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

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THE WATER UTILITY SECTOR IN ROMANIA BEFORE 1990.

Population: 22.81 Mil. inhabitants
Surface: 237,500 km²
Administrative structure: 42 Counties
Utilities: Single mammoth structure for utilities in each county, responsible for water, sewage, sanitation, housing, heating, public transport;
In 1990, BY LAW, the former state owned structures are reorganized in “Regia autonoma” - subordinated to county / local authorities;

The water and sewage infrastructure is defined as “public patrimony” and belongs to the local authorities;
Water utilities multiplication after 1990

42 county utility operators in 1989 across Romania

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

- **1997** – Legislation concerning the restructuring of the Regia autonoma
- **2002** – SAMTID – Small and Medium Towns Infrastructure Development Program
- **2006** – Establishment of the National Development Plan for 2007-2013
- **2007** – Sectorial Operational Plan (POS) for Environment developed by the Government of Romania
CASE STUDY:
THE EXPERIENCE OF
ESTABLISHING THE FIRST
REGIONAL WATER UTILITY IN
ROMANIA

“SOMES” WATER – PAST AND
PRESENT
January 1990—RAJAC is formally established

January 2005 - CASSA is registered

For the time being, the company is servicing only the existing county system: one city, 25 rural localities, water transport for one another town.
2005: 8 other local authorities become Company shareholders:

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

The local authorities join into an Association of Municipalities (AoM);
**July 1st 2006** - Effective Regional operator company (ROC): SOMES Water takes over the effective administration in the two counties – a first in Romania - replacing four former local operators.
The comparative dates before and after aggregation are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Before 2006</th>
<th>After 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inhabitants</td>
<td>441,430</td>
<td>657,430</td>
</tr>
<tr>
<td>Cities</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Rural localities</td>
<td>25</td>
<td>54</td>
</tr>
<tr>
<td>Water network (km)</td>
<td>583</td>
<td>1,013</td>
</tr>
<tr>
<td>Sewage network (km)</td>
<td>346</td>
<td>648</td>
</tr>
<tr>
<td>Staff (no.)</td>
<td>836</td>
<td>1,412</td>
</tr>
</tbody>
</table>
Some of the results...

Water & Waste
Water Treatment facilities expanded and modernized
Water & sewage networks expanded and rehabilitated
Storage facilities built and rehabilitated

Pumping stations modernized and automated
Equipments and tools modernized
Environment issues addressed
CASSA after regionalization: lessons learned

The gains following regionalization:

- Large investments
- Better operational performances
- Decrease of water losses;
- Energy costs savings;
- Decrease of HR costs as compared to the combined HR costs of the previous 5 companies,
Unified tariffs for a large area, possible only with a regional company;

The concession fee returned to the company from local authorities (shareholders) adds up to existent investment funds;
We also learned that...

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

- **Operator regional conform POS**
- **Operator regional care insa nu respecta POS**
- **Nu exista Operator Regional**
THANK YOU FOR YOUR ATTENTION!