Water Authority of Israel

The commissioner of W&S companies Unit

Czech-Israeli water seminar,
Prague
18-19.9.2019
Until the year 2000, local authorities were responsible for W&S management.
W&S management in 2000

Extremely high water loss rates
Water loss rates in local authorities

<table>
<thead>
<tr>
<th>City</th>
<th>Water Loss Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nazareth</td>
<td>28.1%</td>
</tr>
<tr>
<td>Lod</td>
<td>28.6%</td>
</tr>
<tr>
<td>Hazur</td>
<td>21.2%</td>
</tr>
<tr>
<td>Ramla</td>
<td>18.7%</td>
</tr>
<tr>
<td>Hod Hasharon</td>
<td>21.4%</td>
</tr>
<tr>
<td>Tiberias</td>
<td>15.5%</td>
</tr>
<tr>
<td>Maalot</td>
<td>24.5%</td>
</tr>
<tr>
<td>Yavne</td>
<td>33.3%</td>
</tr>
<tr>
<td>Bat Yam</td>
<td>15.5%</td>
</tr>
</tbody>
</table>
W&S management in 2000

Extremely high water loss rates

Significant shortage of investment in infrastructure
### INFRASTRUCTURE STATUS PRIOR TO CORPORATIONS

<table>
<thead>
<tr>
<th>Percentage</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.5%</td>
<td>RAMAT GAN</td>
</tr>
<tr>
<td>5%</td>
<td>GIVATAYIM</td>
</tr>
<tr>
<td>7%</td>
<td>BNEI BRAK</td>
</tr>
<tr>
<td>26%</td>
<td>HOLON</td>
</tr>
<tr>
<td>27%</td>
<td>HAIFA</td>
</tr>
<tr>
<td>28%</td>
<td>TEL AVIV</td>
</tr>
<tr>
<td>51%</td>
<td>RAANANA</td>
</tr>
<tr>
<td>52%</td>
<td>HERTZLIYA</td>
</tr>
</tbody>
</table>

50% –NORMAL STANDARD
W&S management in 2000

- Extremely high water loss rates
- Significant shortage of investment in infrastructure
- No sewage solutions
- Inefficient management of the water supply system
And the land was chaotic

A picture is worth a thousand words

Tel Aviv 2009
W&'s companies law (2001)

The law goals

- Supplying water to all consumers sustainably, based on approved requirements for quality, quantity, efficiency and economic feasibility.

Until 2008 –

- Establishing W&'s company was voluntary
- Owned by the municipalities but function as business entities
- Their sole function is to manage and invest in the infrastructure
- Regulated and supervised.
The w&s companies in numbers

56 companies
6.9 m consumers
157 municipalities are incorporated
540 million cubic meters - sales
1,500 employees
Water loss improvement – one year before incorporation Vs. 2017

- Elat: 18.1%
- P. Tekva: 11.1%
- Areil: 11.3%
- Rishon: 11.1%
- Q. shmona: 24.0%
- Yavne: 33.0%
- Ziat: 27.0%
- R. Hasharon: 21.4%
- Touba: 35.0%
WATER LOSS RATES

- 2010: 14%
- 2011: 14.5%
- 2012: 13%
- 2013: 12.9%
- 2014: 11%
- 2015: 10.3%
Investments by the municipalities Vs. W&S companies since establishment
Regulation

- Approving the appointed directors and CEOs
- Approving Financial statements, audit reports, loan applications and budget plans
- Supervising organizational structure and salary of employees;
- Controlling and approving transactions with shareholders: dividends;
- Setting tariffs
Tariff regulation

- Setting the price the company purchase the water.
- Each company has its own tariff which enables to cover its costs
- Cross subsidizing among strong and weak companies by ranking companies based on socio-economic status measure
Tariff method

- Tariff for consumer
- Tariff for water purchase

INTERVAL FOR OTHER COSTS
Tariffs in the world

Country

1$ = 3.9 NIS
THE BIG CHALLENGE

Reducing the numbers of W&S companies by merging them.

- Environment office
- Mayors
- Interior office
- City councils
- Private sector
- Ministry of finance
- Water authority
- Media
- Parliament
- Municipal union
- Workers union
- Consumers
Thank You