



September 5, 2016

Questions from Andre Poyser - The Gleaner

August 23, 2016.

The findings of a special audit on the Jamaica Water Supply Improvement Project indicated that the Rio Cobre Improvement project while it dealt with the issue of leaks and asbestos pipes did not provide the expected flow increases, particularly at the ferry node which was expected to provide increases of 16.9 MGD. The audit found that the project produced a negligible flow increase of 1.29. I am kindly seeking responses to the following questions:

1. What were some of the factors resulting in the negligible increase in production flow post the installing of the new Rio Cobre pipelines?
2. What are the main communities served by the Rio Cobre pipelines?
3. How much money was spent on replacing the pipelines?
4. How were the production figures for increased flow post the project determined?
5. What corrective action has the NWC taken to increase the flow of water to customers served by the Rio Cobre pipelines?
6. Was value for money gained in this project, given that the objective of increased production flow was not met?

National Water Commission's Response

August 25, 2016

Further to your questions submitted regarding a special audit on the National Water Commission's Jamaica Water Supply Improvement Project, the National Water Commission must first point out that the questions appear to be grounded in a serious misunderstanding and a lack of appreciation of the project works and the expected outcomes.

Fundamentally, it must be recognized that at no point was the replacement of the 14 kilometres of 800 mm diameter transmission pipelines expected to provide increases of 16.9 MGD. In fact, for many days 16.9MGD is not produced at the source facilities; and the pipeline can only deliver what it is supplied with. Instead, the indications were that flows of 16.9MGD (up from 13.6 MGD) would be realised after the commissioning of the new pipeline, assuming that all the production sources were in operation and produced the volumes they did prior to the commissioning of the new pipeline.

The Replacement of Segment 2 of the Rio Cobre pipeline between Content District and Ferry was always promoted with the aim of reducing losses estimated within the region of 2 MGD, eliminate frequent repair costs and inconvenience, and improve supply and reliability to large sections of Kingston and St. Andrew, Spanish Town and Portmore.

Below are answers to the specific questions raised:

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1. What were some of the factors resulting in the negligible increase in production flow post the installing of the new Rio Cobre pipelines?

NWC

Without accepting the methodology or the figures suggested, it is to be recognized that increased flows of 1.29MGD would be a near 10% increase. That is not negligible.

Even the Special Audit itself noted that 'The figure below however shows that the maximum flow is not maintained (outages) daily and hence the "below capacity" daily output'. Consequently, some of the wells are producing water for a period less than 24 hours. This is due in large part to issues with

single phase electricity supply to the wells in the Eastern Headworks which require 3 phases power supply. Obviously this is no fault of the new pipeline.

Additionally, there were a number of illegal connections which have since been removed.

In addition to the above, please be advised that the Return on Investment (ROI) calculations which were included in the Due Diligence assessment for the project concept was (in addition to reduction of leakage) based on eliminating the occurrence of frequent breaks on the Rio Cobre pipeline, which in 2012, averaged eight (8) breaks per year with an estimated cost of \$55M per year.

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2. What are the main communities served by the Rio Cobre pipelines?

NWC

The main communities include large sections of Spanish Town, Portmore and the southwestern sections of Kingston and St. Andrew.

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3. How much money was spent on replacing the pipelines?

NWC

USD 22,323,217.87 was spent on replacing the pipelines.

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4. How were the production figures for increased flow post the project determined?

NWC

Production figures are determined either by various kinds of measured flows or by estimates.

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5. What corrective action has the NWC taken to increase the flow of water to customers served by the Rio Cobre pipelines?

NWC

The NWC is always seeking to maximize the volume of water delivered to its customers by identifying and seeking to address the particular impediment. As indicated before, power supply to the sources and illegal connections are two of the issues being addressed on the Rio Cobre water supply system.

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6. Was value for money gained in this project, given that the objective of increased production flow was not met?

NWC

The National Water Commission believes that significant value for money was obtained in this component of the project. The Project achieved its objective of eliminating leaks and a reduction in the repeated breaks on a most important transmission main. Whatever is produced at the wells is wholly transmitted by the Rio Cobre Pipeline as the pressure testing carried out before commissioning was successful.

We trust that the above gives a better understanding of Rio Cobre Pipeline component of the Jamaica Water Supply Improvement Project (JWSIP) which has significantly improved and upgraded large sections of the NWC's water infrastructure.

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