipe borne water to 42 GNDS in Thambuttegama, Thalawa and Galnewa DS Divisions. Project duration is from 01st July, 2018 to 31st December, 2021.

Progress of the project was seriously affected by COVID-19 pandemic situations and due to the protest carry out by integrated farmer organizations of Rajanganaya tank. In addition to that progress is hindered as the Irrigation Department has not released the land for Intake. NWSDB has already agreed to grant a time extension up to 31.12.2021.

Approval is still pending for water extraction from Rajanganaya tank and land acquisition for intake structures. However, Angamuwa Reservoir is currently being proposed as an alternative water source and studies are in progress.

18. Kirama-Katuwana Integrated Water Supply Project

The Kirama-Katuwana Intergraded Water Supply Scheme has been planned to provide a reliable drinking water supply to cover 34 numbers of GNDs in Katuwana and Walasmulla.

This contract was awarded for Euro. 10,485,611 million of foreign fund by UniCredit Bank, Austria and LKR 700 million of local funds by government of Sri Lanka. The project has been commenced on 31st January 2019. Due to change of intake and unexpected COVID-19 issues, the project period has to be extent to 31st August 2021.

The project includes a 3,500 cu.m/day capacity water treatment plant together with 7.5 km transmission pipe network and 45 km distribution pipe network in both Kirama and Katuwana areas. The total beneficiaries are 26,000 populations, which provided 3,200 new connections with 2,000 service connection improvements.

At the end of 2020, physical progress of the project was

73 % with main activities were achieved as 76 % of Water Treatment Plant, 85 % of Distribution & Transmission network, 79 % of Water reservoirs, and 14 % Intake. Financial progress was 82.36 %. Besides, Kirama reservoir was selected as new raw water source as per the request of Department of Irrigation.

19. Hemmathagama Water Supply Project

Hemmathagama Water Supply Project is to implement a new water supply scheme to provide pipe borne water to a population of 169,000 (year 2042), covering 135 GN divisions within in Mawanella, Aranayake and Rambukkana DS divisions in Kegalle District of Sabaragamuwa Province. Total project cost is LKR 17,422.29 million and project period is 44 months (Dec 2018 – Aug 2020).

Project components are, 21 000 cum/day capacity water treatment plant, 24000 cum/day capacity intake, 07 ground reservoirs, 0.63 km raw water main, 37 km transmission network and 74 km distribution system.

The physical and financial progress of the project are 26.35% and 35.99% respectively at the end of year 2020. Currently, 2020. Currently, land acquisition from the estate sector is identified as a major issue of the project, and compensation yet to be given. Construction of water treatment plant has been started and progress of construction of the reservoirs is 44%.

20. Ruwanwella Water Supply Project

The project consists of Construction of 4,400 cu.m/day intake and raw water main, 4,000 cu.m/d capacity Water Treatment Plant and Five Storage Reservoirs. The transmission and distribution pipe lines are approximately 20 km and 90 km long respectively. The project activities were commenced at the beginning of 2020. The expected targets could not be achieved due to restrictions imposed in field work during first COVID outbreak and design variation due the capacity increment with revised design horizon.

At present, most of the design works are completed and ready to commence the construction activities. The Designs, Land acquisitions and Rock blasting at WTP was carried out. Variation committee approval and PAC approval was obtained for the scope change. Energy conservation was adopted to the Project by lowering the elevations of two Reservoirs, Kannathota and Mahalla. A booster pump station and a small capacity reservoir was introduced subsequently. The physical progress of the project is 8.02 % and the financial progress is 19.44% at the end of 2020.

21. Matara Stage IV Water Supply Project

Main objectives of the Matara Stage IV WSP is to enhance the Quality and Quantity of Water in existing system and provide pipe borne water service to new areas of Matara District. The Project consists of Salinity Barrier with 05 gates, 60,000 cu.m/day capacity intake, 30,000 cu.m/day WTP, 05 service reservoirs and 04 high elevated water towers, 75 km of transmission system, 105 km of distribution system, main laboratory, 02 OIC offices and 08 numbers of staff quarters. Covered area of the Project consists of Matara district and part of Hambantota district including 236 GNDs in 12 DSDs. Funding Agents are Govt. of Sri Lanka and National Development Bank (NDB). Project commencement date was 10.10.2017 and revised date of completion is 02.10.2021 due to the delay of land acquisition. Total Cost estimate of the project as per the Escalation of LKR to USD is approximately LKR 20,700 million (LBF) + LKR 4,000 million (GOSL). Physical progress at the end of December 2020 is 65% and financial progress is 56.3% (as per original contract amount) and 47.9% (as per the revised contract amount).

22. Deduru Oya Water Supply Project

Deduru Oya Water Supply Project was commenced on 22nd December, 2016 and original completion date was on 21st March, 2019. After granting several extensions due to various reasons the Project will be completed on 28th February, 2021. 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). The Physical Progress of the Project is 99 % and the Financial progress is 84.5% at the end of 2020.

The project has been targeted to provide safe drinking water to around 25,000 families in 104 GN divisions at Mahawa and Polpithigama DS divisions. Completion of the project will be highly benefited the people affected from CKDu.

All construction activities and performance testing have been completed during the year 2020. Initially water will be delivered to existing consumers in Mahawa water supply scheme and provision of new connections could be commenced within the first quarter of the 2021.

Water treatment facility has to be enhanced to treat the seasonal algae booming in the water source (Deduru Oya reservoir) and distribution infilling has to be done to ensure the accessibility of water to the whole people in project area.

23. Kalu Ganga Water Supply Project

The objectives of the project are to provide safe drinking water to the general public by extending the pipe-borne water coverage to unserved areas of Kalu Ganga Water Supply Project (KGWSP) Phase-I and enhancing the efficiency of the existing water supply network in Kalutara and Colombo districts by expanding the Headwork and Transmission of Kalu Ganga Water Supply facilities and restructuring water distribution networks. Thereby the outcomes of the project result in the increase of the existing service connections by at least 75,000 nrs. and it is estimated that a total of 500,994 of families will be benefited in the completion of expansion project 1 & 2 including service improvement of approximately 200,000 service connections.

Project contains improvement of headworks by constructing intake and WTP at Kandana for 294,000 cu.m/day and 140,000 cu.m/day capacities respectively. In addition to that, approximately 38 km length of transmission mains, approximately 100 km of distribution feeder mains, construction of 6 ground reservoirs, pipe replacement and new -installation in Dehiwala, procurement of O&M buildings and equipment is also confined under the project.

Consultancy Work has officially commenced on the 04th December 2020. Land acquisition has been in progress and already access to the majority of the sites has been made possible. Thereby, the Land Surveying and Soil Investigations which are required at the initial stage of detail design works have been completed. The completion date of the project is May 2026.

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. Eight projects namely Bentota WSP, Ruhunupura WSS, Colombo City WSP, Ampara WSS, Avissawella & Kosgama Integrated Water Supply Project, Galagedara Mawathagama WSP, Town East of Colombo District Water Supply Project Package I and Package II have been completed and most of other projects are to be completed in 2021.

A). Ettampitiya Water Supply Project

LKR 2.2 billion amount which delivers benefits over 13 GNDs in Badulla district. Raw water is extracted from Uma Oya reservoir through 4,000 m long line. Project's treatment plant is 3,000 cu.m/day. Pumping mains are about 7,000 m long comprising 225 cu.m two tanks, 80 cu.m ferrocement tank and 800 cu.m tank. Distribution network is more than 120 km long. At end of 2020, overall physical progress is around 95% with 1,890 consumer connections from total 3,000 (reached more than half of design capacity) and overall financial progress is LKR 1,688 million (about 77%). In middle of February, 2020, the treatment plant was opened by Hon. Prime Minister Mahinda Rajapaksha and the plant is under operation then onwards. Enhancement of 1,000 cu.m/day is planning now due to public requests. Giving remaining connections with laying pipes with public requests are remaining tasks.



Ettampitiya Water Treatment Plant

B). 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 LKR million 4,496 and funded by HNB/People's Bank. Work commenced in July 2016 and

was expected to be completed by July 2018. The Contract period was extended up to 14.10.2021.

The water source is Kaluganga. The intake location was changed due to a public protest, and thus the routes of Raw Water Main (RWM) & Treated Water Mains (TWM), Water Treatment Plant (WTP) location were changed. The revised scope includes Intake of capacity 4,250 cu.m/day, WTP of capacity 4,000 cu.m/day, 03 Service Reservoirs, RWM, TWM & Distribution System of approximate lengths 6.4km 29 km & 190 km respectively and ancillary buildings.

Progress of work was delayed due to delay in releasing payments by the funding bank (HNB) since July 2019. Therefore, a new loan agreement was signed with People's Bank and the outstanding payments were released in August 2020. Prevailing COVID 19 Pandemic also affected to the delay of the Project.

The cumulative expenditure of the Project is LKR 2,081.3 million, whereas Overall Physical Progress and Financial Progress are 55.93% and 46.3% respectively by end of December 2020.



Intake

C). Galagedara Mawathagama Water Supply Project

Galagedara Mawathagama water supply project is located in the north western province at Mawathagama and Mallawapitiya divisional secretariats of Kurunegala District. This Project is planned to cover 29 GNS with nearly 33,000 people to be served from this project.

The project consists of 27 km HDPE/DI transmission main, construction of 1000 cu.m water tower, 450 cu.m ground reservoir at Mawathagama and Pillessa, distribution system 146 km, chemical buildings (02 nos.), Balancing reservoir and OIC Office building. Water source is water treatment plant at Katugastota, RSC (Central). Project intend to supply 2000 cum /day to Galagedara WSS and 3000 cum / Day to Mawathagama WSS.

Project is substantially completed on 31st May 2019. Balance work identified including two extensions and final phase of OIC Building completed during the defect

liability period. Project Performance completion certificate issued on 07/08/2020. Project work was completed and final bill was paid .

Project cannot be commission due to none availability of 5000 cu.m / day capacity water from RSC (Central) as required components of Kandy North Project to complete to get required quantity.



Pipe Laying

D). Galle Cluster Water Supply Project

The Project consists of improvement works of Weligama, Uragasmanhandiya, Gonapinuwa & Dikkumbura water supply schemes and covered 56 GNDs altogether. The project cost is LKR 1,755 million. Funding is from Bank of Ceylon (754 million) & Peoples Bank (1000 million). Expected number of Connections are 13,900 and number of beneficiaries are 55,600. Main project components are supply of total length of 85 km PVC/DI pipes DI/CI valves & accessories, laying of total length of 109 km PVC/ DI pipes and accessories, pump installation at Uragasmanhandiya, Baddegama, Kowulhena, Wakwella and Weligama. Further, 100 Cu.m capacity ground reservoir & high lift pump house at Uragasmanhandiya, 225 Cu.m capacity Ground reservoir, care taker quarters and pump house at Weligama to be carried out under the project scope. The project was commenced in March, 2017 & physical and financial progress as end of 2020 is 70.6% and 53.5% respectively. The expected to be complete the Gonapinuwa, Dickkumbura and Weligama WPSs by 29th January, 2021 and the decision for commencing of the Uragasmanhandiya WSP will be taken by the management of NWSDB accordingly completion of committed work by the Contractor by end of January, 2021.



Pumps installation

E). Giridara Water Supply Project

The project cost is LKR 513.28 million and project consists of laying a total of 100km of pipes, PVC pipes diameter ranging from 63-225mm and DI pipes diameter ranging from 250-350mm.

This will cover 18GNDs in Dompe DS division. Labugama-Kalatuwwa D20 transmission line to be tapped near Hanwella Bridge and carry water over Hanwella Bridge across Kelani River by laying Dia.350 mm DI pipe line through existing duct of the bridge. After completion, this project will facilitate to give 4,500 domestic and 500 commercial water supply connections.

Present physical and financial progress of the Project are 38% and 31% respectively. Project work is continuing but delayed due to Covid-19 related draw backs and the Contractor's financial management issues.



Pipe laying

F). Greater Rathnapura water supply project (Distribution)

Greater Rathnapura Water Supply Project is located in Sabaragamuwa province at Rathnapura Divisional secretaries of Rathnapura District. This project is plan to cover 24 GND with nearly 35,000 people to be served from this project.

The project components consist of 178 km HDPE/ uPVC/ DI pipe laying as distribution network. Pipe diameters from 450mm to 63mm. The project intends to distribute water to 7,000 households in Rathnapura district.

The project was commenced in January 2019 and the original date of completion was 02.06.2020. But due to various reasons the project was extended up to 30/06/2021.

The physical progress at 31st December 2020 was 40% and financial progress was 30%.

Project progress was very slow due to delay in Supply of required DI materials.

G). Wilgamuwa Water Supply Project

Wilgamuwa Water Supply Project is located in Matale District plans to serve nearly 35,000 people covering 39 GNDs.

The Scope of work consist Design and Construction of 6,000 m³/day capacity Intake, 5,500 cu.m/day capacity WTP, raw water transmission main (1,000m), treated water transmission main (26 km), water towers (225 cu.m and 300 cu.m), distribution mains (115 km), OIC office and three quarters.

Performance in first seven months in 2020 was very poor due to financial issues of the contractor. However, contractor re-started work on August 2019. Construction works is to be completed by 30th Sep. 2021.

The physical progress is 54.88 % and financial progress 34.36 % as at 31st Dec 2020.



Water Treatment Plant

H). Medirigiriya Distribution Phase II

This project included supplying and laying of uPVC pipes and fittings (230km) for 31 G.N Divisions at Medirigiriya Divisional Secretariat. The work includes, supply and laying of uPVC/DI pipes, fittings and specials for Old Town Tower distribution main and for New Town/Old town Tower internal distribution main, construction of pipe bridge across Kaudulla Oya, design & construction of quarters and providing 5,000 water connections.

All supply items are completed. Original scope (230km) and additional 63mm dia. pipe laying works (VO 25) (141km) completed and handed over O&M. Constructions completed. Our of additional 63mm dia. pipe laying works (VO 42) (42km), 20km is completed. 3,395. house connections have been provided.

Physical and financial progress of the Project as at end 2020 are 99.78% and 86.75% respectively.



Pipe Laying

I). Town East of Colombo District Water Supply Project

Towns East of Colombo District Water Supply Project was implemented to provide safe pipe borne drinking water to the people in the eastern part of Colombo district. The project encompasses 118 GNDs in the Seethawaka, Kaduwela, Padukka, Homagama and Horana Divisional Secretariat Divisions.

The Identified water sources for the Towns East of Colombo District Water Supply Project are Labugama and Kalatuwawa Water Treatment Plants. The total estimated population to be benefited by this project in the year 2040 is 373,304 through over 91,000 water supply connections.

The Project consists of 03 Packages and their status are as follows.

Package I - 07 Nos. of flow meter connections were completed. Physical and financial progress as end of the year 2020 is 100% and 74.8% respectively.

Package II - Piling work was completed. Base slab part I, part 2 and part 3 were completed out of 6 parts. About 5% of works of internal columns and baffle walls have been completed. Physical and financial progress as end of the year 2020 is 74.10% and 50.11% respectively.

Package III - 26 nos. of flow meter connections were completed. Physical and financial progress as end of the year 2020 is 99.43% and 79.33% respectively.

There are disputes on contractual issues (in Package I and II) have been referred to arbitration.



Fixing of air valve along 1000 mm dia DI Transmission Main

L). Local Bank Funded 3.5 Billion project

The objective of the project is to improve the no. of connections in the 11 RSC's (Uva, Southern, North, WC, WN, WS, East, NW, NC, Central, Sabaragamuwa) providing the extensions and infillings to the existing distribution systems. The total estimated cost of project is LKR 3.5 Billion and the expected number of connections is 33,250 at the end of the project. Extension and infilling in 10 of the RSCs have been completed and work on RSC East is ongoing. The project was commenced in 2014 and extended up to year 2021. The overall physical progress is 98.5% and the financial progress is 72.4% as at December 2020.



Pipe Laying

GOSL FUNDED SMALL AND MEDIUM SCALE WATER SUPPLY PROJECTS

Matara short term improvement project

The TEC of Matara Short Term Improvement Project is LKR 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. Physical and Financial progress of the project as at end 2020 are 53% and LKR 164.47 million respectively.

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 LKR 68.47 million.

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 LKR 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 37% and financial progress is LKR 54.5 million as at end 2020.

Trincomalee Augmentation Project under Rs.600 million fund allocation

Under the Trincomalee Augmentation Project, LKR 600.00 million funds have been allocated to Trincomalee region. As at end of 2020, physical progress of the project was 77% and the financial progress of the project was LKR 291.67 million.

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, LKR 455 million has been granted for Providing Water Supply Facilities for Resettlement Villages of Landslide Victims in Kegalle District. Physical and Financial progress of the project as at end 2020 are 90% and LKR 82.34 respectively.

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 2020, physical progress was 32% while the financial progress was LKR 14.72 million.

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 LKR 527 million and Local- LKR 40 million. The Project Period is September 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 overall financial and physical progress for the project are LKR 279.70 million and 69% 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 2020 was 100% while financial progress was LKR 32.60 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 LKR 790.62 million, funded by GoSL. Estimated number of beneficiaries is 12,600. Physical and Financial progress of the project as at end 2020 are 15% and LKR 64.65 million respectively.



Projects in Pipeline

The National Water Supply & Drainage Board (NWSDB) is fully committed and geared to fulfill the aspiration of the Government in providing access to clean & safe drinking water and piped borne water to the entire (100%) population of the country by 2025. In order to fulfill the pledge given in the “Vistas of Prosperity and Splendour”; the Government's Vision for drinking water, the NWSDB Corporate plan 2020-2025 has been developed and launched on 18th November 2020. This document briefly discusses the current status of the NWSDB and its plans to achieve Corporate Goals 1 to 6.

The projects to fill the gaps in water supply and sanitation sector were identified and designed under five main categories; (i) Augmentation of the water quality and quantity, of existing water supply systems. (ii) Infilling distribution systems of already constructed or ongoing large and medium scale projects where the number of pipes included in the original contracts are insufficient to distribute water to the public due to budget constraints. (iii) Business Efficiency Improvement Projects (NRW reduction and energy saving projects) for water and sanitation. (iv) New water supply and sewerage schemes to unserved areas. (v) Local Authority or Community

based water schemes for areas which would not be covered by categories 1, 2 & 4. Categories one to four would be implemented by the NWSDB.

The need for service level improvement, specially the augmentation and capacity enhancement, it is proposed to augment the island wide water supply and sanitation coverage under the two main plans; (i) Short Term: Completion of 47 ongoing water supply & sewerage projects and capacity & quality enhancement to 95 existing water supply schemes. (ii) Medium Term: Improvements to facilitate utilization of full capacity of 81 existing water supply & sewerage schemes and efficiency improvements of 9 sewerage schemes. Also 102 new water supply and sewerage projects to extend the coverage to new areas and to meet the domestic & commercial demands have been identified.

All the above list of new water supply and Sewerage projects will be implemented as the output of this corporate plan study from the year 2021.



Planning and Design

The Planning and Design division of NWSDB has already taken initiatives in year 2020 to expedite Planning and Design works of Pre identified Small, Medium and Large Scale Water Supply Projects, Augmentation of existing Water Supply Schemes and Distribution and Transmission improvements of existing Water Supply Schemes to support and implement the Government concerns of expanding the pipe borne water coverage throughout the Island with the intension of achieving 100% Pipe born coverage in coming years ahead.

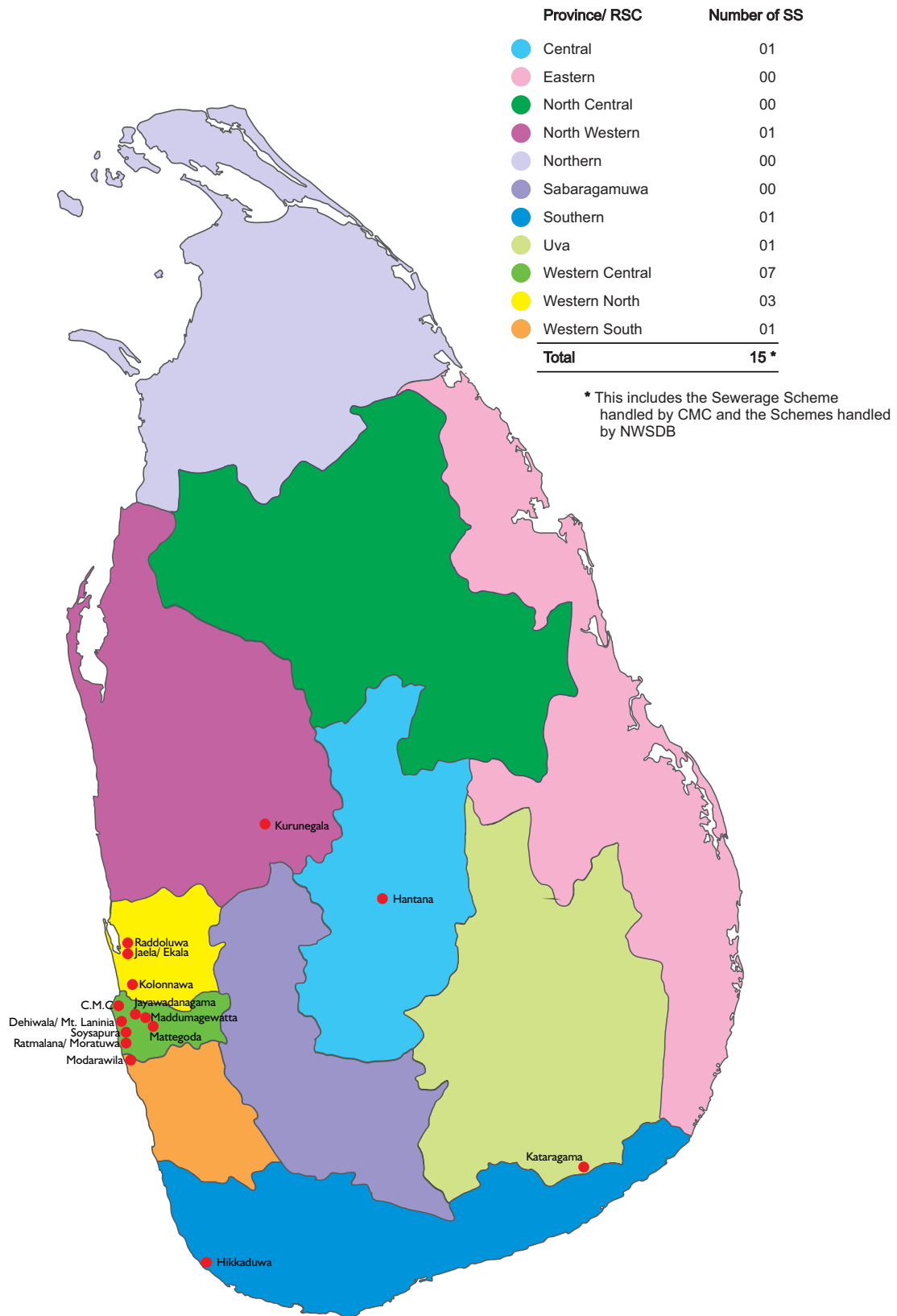
Planning and Design division has been involved and initiated all respective Planning and Design activities, preliminary and detail drawing preparation, preparation

of BOQs and Engineers estimates and preparation of Tender Documents of projects considered under batch – 01 in Corporate Plan 2020-2025 (Please refer to the table on "DETAILS OF DESIGN PHASE OF PROJECTS"

Planning and Design (WSP)

No	Project	District	Area Covered	Scope of Project	
				Head Works Capacity (m ³ /d)	Distribution Network with Transmission (Km)
01	Ambathale Water Treatment Plant Expansion	Colombo	-	50,000	-
02	New Water Treatment Plant at Avisawella	Colombo	Avisawella DS division	5,000	-
03	Mirigama Water Supply Project - Stage I	Gampaha	115 GNDs in Mirigama DSD	20,000	779
04	Divulapitiya Water Supply Project - Stage I	Gampaha	123 GNDs in Divulapitiya area	20,000	851
05	Katupotha - Bamunakotuwa - Panduwasnuwara WSP	Kurunegala	249 GNDs in Kurunegala district	20,000	722
06	Bingiriya - Uduhaddawa & Makaduna - Pamala - Kuliyaipitiya Integrated WSP - Phase I	Kurunegala		40,000	1010
07	Dankotuwa WSP - Phase I	Puttalam	Dankotuwa, Natundiya and Wemappuwa DSDs in Puttalam	20,000	231
08	Chilaw WSP - Stage II	Puttalam	25 GNDs including Chilaw, Bingiriya, Mahawewa DSDs	12,000	267
09	Puttalam Water Supply Project - Stage II	Puttalam	39 GNDs including Puttalam, Vanathawilluwa DSDs	12,000	533
10	Water supply to Kurunegala, Kundasale-Kandy East Area (KEWSP)	Kandy/ Kurunegala	167 GND's including Medadumbura DSD, Kundasale DSD, Gangawata Korale DSD, Pethadumbura DSD, Panvila DSD and Palathahewaheta DSD	50,000	40 (Transmission)
11	Nanuoya Water Supply Project	Nuwara Eliya	06 GNDs in Nuwara Eliya DSD	2,000	70.5
12	Hapugasthalawa WSP	Nuwara Eliya	17 GNDs in Kotmale DSD	7,500	128
13	Deltota WSP	Kandy	23 GNDs in Deltota DSD	5,000	84
14	Madadumbura Panwila WSP	Kandy	88 GNDs in Medadumbura & Panvila DSDs	10,000	295
15	Greater Galle Stage III WSP	Galle	221 GNDs including Akmeemuna, Bope- Poddala, Hikkaduwa, Habaraduwa, Baddegama, Imaduwa, Galle Four Gravets, Yakkalamulla DSDs	50,000	384
16	Baddegama IWSP - Stage I	Galle	Baddegama, Gouppenuwala, Ambalangoda, Welivitiya - Diviltuna, Niyagama, Karadeniya, Elipitiya, Relapitiya, Hikkaduwa and Bentota DSDs	30,000	217
17			83 GNDs in Lunugamvethera, Hambantota, Tissamaharama DSDs of Hambantota District and Thansamalvila DSD of Monaragala	25,000	334
18	Lunugamvethera IWSP - Phase I & II Eheliyagoda WSP	Hambantota Ratnapura	44 GNDs including 37 GNDs in Ratnapura district and 7 GNDs in Kegalle District	15,000	118

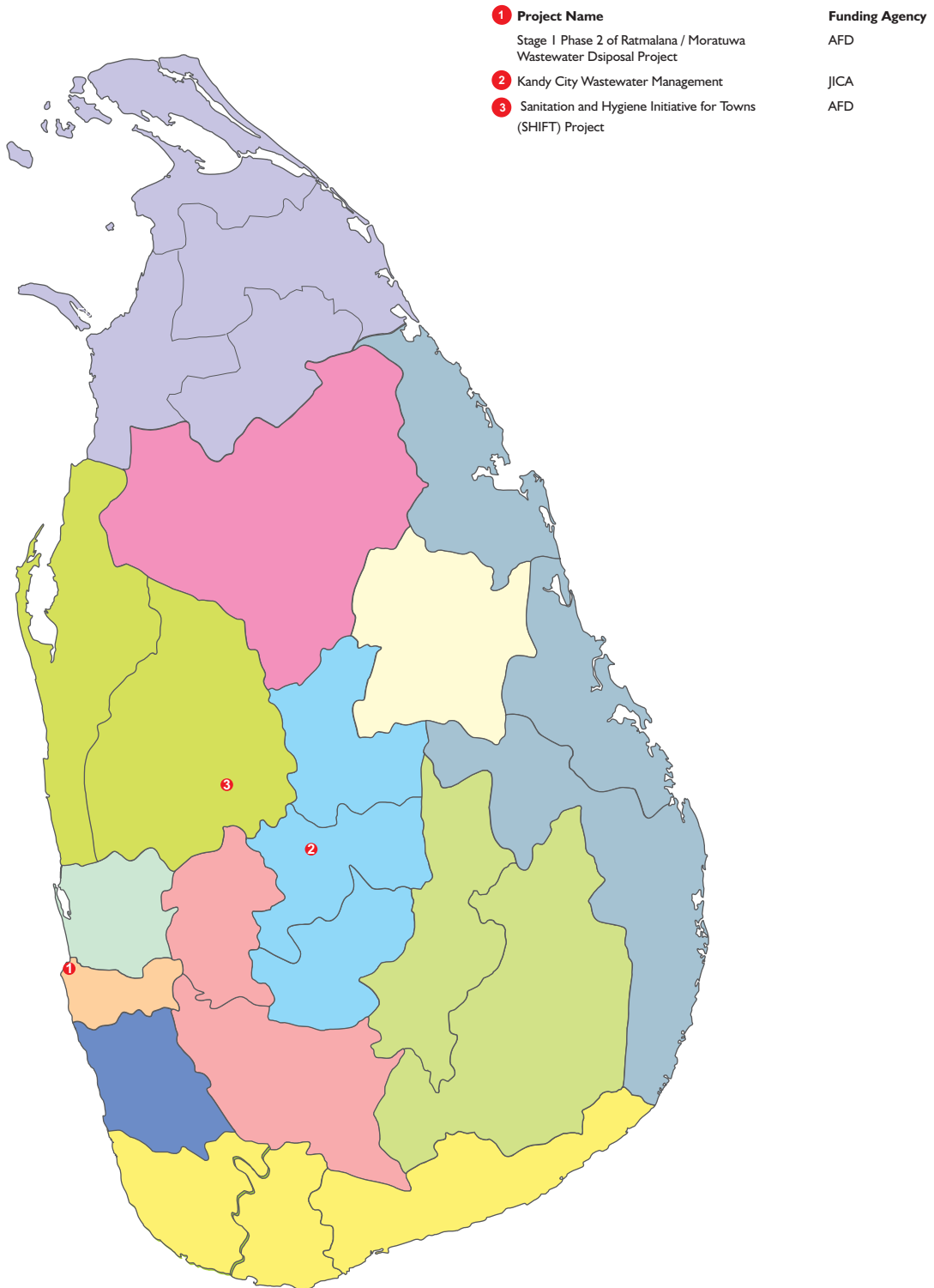
Existing Sewerage Schemes



Ongoing Sewerage Projects

Accomplishments of Major Sewerage Projects under the Ministry of Water Supply.

Location Map of Foreign-funded Projects under Construction/ Augmentation during 2020



Foreign Funded Sewerage Projects

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

The Phase 2 Stage 1 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 sewer collection network of 128km (with rider mains of 24km approximately) including 06 pump stations and improvements in existing Pump Stations & Wastewater Treatment Plant. The project is in the pre-contract stage. Bidding document for sewer collection network has been forwarded to the funder AFD for their 'no objection' while the bidding document for pump stations and modifications is in progress. Acquisitions/purchase of lands for pump stations is in progress. The Tentative Cost Estimate is LKR 16,073 million and the number of beneficiaries at the end of the Project is 45,500. In 2050 (the design horizon), it is planned to connect 170,890 beneficiaries. AFD "no Objection" for EOI document of Construction Supervision Consultancy Contract was received. The physical and financial Progress as at December 2020 are 4.35% and 0.86% (LKR 137.39 million) respectively. The Credit Facility Agreement between GOSL and AFD was signed on 18 Feb 2019.



Soil Investigation Work at Pump Station Lands

2.) Kandy City Wastewater Management Project

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 (WWTP), 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 LKR 22,588 million. 78% of financial progress and 83% of physical progress have been achieved as at December 2020. WWTP was commissioned in March 2020 and currently functioning with an average sewer flow of 1,850cu.m/day. Several general issues such as terrain difficulty, prevailing

situation in country and bad weather causes for delayed work. Moreover, balance commissioning work is in progress and pipe laying and property connections are expected to complete by end of 2021.



MICRO TUNNELING

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

The SHIFT Project aims to provide wastewater disposal infrastructure facilities to 200,000 people living in Negambo, Galle – Unawatuna and Kelaniya – Peliyagoda areas. 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 for the first phase is LKR 17,665 million (Euro.107.7 million). Design and Supervision Consultant completed Feasibility Study (FS) report for all three areas and Preliminary Design report for Negombo and Galle - Unawatuna. Detailed Design for Negombo is almost completed. Preliminary Design and Detailed Design for Kelaniya – Peliyagoda was excluded based on the consultant's finding of FS study. A Septage Treatment (Onsite sanitation) plant will be designed and constructed for Kelaniya – Peliyagoda area using NWSD in-house design. 6.52% of physical and 4.94% financial progress have been achieved as at December 2020. It is planned to complete the design and preparation of bidding documents for Negambo and Galle-Unawatuna cities by April 2021 to complete procurement activities of Negombo at the end of 2021.



Planning and Design (Sewerage)

Planning and Design (Sewerage) division's primary functions are carrying out feasibility studies for city wastewater management systems according to the priority list of sewerage projects, planning & designs of Septage Treatment Plants (STPs), design review of ongoing wastewater management projects, planning and detailed designs for wastewater management systems for cities, undertaking outside assignments on cost, administration and monitoring of EIA and IEE studies carried out by the outside consultants of proposed wastewater management projects etc.

During year 2020, Feasibility Study which was already started in the previous year for providing piped wastewater infrastructure facilities for Kalutara urban area was completed and feasibility study for piped wastewater infrastructure for Aluthgama/Beruwala urban area in the western coastal belt was continued. Further, the desk studies were started for Feasibility studies for Wattala, Kolonnawa and Trincomalee with identifying lands for the Wastewater Treatment Plants (WWTP) in the project area. During the year, AFD financed Feasibility study for Wastewater Management in Anuradhapura city initiated under the Strategic city development programme of Ministry of Megapolis was completed. This Feasibility Study was done by a consultancy firm and supervised by P&D (Sewerage) section. Planning of World Bank financed Sanitation Enhancement Project (SEP) for Badulla District is currently underway. Accordingly a TOR was prepared and sent to WaSSIP to procure a consultant for detailed feasibility study for Badulla urban area wastewater management system and district components.

Planning and design of septage treatment plants (STP) to be implemented under WaSSIP Project were continued during 2020. Mechanized STPs were designed under this project for Monaragala, Godakawela, Weligepola, Badulla & Ella Pradeshiya Sabas. Further planning of Six STPs for high demand areas namely Colombo North - Kelaniya, Colombo South - Panadura, Colombo East - Kesbewa, Hikkaduwa, Weligama and Kurunegala were commenced. Accordingly feasibility report for 6 STPs was mostly completed during 2020 and to be submitted for PAC approval in the early 2021.

Designing of wastewater collection system for Mirigama Export processing Zone (EPZ) of BOI was completed and tender documents were prepared for repairing existing WWTP. A tender document was also prepared for UV disinfection system of WWTP at Biyagama EPZ of BOI and the planning of WWTP for Eravur BOI textile zone was started.

The detailed design works for sewer system of Advanced Technological Institute (ATI) - Dehiwala is underway. The

Ceylon Electricity Board (CEB) - Ethulkotte sewer pumping system design was completed and drawings were handed over to CEB. The tender document preparation for constructions of Grit removal system for septage unloading point at MLP2 Pumping Station at Mt. Lavinia was completed. Designs for rehabilitation of Maththegoda pond system was commenced during 2020. A technical proposal and tender document with estimate were prepared for construction of wastewater treatment and re-use system for Ministry of Water Supply building. Under wastewater disposal improvement of Maharagama Apeksha hospital, a project proposal was prepared and sent for treating wastewater in new Iodine Therapy unit.

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, Environmental Impact Assessment (EIA) for Dehiwala-Mt.Lavinia, Maharagama - Borlesgamuwa, Chillaw - Puttalam and Sri Jayawardanapura Kotte wastewater disposal projects were completed during 2020. Further, CEA clearance was obtained for Dehiwala-Mt.lavinia & Maharagama - Borlesgamuwa wastewater management projects.

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

Furthermore P&D (Sew) section has supervised and completed the Sanitation component of Master plan study of Comprehensive Strategic Investment Program (CSIP), done under WaSSIP project. The project identification reports were prepared for Sedawaththa, Kolonnawa, Ella, Ministry of Water Supply and KDU at Werahera.



Expected Key Performance

Expected Key Performance for the Period 2018 to 2020

Water Supply & Sewerage Coverage

	Actual		
	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	43.2
Overall Pipe Borne Water Supply Connected Coverage (%)	50.5	51.8	53.1
Pipe Borne Sewerage Coverage (Population)	447,503	453,055	496,669
Pipe Borne Sewerage Coverage (%)	2.06	2.07	2.05

Expected Access to Safe Water Coverage

	Actual %		
	2018	2019	2020
Total Pipe Borne	50.5	51.8	53.1
Pipe Borne by NWSDB	40.1	41.5	43.2
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	93.2



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 2020 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

x. Review meeting on Joint Monitoring Program (JMP) Report 2020 -2021 - Auditorium of the Ministry of Urban Development, Water Supply & Housing Facilities, 05.03.2020

xi. Validation Workshop for the National Policy and Strategy on Sustainable Development (NPSSD) - JAIC Hilton Jetwing Blue, 12.03.2020.14.03.2021

xii. Review of Draft National Policy and Strategy on Sustainable Development (NPSSD) - Auditorium of then Ministry of Water Supply, 22.06.2020

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 2020 too. Review of the Drinking Water Policy too was continued in 2020, taking into consideration of the related new developments.

Report of the Audit and Management Committee

Audit and Investigation

During the year under review the AMC met three times and the noted highlights and important matters discussed were as follows.

The AMC was formed as per PF/PE/3 circular dated 19th November 1999 obtaining the approval of the Director Board of NWSDB via decision number 2965(b) of Board meeting number 590. During the year the guidelines as prescribed in PED circular 55 (dated 14/12/2010) was followed.

During the year 2020 the Audit and Management Committee continued to assist the Board in fulfilling its oversight responsibilities by reviewing Audit Reports (Internal and Government), the Financial Reporting, Effectiveness of the Internal Control Systems & Project Performances (Performance in terms of Corporate Action Plan), Compliances with the Board and Government Circulars, Assets and Liabilities.

Composition of the AMC Committee

The Committee comprised of three Non-Executive Directors, of whom two were independent Non-Executive Directors nominated by the organizations relevant as per the no. 01 of the PED 55 Circular. The members of the Committee are:

- Ms. A.R. Wickramasinghe- Chairman of the A&M Committee
- Mr. T.M.R.P. Thennakoon- Non-Executive Board Member
- Mr. B. N. Daminda Kumara- Non-Executive Board Member

Other attendees at Committee meetings were;
• Mr. R. H. Ruvinis - General Manager
• Mr. T.S. Wijetunga

Mrs. I.M.W.K. Ilaangasinghe - Addl. GM (CS)
Mr. S.G.G. Rajkumar

- Mr. G. K. Iddamalgodha- Addl. GM (HRM)
- Mr. R.M.A.S. Weerasena- Addl. GM (F) - Invitee
- Ms. A. Sriyalatha- Actg. DGM (IA)

Mr. Nimal R. Ranawaka- Vice Chairman
• Ms. D.N. Peiris- Audit Superintendent, Government Audit
• Mrs. S.W. Gunawardene- Chief Internal Auditor,
Ministry of Water Supply

Ms. W. P. Sandamali de Silva - Secretary to the Board -
Secretary to the A&M Committee

Role of the Committee

The Committee's responsibilities include, but are not limited to, the following matters with a view to bringing any relevant issues to the attention of the Board:

- Oversight of the integrity of the Financial Statements of the Board;
- Review of its quarterly and annual Financial Statements followed by recommendation of same for the approval of the Board;
- Oversight of the Internal Control Systems and processes;
- Oversight of its compliance with Legal and Regulatory requirements;
- Oversight of the External Auditors' independence and recommendation of their fees for the approval of the Board; and
- Review of the effectiveness of the Internal Audit functions and impartiality

The Internal Audit Plan 2020 approved by the committee was implemented during the year with a special focus for Performance Audit, Financial Audit and Investigation. Under the main categories planned for the year HR Audits, Procurement and Stores Management, Asset Management, Internal Control and Compliances, Corporate Plan Implementation and System Audits were basically reviewed by the committee. The Audit plan was revised again as the Annual Plan was affected by "Covid" pandemic situation.

Performance audit carried out island wide for non-revenue water in terms of accuracy of measuring NRW and leaks, System audits conducted on Attendance System, Inventory System, GIS and Dash Board were reviewed.

The committee recommended guidelines for Performance Monitoring of projects by setting KPIs. The Project Capitalization issues and delays, Variations and Contract Disputes, Financial Performance and Physical Performance of selected projects were reviewed in length.

Audit observation on stock value and stock verification, Misconducts associated with Hiring Vehicles, some outcomes of the Disciplinary inquiries and matters in progress were discussed.

The responsiveness for queries raised by Internal as well as Government Audits was monitored and reviewed on important matters.

The Ministry Audit observations on NWSDB owned Circuit bungalows were particularly taken for discussion and recommendations for mitigation of matters highlighted.

Financial statements

The committee reviewed Financial Statement for the year ended 31st December 2019, Financial Statement as at 30th June 2020 and also the Debt Position of NWSDB up to June 2020.

Compliances

The Committee noted that NWSDB has complied to all Statutory Payments.

- The Annual report 2017 was tabled at the Parliament and the 2018 and 2019 were in the process of preparation.
- As per the directive of the COPE the committee gave recommendations for preparation / amendment of the SOR of NWSDB.

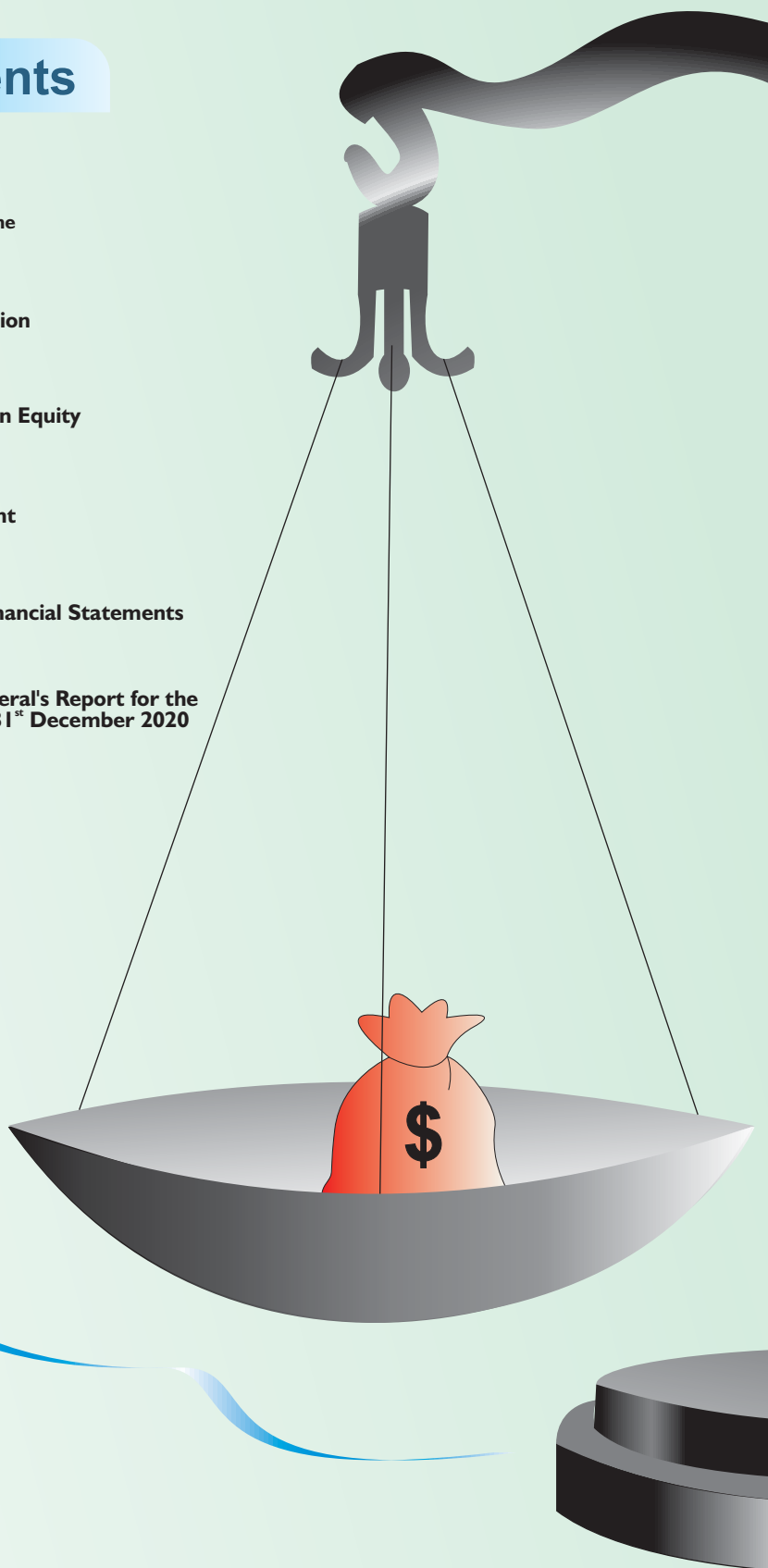
All the recommendations of the Committee were subject to approval of the Board and adopted.

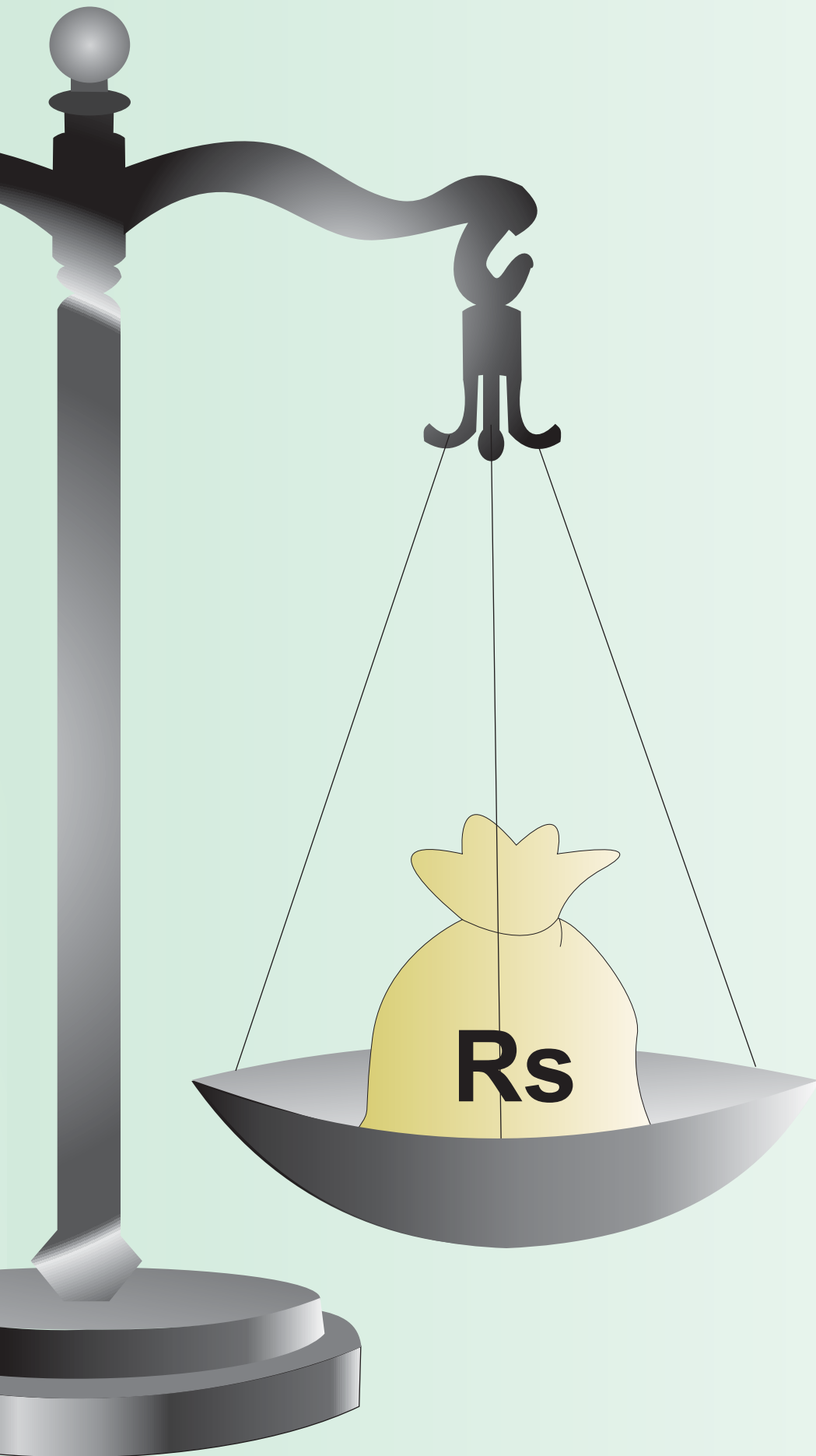


Ms. A.R. Wickramasinghe
Chairman of the AMC committee

Financial Statements

- 70** Statement of Comprehensive Income
- 72** Statement of Financial Position
- 73** Statement of Changes in Equity
- 74** Cash Flow Statement
- 75** Notes to the Financial Statements
- 94** Auditor General's Report for the year ended 31st December 2020





National Water Supply And Drainage Board

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

		Budget 2020 Rs.	Actual 2020 Rs.	Restated 2019 Rs.
Revenue (Net of VAT)	7	27,635,356,800	27,761,775,794	26,079,488,608
Cost of Sales	8	<u>(18,757,530,167)</u>	<u>(16,754,645,376)</u>	<u>(16,614,378,349)</u>
Gross Profit		8,877,826,633	11,007,130,418	9,465,110,259
Other Operating Income and Gains	9	1,696,468,200	1,482,081,558	1,258,512,779
Administrative Expenses	10	(13,614,202,833)	(12,014,966,400)	(12,058,704,679)
Other Operating Expenses	11	<u>(671,000,000)</u>	<u>(839,273,459)</u>	<u>(764,590,969)</u>
Operating Profit / (Loss)		(3,710,908,000)	(365,027,883)	(2,099,672,610)
Finance Income	12	800,000,000	1,571,188,666	1,454,249,803
Finance Cost	13	<u>(5,573,000)</u>	<u>(543,298,051)</u>	<u>(465,671,785)</u>
Profit / (Loss) Before Tax		(2,916,481,000)	662,862,732	(1,111,094,592)
Income Tax (Economic Service Charges)	14	<u>(176,352,000)</u>	<u>(133,867,482)</u>	<u>(65,383,426)</u>
Profit / (Loss) for the Year		<u>(3,092,833,000)</u>	<u>528,995,250</u>	<u>(1,176,478,018)</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 2020

	Budget 2020 Rs.	Actual 2020 Rs.	Restated 2019 Rs.
Profit / (Loss) for the Year	(3,092,833,000)	528,995,250	(1,176,478,018)
Other Comprehensive Income for the Year.			
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the Year	(3,092,833,000)	528,995,250	(1,176,478,018)

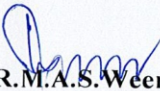
Accounting Policies & Notes from pages 8 to 26 form an integral part of these Financial Statements.

National Water Supply And Drainage Board

STATEMENT OF FINANCIAL POSITION

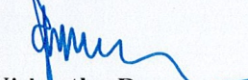
Year ended 31 December 2020

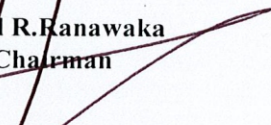
		Actual 2020 Rs	Restated 2019 Rs.
Assets			
Non- Current Assets	Notes		
Property ,Plant & Equipment	15	251,997,596,210	246,278,933,112
Intangible Assets	16	14,122,453	4,176,328
Capital Work in Progress	17	373,462,655,570	291,515,394,453
Financial assets	18	1,853,507	2,050,210
Total Non Current Assets		625,476,227,740	537,800,554,103
Current Assets			
Inventories	19	8,392,700,441	8,730,906,974
Trade & Other Receivables	20	11,266,375,666	6,868,849,172
Deposits & Advances	21	28,708,313,898	40,706,840,162
Investments	22	23,598,991,188	27,736,376,662
Cash & Cash Equivalents	23	1,834,937,637	3,911,730,765
Non Operating Assets		149,681,812	149,681,812
Total Current Assets		73,951,000,641	88,104,385,547
Total Assets		699,427,228,381	625,904,939,651
Equity and Liabilities			
Equity			
Assets taken over from Government Dept.	24	185,480,387	185,480,387
Government Equity	25	88,531,428,611	85,106,439,687
Staff Welfare Fund	26	20,608,827	29,411,874
Retained Earnings		(8,894,719,740)	(9,432,518,036)
Government Grant	27	109,812,274,767	105,903,930,027
Capital Grants	28	267,293,806,096	241,308,488,604
Total Equity		456,948,878,948	423,101,232,544
Non-Current Liabilities			
Loan Payable	29	198,175,771,364	139,316,053,612
Other Deferred Liabilities	30	4,019,409,604	4,057,934,251
Total Non Current Liabilities		202,195,180,969	143,373,987,863
Current Liabilities			
Trade & Other Payables	31	33,744,530,835	39,244,016,264
Loan Capital Payable	29	2,920,569,236	12,034,922,913
Loan Interest Payable		3,546,140,644	8,078,638,649
Non Operating Liabilities		71,927,749	72,141,419
Total Current Liabilities		40,283,168,465	59,429,719,245
Total Equity and Liabilities		699,427,228,381	625,904,939,651


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


Thilina S. Wijetunga
 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
 on 01 March 2021


Nimal R. Ranawaka
 Vice Chairman

National Water Supply And Drainage Board

STATEMENT OF CHANGES IN EQUITY

ended 31 December 2020

Note	Government Departments		Govt Grants		Government Equity		Capital Grants		Staff Welfare Fund		Accumulated Profit/Loss		Total	
	Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.	
Balance as at 1 January 2019	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	
Year Correction														
Recognised and Derecognised														
Adjustment for Assets Recognised and Rerecognised	34.1.1		-		-		-		-		(13,517,301)		(13,517,301)	
Adjustment for Assets Recognised and Rerecognised	34.1.2		-		-		-		-		11,981,434		11,981,434	
Adjustment for Assets Recognised and Rerecognised	34.2		-		-		-		-		(7,810,955)		(7,810,955)	
Adjustment for Assets Recognised and Rerecognised	34.2		-		-		-		-		(1,591,050)		(1,591,050)	
Adjustment for Assets Recognised and Rerecognised	34.2		-		-		-		-		(14,004,583)		(14,004,583)	
Adjustment for Assets Recognised and Rerecognised	34.2		-		-		-		-		(758,840)		(758,840)	
Adjustment for Assets Recognised and Rerecognised	34.2		-		-		-		-		1,140,233		1,140,233	
Balance as at 1 January 2019	185,480,387		98,303,838,433		81,053,316,307		218,460,298,409		23,463,597		(8,249,832,554)		389,776,564,579	
Profit for the Year											(1,176,478,018)		(1,176,478,018)	
Recognised and Derecognised	34.1.1		-		-		-		-		3,380,896		3,380,896	
Transfers During the Year			7,600,091,594		-		22,848,190,195		-		-		30,448,281,790	
Equity Conversion	34.2		-		-		-		-		-		4,053,123,380	
Adjustment for Assets Recognised and Rerecognised	34.2		-		4,053,123,380		-		-		(2,170,190)		(2,170,190)	
Adjustment for Assets Recognised and Rerecognised	34.2		-		-		-		-		(1,469,893)		(1,469,893)	
Adjustment for Assets Recognised and Rerecognised	34.2		-		-		-		-		(5,948,277)		-	
Balance as at 31 December 2019	185,480,387		105,903,930,027		85,106,439,687		241,308,488,604		29,411,874		(9,432,518,036)		423,101,232,544	
Profit for the year											528,995,250		528,995,250	
Transfers during the Year			3,908,344,739		-		25,985,317,491		-		-		29,893,662,231	
Conversion to Equity			-		-		-		-		-		3,424,988,924	
Transfers to Staff Welfare Fund			-		-		-		(8,803,047)		8,803,047		-	
Balance as at 31 December 2020	185,480,387		109,812,274,767		88,531,428,611		267,293,806,096		20,608,827		(8,894,719,739)		456,948,878,948	

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 2020

For the year ended	Notes	Actual 2020 Rs.	Restated 2019 Rs.
Cash Flows from/(used) in Operating Activities			
Net Profit/(Loss) before Tax		662,862,732	(1,111,094,592)
<i>Adjustments for</i>			
Interest Income	12	(1,571,188,666)	(1,454,249,803)
Profit/Loss on disposal of Fixed Assets		30,886,759	8,426,050
Depreciation	10.2	4,701,009,454	4,614,775,009
Retiring Gratuity Provision	30.1	485,960,193	578,942,828
Interest Expense	13	543,298,051	465,671,785
Operating Profit before Working Capital Changes		4,852,828,522	3,102,471,277
(Increase)/Decrease in Inventories		338,206,533	(1,408,206,933)
(Increase)/Decrease in Debtors, Receivables & Deposits		7,500,714,522	4,987,732,998
Increase/(Decrease) in Creditors, Provisions & Deposits		(5,538,010,076)	22,201,678,025
Cash Generated from Operations		7,153,739,501	28,883,675,367
Tax Paid		(33,795,903)	(138,860,749)
Gratuity Paid	30.1	(485,960,193)	(578,942,828)
Net Cash from Operating Activities		6,633,983,405	28,165,871,790
Cash Flows from/(used) in Investing Activities			
Investments in Fixed Assets & Work-In-Progress		(82,724,934,026)	(93,001,120,680)
Financial Assets		196,703	1,687,375
Sale Proceeds for Disposal Assets		39,740,056	17,400
Investment Income Received		1,571,188,666	1,454,249,803
(Investment) / Withdrawal of Investments		4,137,385,474	(15,312,252,655)
Net Cash Flows used in Investing Activities		(76,976,423,127)	(106,857,418,757)
Cash Flows from/(used in) Financing Activities			
Government Grant during the Period		3,908,344,739	7,600,091,594
Capital Grant during the period		28,169,256,217	24,402,315,887
New Loans and Equity		67,517,911,260	61,968,254,527
Loan Repayments		(14,347,558,260)	(6,844,543,998)
Interest Paid		(16,982,307,363)	(6,100,745,895)
		68,265,646,593	81,025,372,115
Net Increase in Cash & Cash Equivalents		(2,076,793,129)	2,333,825,148
Cash & Cash Equivalents at the Beginning of the Year		3,911,730,765	1,577,905,616
Cash & Cash Equivalents at the End of the Period		1,834,937,637	3,911,730,765

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 Water Supply.

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.

National Water Supply And Drainage Board
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

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.

As per the Cabinet Paper No 20/0974/204/029-VI is to provide necessary budgetary allocations as equity contribution for the NWSDB to settle interest and other costs which will be arisen from loans facilitated by General Treasury for the period of 15 years. Further, capital portion of such loans are being recognized as equity and interest component will be recognized as revenue grant in compliance with LKAS.

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 deferred 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 2020

	Actual	Restated
	2020	2019
	Rs.	Rs.
7. REVENUE		
Metered Sales	25,218,395,326	23,579,412,927
Bulk Sales	309,583,406	319,246,904
Bowser Supply	80,113,424	96,978,817
Income from Main Operations	7.1 <u>2,153,683,639</u>	<u>2,083,849,960</u>
	<u>27,761,775,794</u>	<u>26,079,488,608</u>
7.1 Income from Main Operations		
Income related to New Connection and Other Main Operations	2,850,936,522	2,442,876,471
Capital Recovery Charges	706,609,881	580,583,247
Expense related to New Connection	<u>(1,403,862,765)</u>	<u>(939,609,758)</u>
	<u>2,153,683,639</u>	<u>2,083,849,960</u>
8. COST OF SALES		
Personnel Cost	6,995,067,804	7,275,051,786
Pumping Cost	4,615,722,138	4,489,139,930
Chemicals	1,065,876,772	1,044,325,298
Repairs & Maintenance	1,817,938,416	1,669,196,579
Establishment Expenses	676,380,644	643,035,076
Rent, Rates, Taxes, Security & Other Expenses	1,487,318,903	1,379,763,584
Rebates	<u>96,340,699</u>	<u>113,866,096</u>
	<u>16,754,645,376</u>	<u>16,614,378,349</u>
9. OTHER OPERATING INCOME		
Other Income	9.1 1,468,557,203	1,210,780,014
Staff Loan Benefit	<u>13,524,354</u>	<u>47,732,765</u>
	<u>1,482,081,558</u>	<u>1,258,512,779</u>
9.1 Other Income		
Sewerage and Ground Water Income	348,766,415	308,699,497
Miscellaneous Income including Surcharge, Penalties etc.	<u>1,119,790,788</u>	<u>902,080,516</u>
	<u>1,468,557,203</u>	<u>1,210,780,014</u>

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

	Actual	Restated
	2020	2019
	Rs	Rs.
10. ADMINISTRATIVE EXPENSES		
Repairs & Maintenance	217,803,115	219,423,427
Establishment Expenses	744,179,117	770,622,560
Rent,Rates,Taxes, Security & Other Expenses	605,098,526	491,222,211
Staff Cost	5,736,876,187	5,952,018,101
Depreciation	4,701,009,454	4,614,418,381
Audit Fee Department of Auditor General	10,000,000	11,000,000
	<u>12,014,966,400</u>	<u>12,058,704,679</u>
10.1 Staff Cost		
Staff Cost on Loan Granted	13,524,354	47,732,765
Personnel Cost	5,723,351,833	5,904,285,336
	<u>5,736,876,187</u>	<u>5,952,018,101</u>
10.2 Depreciation		
Building and structure	1,553,395,903	1,369,619,857
Plant & Machinery	4,516,046,830	4,041,069,694
Equipments	416,450,409	375,967,234
Furniture and Fittings	48,094,980	45,698,527
Computers & Periparels	106,921,778	99,764,809
Motor Vehicles	253,984,404	234,932,539
Total Depreciation	6,894,894,304	6,167,052,660
Less: Depn. for Grant funded Assets	(2,202,508,903)	(1,559,491,087)
Less: Depn. for Rechargeable funded Assets	(9,569,738)	(9,557,463)
Add: Amortization of leased Assets	15,949,142	15,949,142
Add: Amortization of Intangible Assets	2,244,648	465,128
Depreciation Cost	<u>4,701,009,454</u>	<u>4,614,418,381</u>
Depreciation amounting 556,365 has been adjusted to the year 2019		
11. OTHER OPERATING EXPENSES		
Bad & Doubtful Debts	233,007,208	15,772,686
Provision for Obsolete Stock	-	3,983,204
Retiring Gratuity	485,960,193	578,942,828
Revenue Grant	120,306,058	165,892,251
	<u>839,273,459</u>	<u>764,590,969</u>
12. FINANCE INCOME		
Investment Income	1,571,188,666	1,454,249,803
	<u>1,571,188,666</u>	<u>1,454,249,803</u>
13. FINANCE COST		
Interest On Loans	12,449,809,359	10,398,657,848
Less: Capitalised Interest on Construction Projects	(11,906,511,308)	(9,932,986,062)
	<u>543,298,051</u>	<u>465,671,785</u>
14. INCOME TAX		
Economic Service Charges	133,867,482	65,383,426
	<u>133,867,482</u>	<u>65,383,426</u>

ESC Paid in 2018 & 2017 are recognised as expense in 2020 & 2019 respectively.

National Water Supply And Drainage Board
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

15. PROPERTY, PLANT AND EQUIPMENT

15.1 Gross Carrying Amounts	Restated Balance As at 01.01.2020 Rs.	Additions after Adjustments Rs.	Transfers Rs.	Disposals Rs.	Balance As at 31.12.2020 Rs.
Cost					
Freehold Assets					
Land Freehold	8,642,267,971	44,181,799	5,857,294	-	8,692,307,065
Land Leasehold	626,761,182	-	(27,260,928)	-	599,500,254
Infrastructure	8,778,262,503	49,674,283	260,570,870	-	9,088,507,657
Building - Freehold	17,412,764,260	360,159,111	1,528,689,488	(448,000)	19,301,164,859
Structures	61,478,225,048	436,437,987	(1,985,286,844)	(7,996,472)	59,921,379,719
Plant & Equipment-Pumping Treatme	47,539,012,073	1,174,717,309	14,125,585	(115,512,948)	48,612,342,019
Service Meter	19,513,655	-	(15,723,838)	-	3,789,817
Bulk Water Meter	624,000,681	22,284,898	19,606,775	-	665,892,353
Transmission & Distribution	125,568,421,108	10,897,858,627	(1,367,334,411)	-	135,098,945,324
Mobile Equipments	1,200,554,432	65,152,012	(6,202,897)	(11,225,000)	1,248,278,546
Survey Equipments	51,638,530	40,859,290	7,233,710	-	99,731,530
Laboratory Equipments	897,819,592	39,750,825	6,733,408	-	944,303,825
Other Equipment	2,885,018,298	458,594,261	178,110,184	(378,386)	3,521,344,357
Furniture & fittings-computer	660,511,232	74,182,107	(37,429,625)	(10,600)	697,253,114
Computers & Periparels	693,841,134	147,017,575	(5,519,701)	(34,500)	835,304,508
Motor vehicles cars	211,112,404	52,520,356	453,333,549	(5,900,000)	711,066,309
Van busses & jeeps	531,581,337	10,775,000	(27,569,985)	(11,700,000)	503,086,352
Lorries & Trucks	2,522,319,121	195,670,776	(528,408,604)	(16,108,152)	2,173,473,141
Tractors & Trailers	60,345,191	2,526,470	(5,126,470)	(2,175,000)	55,570,191
Water Bowsers, Heavy veh:	1,577,451,896	77,537,305	48,695,137	(2,850,000)	1,700,834,338
Motor Cycles	26,026,213	1,276,587	(76,316)	(56,000)	27,170,484
Three Weelers	7,659,975	3,210,365	35,100,179	-	45,970,519
Lease hold Vehicles	23,180,000	-	(23,180,000)	-	-
Total Value of Depreciable Assets	282,038,287,838	14,154,386,942	(1,471,063,441)	(174,395,059)	294,547,216,280

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

15.2 Depreciation	Restated Balance As at 01.01.2020 Rs.	Charge for the Period Rs.	Adjustments Rs.	Disposal Rs.	Balance As at 31.12.2020 Rs.
Depreciation					
Freehold Assets					
Land Freehold	-	-	-	-	-
Land Leasehold	-	-	-	-	-
Infrastructure	961,390,924	175,917,217	-	-	1,137,308,141
Building - Freehold	1,946,829,047	350,126,563	(212,194)	(111,253)	2,296,632,162
Structures	6,147,383,008	1,027,352,123	-	(1,604,038)	7,173,131,092
Plant & eq: Pumping Treatme	10,738,281,293	2,303,591,386	-	(71,335,341)	12,970,537,339
Service Meter	18,568,187	465,109	(15,723,838)	-	3,309,458
Bulk Water Meter	297,130,723	53,792,990	15,723,838	-	366,647,551
Transmission & Dist:	10,840,733,187	2,158,197,344	183,997	-	12,999,114,528
Mobile Equipments	355,781,032	103,633,075	-	(8,797,594)	450,616,514
Survey Equipments	18,720,780	3,927,447	-	-	22,648,228
Laboratory Equipments	428,051,251	58,933,339	-	-	486,984,590
Other Equipment	1,354,687,892	249,956,548	-	(367,067)	1,604,277,373
Furniture & Fittings-Compute	342,584,684	48,094,980	(844,517)	(8,922)	389,826,225
Computers & Periparels	570,941,439	106,921,778	11,998	(9,775)	677,865,440
Motor Vehicles Cars	141,810,922	24,335,070	12,651,777	(1,141,140)	177,656,629
Van Busses & Jeeps	421,030,273	25,631,859	(2,435,447)	(8,540,690)	435,685,995
Lorries & Trucks	713,238,570	121,317,099	-	(8,661,255)	825,894,414
Tractors & Trailers	50,117,123	4,347,466	-	(2,066,250)	52,398,339
Water Bowsers, Heavy veh:	386,527,042	76,713,415	-	(1,071,719)	462,168,738
Motor Cycles	12,442,725	828,032	-	(53,200)	13,217,557
Three Wheelers	2,888,294	811,463	-	-	3,699,757
Lease hold Vehicles	10,216,329	-	(10,216,329)	-	0
	<u>35,759,354,725</u>	<u>6,894,894,304</u>	<u>(860,715)</u>	<u>(103,768,244)</u>	<u>42,549,620,070</u>

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

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

15.3 Net Book Values	2020 Rs.	2019 Rs.
At Cost		
Land Freehold	8,692,307,065	8,642,267,971
Land Leasehold	599,500,254	626,761,182
Infrastructure	7,951,199,516	7,816,871,579
Building - Freehold	17,004,532,696	15,465,935,213
Structures	52,748,248,627	55,330,842,040
Plant & Equipment-Pumping Treatment	35,641,804,681	36,800,730,780
Service Meter	480,360	945,468
Bulk Water Meter	299,244,802	326,869,958
Transmission & Distribution	122,099,830,796	114,727,687,921
Mobile Equipments	797,662,033	844,773,399
Survey Equipments	77,083,302	32,917,750
Laboratory Equipments	457,319,235	469,768,341
Other Equipments	1,917,066,984	1,530,330,406
Furniture & fittings-computer	307,426,888	317,926,548
Computers & Periparels	157,439,068	122,899,695
Motor vehicles Cars	533,409,679	69,301,482
Van Busses & Jeeps	67,400,357	110,551,064
Lorries & Trucks	1,347,578,725	1,809,080,551
Tractors & Trailers	3,171,852	10,228,068
Water Bowsers, Heavy veh:	1,238,665,600	1,190,924,854
Motor Cycles	13,952,927	13,583,488
Three Wheelers	42,270,762	4,771,681
Lease hold Vehicles	(0)	12,963,671
Total Carrying Amount of Property, Plant & Equipment	251,997,596,210	246,278,933,112

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

		Actual	Restated
		2020	2019
		Rs.	Rs.
16. INTANGIBLE ASSETS			
Computer Software		<u>14,122,453</u>	<u>4,176,328</u>
		<u>14,122,453</u>	<u>4,176,328</u>
During the year Rs 3,374,221 has been provided for amortization for above software and new software amounting to 13,320,346 was added .			
17. CAPITAL WORK IN PROGRESS			
Construction Work	34.2	366,959,156,027	285,664,819,677
Rehabilitation		<u>6,503,499,543</u>	<u>5,850,574,775</u>
		<u>373,462,655,570</u>	<u>291,515,394,453</u>
18. FINANCIAL ASSETS			
HDFC Investment for Staff Housing Loans		441,068	688,527
Bank of Ceylon Saving - II		<u>1,412,440</u>	<u>1,361,683</u>
		<u>1,853,507</u>	<u>2,050,210</u>
19. INVENTORIES			
PVC Steel Pipe		5,032,247,170	5,328,992,075
Water Meter & Fitting & Brass Items		745,219,930	815,140,804
Chemical Material		328,604,834	191,847,637
Electricals		735,849,788	720,232,246
Building Material		70,345,208	32,798,463
Pump & Spare Parts	34.2	1,249,805,822	1,220,749,686
Vehicle Spare Parts		308,596,261	334,782,918
Stationary & Office Equipment	34.2	76,141,325	83,882,174
Other Items	34.2	561,631,653	467,932,626
Stock Adjustments		<u>35,732,252</u>	<u>131,870,865</u>
		9,144,174,242	9,328,229,494
Less- Major Spares			
Property Plant and Equipment at Stores		(606,941,540)	(442,927,939)
Provision for Obsolete Stock		<u>(144,532,262)</u>	<u>(154,394,581)</u>
		<u>8,392,700,441</u>	<u>8,730,906,974</u>

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

		Actual 2020 Rs.	Restated 2019 Rs.
20. TRADE AND OTHER RECEIVABLES			
Trade Debtors	34.2	8,030,015,131	4,706,427,817
Other Debtors		359,403,706	377,412,918
Less : Debtors Impairment		(1,466,952,481)	(1,233,945,273)
Debtors Collection Control	34.2	479,699,404	(723,553,484)
VAT Receivable		11,888,233	6,117,059
WHT Receivable		247,129,963	244,221,362
ESC Receivable	34.2	172,656,652	272,728,231
Advances to Staff		19,984,791	13,099,604
Loans To Employees		2,704,816,354	3,068,896,781
Dues from General Treasury		659,277,280	-
Receivable on Interest & Others		48,456,634	137,444,157
		<u>11,266,375,666</u>	<u>6,868,849,172</u>
To expedite the reporting process, 2020 December month main revenue has been estimated based on 2020 November actual main income in some regional offices.			
21. DEPOSITS AND ADVANCES			
Pre Payments		956,151	8,096,500
Mobilization and Other Advances		28,412,896,392	40,406,847,644
Deposits		<u>294,461,356</u>	<u>291,896,019</u>
		<u>28,708,313,898</u>	<u>40,706,840,162</u>
22. INVESTMENTS			
Held to Maturity (Including rechargeable funded investments)		<u>23,598,991,188</u>	<u>27,736,376,662</u>
		<u>23,598,991,188</u>	<u>27,736,376,662</u>
23. CASH AND CASH EQUIVALENTS			
Cash In Bank	34.2	1,575,845,777	3,567,782,050
Cash Imprest Head Office		4,107,362	2,629,300
Cash Imprests Regions		6,272,935	6,243,980
Cash In Transit		166,479,620	251,931,795
Savings Account		<u>82,231,943</u>	<u>83,143,640</u>
		<u>1,834,937,637</u>	<u>3,911,730,765</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		74,631,444,685	71,206,455,762
Government Contribution (bond)		<u>13,899,983,925</u>	<u>13,899,983,925</u>
		<u>88,531,428,611</u>	<u>85,106,439,687</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.

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

		Actual 2020 Rs.	Restated 2019 Rs.
26. STAFF WELFARE FUND			
Opening Balance		29,411,874	23,463,597
Received/(Paid) during the year		(8,803,047)	5,948,277
		<u>20,608,827</u>	<u>29,411,874</u>
27. GOVERNMENT GRANT			
Tresuary Grant		<u>109,812,274,767</u>	<u>105,903,930,027</u>
		<u>109,812,274,767</u>	<u>105,903,930,027</u>
28. CAPITAL GRANTS			
Foreign Grants		265,549,744,453	239,719,094,394
Local Grants		<u>1,744,061,642</u>	<u>1,589,394,210</u>
		<u>267,293,806,096</u>	<u>241,308,488,604</u>
29. LOAN PAYABLE			
Foreign Loans		163,342,347,199	115,484,776,594
Local Loans		<u>34,833,424,166</u>	<u>23,831,277,018</u>
Long term Portion of Loan Payable		<u>198,175,771,364</u>	<u>139,316,053,612</u>
Current Portion Loan Payable		<u>2,920,569,236</u>	<u>12,034,922,913</u>
Loan Payable		<u>201,096,340,601</u>	<u>151,350,976,525</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>15,425,526</u>	<u>53,950,172</u>
		<u>4,019,409,604</u>	<u>4,057,934,251</u>
30.1 Movement of Retiring Gratuity Provision			
Balance at the Beginning of the Period		4,003,984,078	4,003,984,078
Add Provision for the Period		485,960,193	578,942,828
Less: Gratuity Payments during the Period and Net Actuarial Gain		<u>(485,960,193)</u>	<u>(578,942,828)</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		9,285,334,967	11,061,757,655
Contractors Retention		<u>15,016,366,516</u>	<u>13,256,692,526</u>
Lease Hold Creditors		-	3,190,775
Less: Interest in Suspense		-	(76,347)
Creditors Control	34.2	<u>2,127,054,981</u>	<u>1,677,303,246</u>
Other Creditors		<u>339,170,471</u>	<u>338,462,216</u>
Accrued expenses	34.2	<u>6,314,782,183</u>	<u>12,310,204,618</u>
Deposits		<u>283,501,586</u>	<u>248,578,020</u>
VAT Payable		<u>200,605,713</u>	<u>156,097,480</u>
With Holding Tax		<u>141,677</u>	<u>7,459,405</u>
Salaries and Other Payables		<u>177,572,741</u>	<u>184,346,670</u>
		<u>33,744,530,835</u>	<u>39,244,016,264</u>

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

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 2020

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. 10,136,405 had been adjusted to the gross carrying amount of PPE and Rs. 12,338,062 had been adjusted for depreciation as at 31.12.2019 as follows.

34.1.1 Gross Carrying Amounts

Cost	Balance As at 31.12.2019 Rs.	Prior Year Adjustments Rs.	Restated Balance As at 31.12.2019 Rs.
Freehold Assets			
Land Freehold	8,642,267,971	-	8,642,267,971
Land Leasehold	626,761,182	-	626,761,182
Infrastructure	8,778,290,484	(27,981)	8,778,262,503
Building - Freehold	17,412,764,260	-	17,412,764,260
Structures	61,478,244,218	(19,170)	61,478,225,048
Plant & eq: Pumping Treatment	47,539,026,163	(14,090)	47,539,012,073
Service Meter	19,513,655	-	19,513,655
Bulk Water Meter	624,016,577	(15,896)	624,000,681
Transmission & Dist:	125,568,430,655	(9,547)	125,568,421,108
Mobile Equipments	1,201,158,339	(603,907)	1,200,554,432
Survey Equipments	51,638,530	-	51,638,530
Laboratory	898,105,578	(285,986)	897,819,592
Other Equipment	2,882,094,302	2,923,996	2,885,018,298
Furniture & Fittings-Computer	671,768,393	(11,257,162)	660,511,232
Computers & Peripherals	694,667,797	(826,663)	693,841,134
Motor Vehicles Cars	211,112,404	-	211,112,404
Van Busses & Jeeps	531,581,337	-	531,581,337
Lorries & Trucks	2,522,319,121	-	2,522,319,121
Tractors & Trailers	60,345,191	-	60,345,191
Water Bowsers, Heavy veh:	1,577,451,896	-	1,577,451,896
Motor Cycles	26,026,213	-	26,026,213
Three Wheelers	7,659,975	-	7,659,975
Lease Hold Vehicles	23,180,000	-	23,180,000
Total Value of Depreciable Assets	282,048,424,242	(10,136,405)	282,038,287,838

National Water Supply And Drainage Board

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

34.1.2 Depreciation	Balance As at 31.12.2019 Rs.	Prior Year Adjustments Rs.	Restated Balance As at 31.12.2019 Rs.
Freehold Assets			
Land Freehold	-	-	-
Land Leasehold	-	-	-
Infrastructure	961,396,314	(5,390)	961,390,924
Building - Freehold	1,946,829,047	-	1,946,829,047
Structures	6,147,387,144	(4,136)	6,147,383,008
Plant & eq: Pumping Treatment	10,738,289,956	(8,663)	10,738,281,293
Service Meter	18,568,187	-	18,568,187
Bulk Water Meter	297,146,464	(15,741)	297,130,723
Transmission & Dist:	10,840,745,243	(12,056)	10,840,733,187
Mobile Equipments	355,981,354	(200,321)	355,781,032
Survey Equipments	18,720,780	-	18,720,780
Laboratory	428,216,030	(164,779)	428,051,251
Other Equipment	1,354,821,638	(133,746)	1,354,687,892
Furniture & fittings-computer	351,737,678	(9,152,994)	342,584,684
Computers & Periparels	571,681,676	(740,237)	570,941,439
Motor Vehicles Cars	141,810,922	-	141,810,922
Van Busses & Jeeps	421,030,273	-	421,030,273
Lorries & Trucks	713,238,570	-	713,238,570
Tractors & Trailers	54,867,123	(4,750,000)	50,117,123
Water Bowsers, Heavy veh:	383,677,042	2,850,000	386,527,042
Motor Cycles	12,442,725	-	12,442,725
Three Wheelers	2,888,294	-	2,888,294
Lease Hold Vehicles	10,216,329	-	10,216,329
Total Value of Depreciation	<u>35,771,692,788</u>	<u>(12,338,062)</u>	<u>35,759,354,725</u>

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

	Balance As at 31.12.2019 Rs.	Prior Year Adjustments Rs.	Adjustments For 2019 Rs.	Restated Balance As at 31.12.2019 Rs.
Capital Work In Progress (Note 17)				
Construction Work	285,674,800,823	(7,810,955)	(2,170,190)	285,664,819,677
Inventories (Note 19)				
Pump & Spare Parts	1,219,549,844	1,199,842	-	1,220,749,686
Stationary & Office Equipment	83,875,792	6,382	-	83,882,174
Other Items	470,729,900	(2,797,274)	-	467,932,626
Trade And Other Receivable (Note 20)				
Trade Debtors	4,707,186,657	(758,840)	-	4,706,427,817
Debtors Collection Control	(722,383,592)	-	(1,169,893)	(723,553,484)
ESC Receivable	273,028,231	-	(300,000)	272,728,231
Cash and Cash Equivalents (Note 23)				
Cash In Bank	3,581,786,632	(14,004,583)	-	3,567,782,050
Trade And Other Payable (Note 31)				
Creditors Control	1,680,514,246	(3,211,000)	-	1,677,303,246
Accrued Expenses	12,308,133,852	2,070,767	-	12,310,204,618



ජාතික විගණන කාර්යාලය

தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

WSS/A/NWSDB/FA/01/2020

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

25 June 2021

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 2020 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 2020 comprising the statement of financial position as at 31 December 2020 and the statement of 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 2020, 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

1.2.1 Deviating from application of Sri Lanka Accounting Standards (LKAS/SLFRS)

- (a) Contrary to paragraph 32 of the Sri Lanka Accounting Standard on Presentation of Financial Statements (LKAS 01), an abnormal credit balance of trade receivables amounting to Rs.8,506,031 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.
- (b) Contrary to the paragraph 60 of the Sri Lanka Accounting Standard on Presentation of Financial Statements (LKAS 01), board had identified Non-operating assets amounting to Rs.149,681,812 which includes stocks, debtors and advances and presented it below cash and cash equivalents without considering their liquidity in to account.
- (c) Contrary to the paragraph 9 of the Sri Lanka Accounting Standard on Inventories (LKAS 02), stocks with an aggregate value of Rs.496,204,232 which had not moved more than three years period had been recorded at its cost without assessing their net realizable values.
- (d) 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.1,412,440 and a deposit made in Escrow Savings Account amounting to Rs.12,887.03 million had been categorized under Financial assets and Investments instead of being shown as cash and cash equivalents.
- (e) Contrary to the Paragraph 41 and 42 of the Sri Lanka Accounting Standard on Accounting Policies, Changes in Accounting Estimates and Errors (LKAS 08), interest income on three dollar deposits amounting to Rs.65,430,227 related to the year 2019 had been identified as income of the year under review.
- (f) 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.1,888,920,123 related to 17 categories of fixed assets still in use had not been reviewed and accounted accordingly.

- (g) Air compressor equipment purchased on 17 July 2012 and remained at Ground Water Section in Vauniya had fired on 27 September 2018. However contrary to the paragraph 7 of the Sri Lanka Accounting Standard on Property, Plant & Equipment (LKAS 16) a depreciation provision of Rs.2, 221,615 had been made from 28 September 2012 to 31 October 2020. As a result profit for the year under review had been understated by Rs. 888,646 and accumulated loss at the beginning of the year had been overstated by Rs.1,332,969. Further, due to disposing this asset during the year under review, an excess profit on disposal amounting to Rs.2,221,615 had been identified in the financial statements.
- (h) 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.485,960,193 which was paid as gratuity (excluding project staff) during the year under review had been identified as provision of the year under review.
- (i) 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.13,704.8 million relating to 34 Projects which remained without being amortized over a period of 9 to 13 years had been brought to the accounts as at 31 December 2020. 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.
- (j) PVC accessories valued at Rs.3,399,965 identified during the stock verification of the year under review in Galle Manager Office had been recognized as foreign capital grants without properly identifying the source as per the paragraph 03 of the Sri Lanka

Accounting Standard on Accounting for Government Grants and Disclosure of Government Assistance (LKAS 20).

- (k) Contrary to the provisions in the Sri Lanka Accounting Standard on Investment Property (LKAS 40), the Carrying value of Investment Property amounting to Rs.333,020,680 had been shown as Property Plant & Equipment, instead of been shown as Investment Property as at 31 December 2020. 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.
- (l) Contrary to the section 5.5 of the Sri Lanka Financial Reporting Standard on Financial Instruments (SLFRS 09), provision for impairment for sewerage debtors and other debtors had been done based on a fixed rate without identifying the expected credit loss.
- (m) In terms of the Section 53 of Sri Lanka Financial Reporting Standard on Leases (SLFRS 16), relevant disclosure requirements such as interest expense on lease liabilities, total cash outflow for leases, the carrying amount of right-of-use assets at the end of the reporting period by class of underlying assets etc. had not been made in case of lease hold lands with a book value of Rs.599.5 million as at end of the year under review.

1.2.2 Accounting Deficiencies

- (a) 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 actions had been taken to remove them from books of accounts. Further as per calculations made by audit, it was revealed that Rs.851,398 had been made for provision for depreciation during the year under review for the 42 depreciable items valued at Rs.40,605,148.
- (b) Economic Service Charges (ESC) paid during the year 2018 amounting to Rs.133,867,477 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.

- (c) Economic Service Charge for the year of assessment 2016/2017 had been paid based on 0.25 percent even though rates had been revised to 0.5 percent with effect from 01 April 2016. As a result an assessment had been made by the Department of Inland Revenue for Rs.128.76 million including penalty. According to the records of the board Rs.66.37 million to be paid by the board (excluding penalty) due to rate changes. However no provisions had been made for the balance tax payable in the books of accounts.
- (d) In relation to twelve (12) cost centers in Ampara, Jaffna, Batticloa, Sabaragamuwa and Vauniya region, fixed assets with an aggregate value of Rs.453,636,398 could not be verified and physically not existed. However, without taking actions to remove them from books of accounts, a provision of Rs.17,171,243 had been made for depreciation during the year under review.
- (e) As per physical verification report of Ampara, Jaffna and Batticloa Regional Offices, it was observed that buildings structures , plant & equipment, mobile equipment , building free hold and bulk water meters with an aggregate value of Rs.20,829,745 in relation to seven cost centers had been damaged, removed from usage and demolished. However, without taking any actions, a provision of Rs.616,308 had been made for depreciation during the year under review.
- (f) It was observed that 196 items of fixed assets such as land free hold, infrastructure, building free hold, structures etc. which are physically existed in Batticloa, Ampara, Vauniya and east regions had not been included in fixed asset registers and the books of accounts of the board. As per the calculations made by audit provision for depreciation of Rs.102,843,910 had not been made for 74 items out of above 196 items valued at Rs.4,385,262,876. Hence profit for the year under review had been overstated by similar amount. Further, value of six (06) lands vested to Vavuniya region and ten (10) lands vested to Mannar region had not been accounted in the books of accounts even though it had been recognized as assets in the fixed assets registers.
- (g) As per the financial statements of the year under review, the balance of trade debtors including new connection debtors as at 31 December 2020 were Rs.8,213,888,162. However, provision for impairment had been made only for debtors (including new connection debtors) amounting to Rs.7,978,854,614. Hence no provision had been made for these debtors aggregating to Rs.235,033,548.

- (h) A sum of Rs.12,430,354 paid by the board as value added tax to the contractors for the projects had been erroneously identified as working progress instead of accounted them as vat receivables even though they have been already claimed against output vat of the board. Hence balance of working progress had been overstated and vat receivables had been understated in the financial statements by similar amount.
- (i) As per the information received, the cost of forty four (44) completed and commissioned Water Supply and Rehabilitation Projects amounting to Rs.5,246,945,547 had remained in the work-in-progress as at 31 December 2020 without being capitalized.
- (j) Out of advances received for rechargeable works, a sum of Rs.13,447,905 relating to 06 projects in Kaluthara Region, Kegalle & western central region and rechargeable ground water works of Rs. 3,997,933 relating to regional support centre (central) had been completed at the year under review. However, it had not taken to relevant income account even by 30 April 2021.
- (k) It was observed that the Board had made prior year adjustments in the financial statements of the year 2019 and 2020 pertaining to years 2017, 2018, and 2019. As a result, the retained loss as at the end of year 2019 is distorted by Rs.192.12 million. Hence, the possibility for making adjustments to the profit for the year under review in 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.
- (l) In respect of seven (07) Projects, the balances aggregating to Rs.198,729,791 shown under the work-in-progress are remained unchanged over eleven years without being investigated in order to make necessary adjustments in the financial statements.
- (m) It was observed that a sum of Rs.8,803,047 in welfare fund had been adjusted against source of income of capital recovery charges without any reason and hence net profit for the year under review had been understated by similar amount in the statement of comprehensive income.

- (n) It was observed in audit that the balance of savings account bearing the number 200934 was Rs.54, 980,079. However as per financial statements it had been shown as Rs.53, 065,335. Hence current assets and interest income had been understated by Rs.1,914,744.
- (o) Long outstanding balances of assets and liabilities amounting to Rs.149,681,812 and Rs.71,927,749 respectively which includes other debtors, advances, trade creditors, unclaimed salaries, etc. had been identified as non-operating assets and non-operating liabilities without taken actions to clear such balances. Further, an unidentified prior year balance of Rs.95,796,513, stock balance of Rs.22,007,307 in four regions 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.
- (p) Stolen stocks in Kelaniya region five years back amounting to Rs.2,549,788 and Stock shortage of Rs.1,211,323 Western Central Regional Support centre (Kohuwala) had been included in the inventory even as at 31 December 2020. However, actions had not been taken to recover such losses from respective officers.
- (q) Due to failure of assigning of suitably qualified store keeper to Matale Regional Office under Kandy North Regional Support Centre, stock receipts and issues had not been recorded properly. As a result a stock shortage of Rs. 41,739,680 had been recorded as at end of the year under review. As a result accumulated loss at the beginning of the year had been understated by Rs.26,604,682 and profit for the year had been overstated by Rs.15,134,998 and closing stocks had been overstated by Rs.41,739,680. However no actions had been taken to identify the reasons for stock shortages and remove them from books of accounts even as at 01 April 2021.
- (r) As per the cabinet decision taken on 02 July 2020, the interest cost on loan of Rs. 30 billion obtained from National Savings bank is born by the General treasury and the board had incurred Rs.699,702,314 as interest on that loan during the year under review. However only Rs.659,277,279 had been identified as receivables from treasury in the financial statements for the year under review.
- (s) As compared with the confirmation received from banks in respect of outstanding loan balance of two (02) foreign funded projects with the balances shown in financial statements, it was observed that outstanding loan balance as per financial statements had been overstated by Rs.1,723,847,989.

- (t) 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 under provision of Rs.10,254,724 had been made at end of the year under review.
- (u) In relation to Kotte region (Battaramulla) metered sales income for the month of December 2019 amounting to Rs. 59,129,751 had also been considered as income for the year under review erroneously and hence profit for the year under review had been overstated by similar amount.
- (v) A sum of Rs.2,074,821 paid during 2016 as the environmental assessment fee of Matara Stage (iv) Project and Rs. 9,590,000 paid during 2016 and 2017 as consultancy fee for the construction of Salinity Barrier across Nilvala River had been deducted from deferred liabilities and shown under non current liabilities instead of identified as working progress of relevant projects or adjusted to the accumulated loss as recurrent expenditure.
- (w) The Balance of refundable and non refundable deposits relating to new connections amounting to Rs.81,502,527 had been transferred to the income of the year with out having any board approval. Further it was observed that an amount equivalent to Rs.42,600,938 which belongs to refundable and non refundable deposits with in one year had also included in it.
- (x) Value of other stock items amounting to Rs.16,731,847 which had not been physically verified during stock verification had been identified as inventory in the financial statements.
- (y) A sum of Rs.2,327,771 and Rs.99,121 charged as value added tax on supplies from customers for the year under review and for the proceeding year respectively in Monaragala region and head office had been erroneously accounted as income instead of shown as vat payable. Hence profit for the year under review had been overstated and the accumulated loss at the beginning of the year had been understated by similar amount.

1.2.3 Un-Reconciled Balances

- (a) Differences of Rs. 131,472,986 in trade debtors and Rs.103,560,564 in new connection debtors were observed between balances shown in the financial statements and the balances shown in the age analysis schedules submitted by the commercial division of the Board. However, trade debtors amounting to Rs.3,149,283,146 in relation to 13 regions had only been reconciled at the end of the year under review. Out of above mentioned reconciliations it was observed that opening balance difference, unidentified difference aggregating Rs. 96,700,258 and Rs.39,773,142 had not been properly investigated and settled.
- (b) An un-reconciled difference of Rs.530.38 million was observed between the value of metered sales and bulk sales shown in the reports of commercial section and the financial statements. Further an un-reconciled difference of Rs.383.42 million was observed between the value of new connection income as per the financial statements and income declared in the annual vat returns.
- (c) A difference aggregating to Rs.19,342.19 million was observed in foreign grants of Kandy City Waste Water Management Project, Deduru Oya Water Supply Project and Dry Zone Urban Water and Sanitation Project when compared financial statements of the board with the individual financial statements of the respective projects. Out of the above difference, reconciliation had been prepared only for the difference of Rs. 10,756.71 million in Kandy City waste Water Management Project and it was observed that transactions with a value of Rs. 97.08 million had not been recorded in the books of accounts of the board relating to that project.
- (d) As per the audit test check carried out, an aggregate difference of Rs.2,346.26 million 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 five (05) Foreign Funded Projects. Further when analyzing the reconciliation prepared it was observed in audit that transactions with a value of Rs1,274.81 million had not recorded in board's financial statements in relation to Thambuththegama Water Supply Project and Greater Colombo Water & Waste Water Management Improvement Investment Programme (Project iii).

- (e) An unidentified debit balances and credit balances amounting Rs.7,250,860 and Rs.33,929,517 respectively shown in the bank reconciliations from the year 2008 to 2019 in respect of twelve (12) banks accounts had not been cleared.
- (f) 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.88,531,428,611 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.62,415,763,525 had been identified as capital contribution to the board. Hence, it was observed that an amount equivalent to Rs.26,115,665,086 which payable by the board as foreign loans had been transferred to Government Equity without any approval.

1.2.4 Lack of Evidence for Audit

The evidences indicated against each item shown below had not been furnished to audit.

Item	Value	Evidences not Made Available
-----	-----	-----
	Rs.	
(a) New Connection Debtors	177,496,727	Detailed schedules and age analysis
(b) Other Debtors	51,690,693	Detailed schedules
(c) Non- moving & Slow-moving Stocks	1,139,127,273	Age analysis
(d) Trade Creditors	34,727,558	Detailed schedules
(e) Tax expense	133,867,482	Detailed income tax computation for the year
(f) Short Term Deposits in Other Institutions	12,779,730	Detailed schedules
(g) HDFC investment for Housing Loans	441,068	Bank Confirmations
(h) Local Bank Loans	20,713,132	Bank Confirmations

(i)	Contractor Retention	67,376,711	Detailed Schedules
(j)	Advances to Contractors	104,564,741	Detailed Schedules
(k)	Rehabilitation Tax	1,757,515	Detailed Tax Computation, Schedules
(l)	Assets taken over from Government Department	185,480,387	Detailed assets list taken over.
(m)	Accrued Expenses	110,578,062	Detailed accrued expenses schedule
(n)	Advances to Contractors (Special Projects)	11,474,470	Detailed Schedules

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 Other information included in the Board's 2020 Annual Report

The other information comprises the information included in the Board's 2020 Annual Report but does not include the financial statements and my auditor's report thereon, which I have obtained prior to the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work I have performed on the other information that I have obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard

1.4 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.

1.5 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 or error and are considered material if, individually or in the aggregate, they could reasonably 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

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

2.1.1 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.

2.1.2 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.

2.1.3 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 1.2.1(I), 1.2.1(IV), 1.2.1(VI), 1.2.1(VIII), 1.2.1(IX), 1.2.1(X), 1.2.2(I), 1.2.2(II), 1.2.2(VII), 1.2.2(IX), 1.2.2(XI), 1.2.2(XII), 1.2.2(XV) , 1.2.3(I), 1.2.3(II), 1.2.3(III), 1.2.3(IV), 1.2.3(V), 1.2.3(VI) and 1.2.4.

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

2.2.1 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.

2.2.2 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.617,878,548 in respect of 2,713 disconnected debtors whose bill value over Rs.50,000.

- (ii) Admin/09/2018 of 26 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.230,010 from two employees in Regional Support Centre (Uva) from August 2019 to September 2020 and Rs. 4,688,010 from 19 employees in Regional Support Centre (Central) from 2019 to March 2021 had not been recovered even as at 30 April 2021 although they have occupied quarters over 5 years.
- (b Management Services Circular Approval of the Department of Management Services for) No. 30 of 22 September 2006 the Scheme of Recruitment and Promotion Procedure of the Board had not been obtained.
- (c) Public Enterprise Department Circular No.01/2020 of 27 January 2020
- (i) Section 1.2 Two vehicles had been allocated for Chairman from February to May of the year under review.
- (ii) Section 1.4 Two vehicles had been allocated for Vice Chairman from June 2020 to January 2021.
- (iii) Section 1.5 In addition to entitled monthly fuel limit of 150 liters, a monthly fuel imprest of Rs.60,000 had been approved for Chairman and Vice Chairman of the board from January 2020 based on board decision taken on 22 July 2020 without obtaining recommendation of Secretary to Treasury.
- (d Section 3.1.4 of Public A sum of Rs.280,281 had been spent as fuel expense of) Enterprise Circular No.01/2015 Assistant General Manager in regional support center of 25 May 2015 (UVA) during January 2019 to July 2020.

- (e) Section 2
Part 3.1, 18.15 (c) of the Facility Agreement of Gampaha, Aththanagalla & Minuwangoda Integrated Water Supply Project and Clause 11.1 of the Escrow Agreement
Out of the loan proceeds disbursed, a sum of 140,641,551 USD had been invested in nine (09) US dollar deposit accounts in during the year 2019 and 2020 without approval.
- (f) Management Audit Circular No.1/2017 of 15 February 2017
Only one Internal Auditor had been appointed for the Development Projects which funded by foreign financing.
- (g) Section 8.3.9 of the Public Enterprises Circular No. PED/12 of 02 June 2003,
During the year under review, the Board had paid a sum of Rs.18.94 million as salaries and allowances of eighteen (17) employees who had been released to the Line Ministry by 31 December 2020. Accordingly, Ministry of Water Supply should reimburse Rs.187.39 million to the Board for the employees released from December 2015 to 31 December 2020.
- (h) Section 156(8) of Financial Regulation and Section 1.12 of Code of Ethics Of Board
An unappropriated profit of Rs.706,205 had been earned by a meter reader by deploying employees under service contract basis in Bandarawela Manager Office.
- (i) Amended Value Added Tax Act of No.14 Of 2002
- (i) Section 22(6) (iv)
Input vat of 48 invoices which are over one year amounting to Rs.2,224,236 had been claimed from output vat for the second, third and fourth quarters of the year 2019.
- (ii) Section 26(i)
VAT payable for the 4th quarter of 2019 amounting to Rs.38,802,349 had been paid with a delay of six months and VAT returns for the first three quarters of the year

2020 had been submitted to the Department of Inland Revenue with a delay ranging from 11/2 months to three months.

- (j) Section 03 Department of Inland Revenue Circular No.CGIR/2019/3V(INS & Cir) of 09 July 2019. As per audit test check carried out, Value Added Tax amounting to Rs.501,513 had been paid during the year under review to VAT inactive suppliers.
- (k) Extraordinary Gazette Notification No.2151/52 dated November 29, 2019 published under section 2A of the Value Added Tax Act No.14 of 2002 15 percent instead of 8 percent had been charged on Ground Water Income, New Connection Income, Sewerage Income, metered sales bowser supply during the month of January in Dehiwala, Anuradhapura and Polonnaruwa region and special project unit of the head office. Apart from that rechargeable income of head office had been charged on 15 percent instead of 8 percent during six months in 2020. And hence an additional value added tax amounting to Rs. 7,096,144 had been charged and declared.

2.2.3 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.

2.2.4 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;

- (a) In order to provide water supply for Jaffna Kilinochchi Region, the construction of plant for removing salt from sea water had been scheduled to be completed in 2023. Accordingly, the construction of 15 water towers at a cost of Rs.1140 million and treated water transmission pipe laying at a cost of Rs.5,536 million had been completed in 31 December 2018. However, all these constructions had remained idle due to non-availability of source of water even by the end of the year under review.

- (b) The contract for the Kundasale Haragama Water Supply Project had been initially awarded in 2016 and it had been terminated. However, due to inefficient procurement procedure, it had been taken another three years to award the new contract again in June 2019 .However, the project had been suspended by the end of the year under review after incurring Rs.75.12 million, due to inefficient procurement process and commencement of the projects by the board based on improper planning and without having proper assessment of the financial stability of the board.
- (c) The contract for Walachchenei Water Supply Project had been awarded to the contractors on 22 January 2019 after eight years from the date of submitting financial proposal on 21 February 2011. Hence funds disbursed by the lending agency had not been used for 2 years and 6 months period. Subsequently the financial agreement had been cancelled and the project had been suspended.
- (d) Based on the dispute adjudication board (DAB) decision, the board had to pay Rs.44.93 million as delay charges to the contractor and Rs.1.57 million as professional charges of DAB and arbitration members respectively due to the suspension of contract payments by the committee which is appointed for the investigation of variations of Awissawella and Kosgama Integrated Water Supply Project instead of acting according to the Paragraph 3.7 of the Contract Agreement and Supplementary 14 for the Section 8.13.4 of Procurement Guideline.
- (e) Three thousand two hundred eighty four (3284) water meters spare parts which are not in usable condition with an aggregate value of Rs.7,602,006 had remained in Rathmalana warehouse over a period ranging from 3 to 7 years without being used for intended purpose as at the end of the year under review.
- (f) Three thousand five hundred and sixty eight (3568) water meters valued at Rs.43,293,308 in seven different diameters had remained in the main stores over a period ranging from 3 to 7 years 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.

- (g) The contracts for the pipe laying and construction of water towers in Nittambuwa and Gampaha area under sub contact agreement entered between the board and main contractor of Gampaha, Attanagalla and Minuwangoda integrated water supply scheme had not been awarded even after nearly 4 years of awarding of the main contract as at 31 December 2020. Further the contract for construction of water towers and laying works in pasyala which had been terminated due to poor performance of the contractor had not been awarded even by end of February 2021. Apart from that the contracts works of balance pipe laying of already awarded contracts had not also been completed even by 31 December 2020 even though the scheduled date of completion lapsed by 20 August 2020.
- (h) With respect to twelve foreign funded projects and three local bank funded projects a considerable delay ranging from 82 days to 1460 days was observed due to poor performance of the contractors, delay in land clearance, environmental and lresettlement issues, delay in contract awarding, delays in procurement process, changing the routes due to unexpected utilities present underground etc.
- (i) 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.07 and 08 during the year under review in Matara Stage (iv) Water Supply Project.
- (j) An amount equivalent to Rs.7,653,137 had been incurred as default interest due to delay in repayment of installment by the board in respect of one foreign funded project and three local funded projects.
- (k) When compared with the market rates prevailed even during 2016, an additional payment of Rs.39.92 million had been paid to the contractor for the construction of 7 quarters in Badulla Haliella Water Supply Project due over estimated bill of quantity of the contractor.
- (l) A loss of 502,779 USD equivalents to Rs. 93 million had to be incurred by the board during 18 October 2019 to 30 October 2020 due to investing funds received on Gampaha, Attanagalle and Minuwangoda Integrated Project in US dollar deposits which paid a return of 0.6 percent less than the interest to be paid on loan.

3. Other Audit Issues

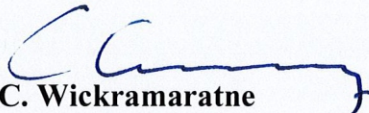
- (a) Trade debtors, new connection debtors, sewerage debtors and other debtors aggregating to Rs.1,447, million had remained over two years without being recovered. Out of above trade debtors 54 per cent represents in Colombo, Kelaniya, Kotte and Dehiwala, Colombo South and Colombo North regions.
- (b) A sum of Rs.7,357,065 in respect of 22 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.2,823,630 had remained over two years without being recovered. Further Rs.28,316,137 had remained outstanding as at the end of the year under review from 37 connections given to government institutions whose bill value is more than Rs.100,000.
- (c) Outstanding disconnected debtors as at 31 December 2020 was Rs.1,276,725,598. Out of that debtors amounting to Rs.1,088,634,725 which equivalent to 85 percent had remained outstanding over two years without being recovered.
- (d) Loans and advances given to former employees amounting to Rs.18,030,810 had remained in accounts for more than three years period. However proper actions had not been taken to recover them.
- (e) An unsettled balance of trade creditors and other creditors amounting to Rs.141,422,678 and Rs. 65,002,525 respectively remained over three (03) years were observed in 18 regions as at 31 December 2020.
- (f) No legal actions had been taken to recover the advances given to contractors for the terminated projects in Regional Support Center (Central) during the year 2003 to 2008 aggregating to Rs. 9,278,335 and advances given by the head office for the rehabilitation projects amounting to Rs.4,049,022 even by 30 April 2021. Further it was observed that advance given to contractor by the head office 08 July 2014 amounting to Rs.1,148,885 had not been recovered even by 30 April 2021.
- (g) Short term deposits aggregating to Rs.43,538,237 deposited in external institutions including Road Development Authority, Colombo Municipal Council, Provincial Road Development Authority , Rathnapura Pradeshiya Sabha and Beruwala Urban Council 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

eight years without being recovered and due to unavailability of detailed information it could not be verified in audit.

- (h) Contractor's retention and refundable tender deposits amounting to Rs.1,144.86 million and Rs.2.61 million 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.
- (i) An outstanding balance of vat payable amounting to Rs.1,854,980 relating to Monaragla Region had not been investigated and settled for more than three years.
- (j) 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 by the end of the year under review. The advance paid and penalty thereon had not been recovered from the land owner or the responsible officers of the Board even as at 30 April 2021.
- (k) The board had acquired a land in 1981 in Kaluthara to construct a warehouse and employee quarters and paid Rs.531,000 in 1991 for the payment of compensation to the owners. However the land had already been occupied by some families illegally. However the legal actions to clear the owner ship had been taken after a delay of 39 years of acquisition on 21 July 2020.
- (l) Cash frauds amounting to Rs.246.64 million committed at Trincomalee, Kelaniya and Ampara regions during the year 1999 to 2006 had not recovered even as at 30 April 2021. However in relation to Trincomalee Region Rs.24.15 million had only been recorded as debtors as at the end of the year under review out of cash fraud of Rs.171.9 million. 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 2020.

- (m) As per the financial statements, the stocks in transit (local purchase) and imported stock in transit as at 31 December 2020 was Rs.60,344,917 and Rs. 1,425,133,927. Out of that stocks amounting to Rs.1,898,285 and Rs.325,687,234 had remained over one years without being investigated. Further it was observed in audit that displaced stocks of Rs.906,957 in Bandaragama OIC office, computer equipment amounting to Rs.330,000 in Polonnaruwa Region had also been identified as stock in transit without being removed them from inventory as at the end of the year under review.
- (n) Out of total production 24.63 per cent is regarded as non-revenue water at the year under review. The value of non-revenue water had been brought to the accounts as normal cost 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 39 percentage while Kotte, Dehiwala, Galle, Kandy, Kegalle, Bandarawela and Trincomalee regions had recorded over 25 percent during the year under review. Further Greater Colombo Water and Wastewater Management Improvement Investment Programme (Project 01 and 02) which aimed at non-revenue water reduction in Colombo city shows a slow progress due to delays in awarding contracts, lack of deploying sufficient labour and poor performance of the contractor and project monitoring unit.
- (o) It was observed that 06 connections had been given to Housing Development Authority and the annual consumption of the year under review was 439,607 cubic meters. However, it had not invoiced even as at 31 March 2021.
- (p) An abnormal debit balance in trade creditors amounting to Rs.22,217,467 in Bandarawela region had been remained in accounts more than three years while an abnormal debit balance of Rs.28,714,980 had remained in Batticloa and Galle region less than six months without investigated and settled. Further out of total creditors balance of Rs. 143,507,022 remained in Uva regional support centre, no actions had been taken with regard to the abnormal debit balance of Rs.12,820,102.
- (q) An abnormal credit balance in cash in transit remains more than one year amounting to Rs. 1,708,659 had not been cleared even by 30 April 2021.

- (r) The abnormal credit balance in stock in transit amounting to Rs.18,200,656 and Rs.50,000 in Akkareipattu Region and Matale region had not been cleared even by 01 April 2021.
- (s) An abnormal credit balance of Rs. 107,837 was observed in mobilization advance of Greater Colombo Water and Waste Water Improvement Project (Phase 03) at the end of the year under review without investigated.
- (t) Actions had not been taken to dispose the obsolete and unserviceable stocks valued at Rs. 127,794,411 even though board approval had been given to tender and dispose them on 20 August 2019.


W.P.C. Wickramaratne
Auditor General



Abbreviations

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

NRW	- Non-Revenue Water	USD	- United States Dollar
NWSDB	- National Water Supply & Drainage Board	VPN	- Virtual Private Network
O&M	- Operation & Maintenance	VPP	- Vauniya Participatory Planning
OKP	- Orange Knowledge Programme	VAT	- Value Added Tax
PAM	- Polyacrylamides	WaSSIP	- Water Supply & Sanitation Improvement Project
PE	- Poly Ethelene	WDCE	- Water and Development Congress & Exhibition
PVC	- Polyvinyl Chloride	WHO	- World Health Organization
OIC	- Officer in Charge	WSP	- Water Supply Project/Water Safety Plan
P&D	- Planning and Design	WSS	- Water Supply Scheme
PAC	- Project Appraisal Committee	WTP	- Water Treatment Plant
PDMRC	- Planning & Design Manual Review Committee	WWDS	- Wastewater Disposal System
PMU	- Project Management Unit	WWTP	- Wastewater Treatment Plant
PRDA	- Provincial Road Development Authority		
PTB	- Physikalisches Technische Bundesanstalt		
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		
STP	- Septage Treatment Plants		
TA	- Technical Assistance		
TCE	- Total Cost Estimate		
THM	- Trihalomethane		
ToR	- Terms of References		
ToT	- Training of Trainers		
UDA	- Urban Development Authority		
UNDP	- United Nations Development Programme		
UNICEF	- United Nations International Children's Emergency Fund		
UPVC	- Unplasticised Polyvinyl Chloride		

Corporate Information

Name of the Organization

National Water Supply & Drainage Board (NWSDB)

Legal Form

Government Owned Statutory Board

Date of Establishment

1974.03.01 by Act of Parliament

NWSDB Law, No. 2 of 1974

1992.03.11 the Act was amended

NWSDB (Amendment) Act, No. 13 of 1992

Tax Identification No.

4090 31820

VAT Registration No.

4090 31820 7000

Contact, Head Office

Galle Road, Ratmalana, Sri Lanka

Tel: +94 11 2638999 (hunting),

+94 11 2637194, +94 11 2611589

Fax: +94 11 2636449

Email: gm@waterboard.lk

Web: www.waterboard.lk

Line Ministry

Ministry of Water Supply

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

Mr. Nishantha Ranatunga - Chairman, NWSDB

(Since 16.01.2020)

Mr. Nimal R. Ranawaka - Vice Chairman, NWSDB

(Since 23.01.20120)

Dr. L. T. Gamlath - Board Member, NWSDB

(Since 04.06.2019)

Mrs. A. R. Wickramasinghe - Board Member, NWSDB

(Since 11.01.2020)

Eng. T. M. R. P. Thennakoon - Board Member, NWSDB

(Since 19.01.2020)

Eng. R. A. S. L. Ranasinghe - Board Member, NWSDB

(Since 18.02.2020)

Mr. B. N. Daminda Kumara - Board Member, NWSDB

(Since 22.06.2020)

Secretary to the Board

Mrs. W. P. Sandamali De Silva

Senior Management

Eng. R. H. Ruvinis - General Manager (upto 06.09.2020)

Eng. T. S. Wijethunga - General Manager (since 15.10.2020)

Eng. K. D. P. F. Siriwardene - Addl. GM (Northern/ Central)

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

Eng. (Mrs.) Wasantha Illangasinghe (Policy and Planning)

Eng. R. A. A. Ranawaka - Addl. GM (Southern/ Eastern)

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

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

Eng. S. G. G. Rajkumar (Corporate Services)

Mr. G. K. Iddamalagoda (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) - Covering Up

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

Eng. I. V. W. Ediriweera (Corporate Planning)

Eng. M. A. C. Hemachandra (ST /RWS)

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

Eng. J. L. Seekkuge (ADB Projects)

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

Eng. A. Munasinghe (Planning & Designs)

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

Eng. Dhanesh Gunethilake (Sewerage)

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. N. U. K. Ranatunga (Western North)

Eng. W. N. Premasiri (Production)

Eng. W. G. C. L. Weerasekara (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. A. K. Kapuruge (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. T. R. J. Fernando (Kalu Ganga Water Supply Project)

Eng. N. A. S. Shantha (Kelani Right Bank Water Supply Project)

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