

# Annual environmental performance report for Dŵr Cymru Welsh Water 2024

#### Introduction

Our purpose is to pursue the sustainable management of natural resources in all our work. This means looking after Wales' air, land, water, wildlife, plants and soil to improve well-being and secure a better future for everyone.

As part of this, we monitor the environmental performance of water companies to help minimise the impact of their operations on the natural environment. This includes tracking pollution incidents, assessing compliance with permits and licences, and overseeing the delivery of improvement schemes.

In our role as the environmental regulator, we are responsible for holding water companies to account for meeting their legal obligations and environmental responsibilities. This includes verifying compliance and overseeing fulfilment of statutory duties under relevant legislation.

We regulate Dŵr Cymru Welsh Water's operations in Wales, while the Environment Agency regulates its activities in England. This report reflects Dŵr Cymru's combined performance across both countries, unless stated otherwise. Hafren Dyfrdwy's performance is also available on our <u>website</u>.

You can find more detailed insights on Dŵr Cymru in our <u>Pollution Incident Report</u> and <u>Storm overflow spill</u> reports published in July 2025.

#### **Contents**

This annual report has two parts. First, we assess Dŵr Cymru's performance against the seven Environmental Performance Assessment (EPA) metrics used across England and Wales. This enables consistent comparison of the ten largest water and sewerage companies. Second, we review other key environmental areas not covered by the EPA. The report does not cover all aspects of water company regulation.

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## Part 1: Dŵr Cymru's 2024 Environmental Performance Assessment

The EPA metrics and targets are reviewed every five years to drive continuous improvement. This 2024 report marks the fourth year of assessing Dŵr Cymru against the 2021-25 metrics. We continue to hold Dŵr Cymru to account on their statutory duties, encouraging targeted interventions to improve EPA performance and broader environmental outcomes.

In 2024, Dŵr Cymru achieved green status for two EPA metrics, amber for four, and red for one. This resulted in a 2-star overall company rating, indicating that the company 'requires improvement'. It is disappointing that Dŵr Cymru has remained at 2-star for three consecutive years.

Summary of Dŵr Cymru's performance:

EPA metric	2024 result	Comparison to previous years' performance
Metric 1: Total pollution incidents (sewerage)	<b>36</b> (Amber)	Remained at amber
Metric 2: Serious pollution incidents (sewerage and water supply assets)	<b>6</b> (Red)	Remained at red
Metric 3: Self-reporting of pollution incidents (sewerage and water supply assets)	<b>74%</b> (Amber)	Remained at amber
Metric 4: Discharge permit compliance (numeric)	<b>98.7%</b> (Amber)	Moved to amber
Metric 5: Satisfactory sludge use and disposal	<b>100%</b> (Green)	Remained green
Metric 6: Asset Management Plan National Environment Programme Delivery	<b>100%</b> (Green)	Remained green
Metric 7: Supply Demand Balance Index	<b>99</b> (Amber)	Remained amber
Overall company star rating	2-star	Remained at 2-star for three consecutive years

Key: Metric status

Green	Performance better than target
Amber	Performance below target
Red	Performance significantly below target

Key: Overall company star rating

4-star	Industry leading company		
3-star	Good company		
2-star	Company requires improvement		
1-star	Poor performing company		



### Headline performance messages

As summarised on page 2, Dŵr Cymru's 2024 performance included one metric significantly below target, four close to or below target, and two exceeding target:

- Metric 1 Sewerage Pollution Incidents (Categories 1–3): Incidents increased further in 2024, continuing a deteriorating trend. The metric remained amber.
- **Metric 2 Serious Pollution Incidents:** Six incidents were recorded (one fewer than in 2023), but the metric remained red.
- Metric 3 Self-Reporting of Pollution Incidents: Improved by 4% from 2023, but still amber.
- Metric 4 Compliance with Numeric Water Quality Permits: Improved by 0.7%, moving to amber.
- Metric 5 Satisfactory Sludge Use and Disposal: Returned to 100%, maintaining green status.
- Metric 6 Delivery of Asset Management Plan Schemes: 100% delivered, remaining green.
- Metric 7 Supply Demand Balance Index: Scored 99, staying amber for a second year.

It is extremely disappointing that Dŵr Cymru continues to hold red status for serious pollution incidents. The rising number of sewerage pollution incidents is also concerning, with 2024 marking the worst performance to date. The decline in pollution performance reflects a real deterioration and cannot be attributed to the tightening of EPA thresholds introduced in 2021.

Further information on the seven metrics follows.

#### Reference information on EPA

For details on the EPA methodology and a summary of performance in previous years, please refer to the annexes:

- Annex 1 explains the methodology we use to assess the company's performance
- Annex 2 shows how Dŵr Cymru has performed against the EPA metrics since 2015

#### **Pollution incidents**

As the environmental regulator, we respond to a wide range of pollution incidents, some of which originate from water company assets and networks. We report on the number of incidents attributed to each water company to promote transparency and drive continuous improvement. Our aim is for a sustained reduction in pollution incidents, with the regulatory ambition that these are eliminated entirely. We expect water companies to prevent all serious incidents (Category 1 and 2).

We use four categories to assess the impact of pollution incidents:

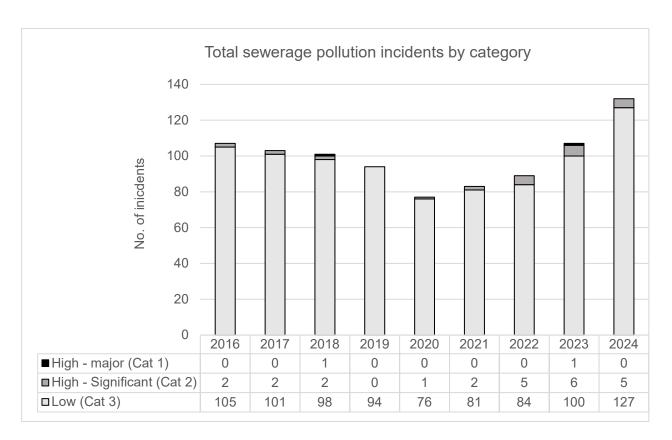
- Category 1 Major: Major, serious, persistent and/or extensive adverse effect or damage to the environment, people or property, or to NRW's assets, operation or reputation.
- Category 2 Significant: Significant adverse effect or damage to the environment, people or property, or to NRW's assets, operation or reputation.
- Category 3 Minor: Minor or minimal adverse effect or damage to the environment, people or property, or to NRW's assets, operation or reputation.
- Category 4 No impact: An incident/occurrence that had no environmental or organisational impact.

#### **EPA** metric 1: Total pollution incidents (sewerage)

In 2024, Dŵr Cymru had 132 Category 1-3 sewerage pollution incidents. 127 had a (Category 3) minor environmental impact, while five had a (Category 2) significant environmental impact. Concerningly, this number continues to increase year on year.

The EPA normalises incident numbers by the total sewer length the company is responsible for (36,249 km), meaning Dŵr Cymru achieved amber for this metric:

EPA metric	Unit of measurement	What this metric means	2024 result (metric status)
Total pollution incidents (sewerage)	Category 1-3 incidents per 10,000 km of sewer	How many sewerage pollution incidents occurred, of Category 1-3, by sewer length	36 (Amber)



As the graph above demonstrates, since 2021, the start of the current EPA period, there has been a 60% increase in sewerage incidents.

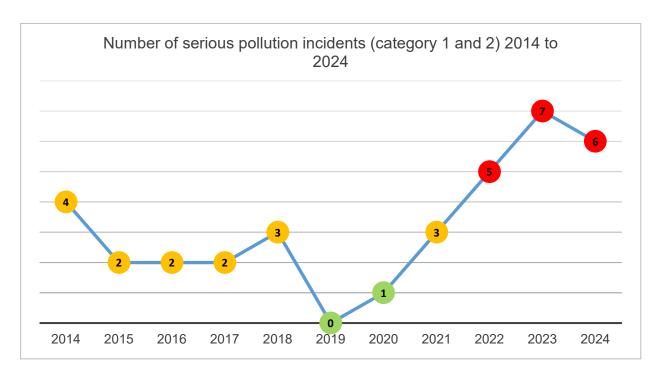
We expect Dŵr Cymru to take accountability for this increase in pollution incident numbers and make a concerted effort to focus their initiatives to reverse this deteriorating trend. We expect Dŵr Cymru to use best practice from across the sector to continually drive down pollution and work towards the long term goal of zero incidents.

## EPA metric 2: Serious pollution incidents (category 1 and 2 from sewerage and water supply assets)

This metric looks at the number of serious pollution incidents. As shown in the graph below, there were six serious incidents in 2024 that had a significant (Category 2) environmental impact.

EPA metric	Unit of	What this metric means	2024 result
	measurement		(metric status)
Serious pollution incidents (sewerage and water supply assets)	Total number of incidents (Category 1-2)	How many serious sewerage and water supply water pollution incidents occurred, of Category 1-2, total number	6 (Red)

In 2024, all six serious pollution incidents were classified as Category 2. This is one fewer than in 2023, but still double the threshold of three incidents that triggers a red performance rating. The incidents were linked to a range of assets, including sewage pumping stations, rising mains, wastewater treatment works (WWTWs), and water distribution mains.



We expect Dŵr Cymru to push for improvement in this area and work quickly towards reducing serious incidents from sewerage and water supply assets, utilising industry best practice and acting quickly on findings from post incident root cause analysis.

#### **EPA** metric 3: Self-reporting incidents

We expect water companies to self-report at least 80% of pollution incidents. Under the tighter EPA metrics, achieving green status now requires not only 80% overall self-reporting, but also 90% self-reporting at pumping stations (PSs) and wastewater treatment works (WWTWs).

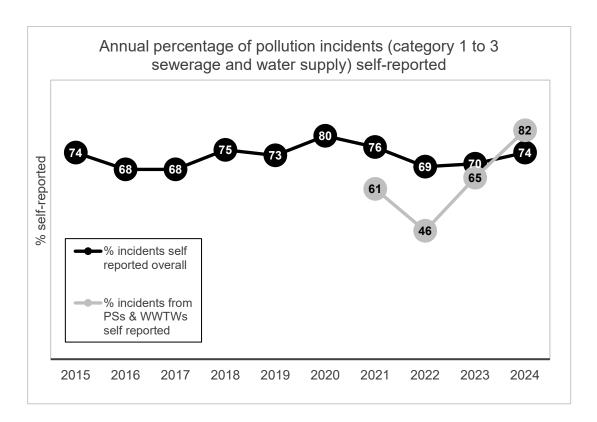
Self-reporting demonstrates that a company:

- understands its assets and networks;
- uses telemetry and other tools to predict and detect incidents;
- identifies high-risk locations and asset types;
- responds quickly to minimise environmental impact.

In 2024, Dŵr Cymru remained at amber status, with an overall self-reporting rate of 74%,a 6% improvement since 2022, but still below the 80% threshold. This increasing trend has been seen in England too, with an increase of 30% since 2023. While this increase is encouraging, performance has plateaued and remains at the same level as a decade ago.

Positively, self-reporting at PSs and WWTWs rose by 17% in the past year. However, 12 incidents from these asset types were still not self-reported, despite the presence of telemetry systems. Further improvement is needed to meet the 90% target in 2025.

We encourage Dŵr Cymru to explore industry-wide initiatives and innovative technologies to strengthen self-reporting, particularly at PSs and WWTWs, and support a return to green status.



#### Water discharge permit compliance

We, and the Environment Agency issue permits for water discharges, including treated discharges from water company WWTWs and WTWs. The permits require the discharges to meet specific criteria to make sure there is no deterioration to the water environment. Water companies self-monitor their discharges and are required to provide data to us which we assess for compliance. Both regulators have increased their compliance assessment activities, including site inspections and audits, and we expect all permit conditions to be complied with.

Both regulators use the following non-compliance categories C1 to C4 when we assess compliance with permit conditions:

- Category 1 Major: Potential to have a major, serious, persistent and/or extensive impact or effect on the environment, people and/or property
- Category 2 Significant: Potential to have a significant impact or effect on the environment, people and/or property
- Category 3 Minor: Potential to have a minor or minimal impact or effect on the environment, people and/or property
- Category 4 No environmental impact: Non-compliance at a regulated site that cannot foreseeably have any impact on the environment, people and/or property

When we categorise non-compliances, we must consider the potential impact based on what is reasonably foreseeable. All non-compliances are recorded on a Compliance Assessment Report (CAR) and issued to the permit holder. Where necessary we can set

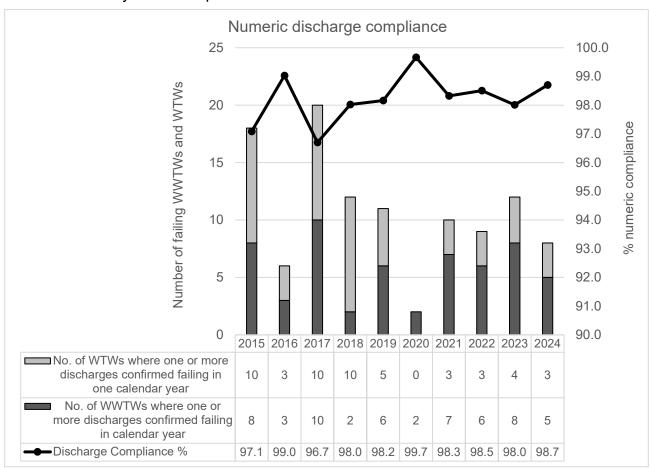
actions requiring the permit holder to bring the site back into compliance with the permit and consider our enforcement options.

#### **EPA** metric 4: Discharge permit compliance

In 2024, Dŵr Cymru achieved amber for this metric as they were 98.7% compliant with the water quality limits on their numeric permits for WWTWs and WTWs. This is an improvement on last year when they achieved red status with only 98.0% compliance. The graph below shows, of the 584 sites Dŵr Cymru operate there were five non-compliant WWTWs and three non-compliant WTWs out of 39.

EPA metric	Unit of measurement	What this metric means	2024 result (metric status)
Discharge permit	%	Percentage of Wastewater Treatment	
compliance		Works and Water Treatment Works	98.7
(WWTWs &		compliant with the numeric limits on	(Amber)
WTWs)		their discharge	, ,

We expect Dŵr Cymru to seek opportunities to monitor and proactively identify WWTWs and WTWs which may be dropping in performance in-year, with the aim of achieving 100% compliance with this metric. Whilst Dŵr Cymru have never achieved 100%, this target has been achieved by other companies in the sector.



#### **EPA** metric 5: Satisfactory sludge use and disposal metric

EPA metric	Unit of	What this metric means	2024 result
	measurement		(metric status)
Satisfactory sludge use and disposal metric	%	Whether compliance with relevant legislation relating to the storage, recycling and/or disposal of sewage sludge is being adhered to	100% (Green)

This metric looks at how much sewage sludge (measured in tonnes of dry solids, or tds) is safely used or disposed of. As the company responsible for the sludge, once it leaves their sites, Dŵr Cymru must report how much is handled in a satisfactory way.

The company manages both the sludge it produces and sludge received from other sources. To be considered satisfactory, the use or disposal must be compliant with:

- Sludge (Use in Agriculture) Regulations (SUiAR)
- Environmental Permitting Regulations (2010) covering recycling to land and disposal under specific exemptions
- Safe Sludge Matrix

Water companies are expected to achieve at least 98.2% satisfactory use or disposal.

In 2024, DCWW reported 100% compliance. Of the 34,426 tds of satisfactory sludge dispatched:

- 34,420 tds were used on agricultural land
- 6 tds were used for land reclamation (non-agricultural use)
- The total land area used for agriculture was 6,359 hectares.

The figures can be broken down by country:

#### In Wales:

- 30,414 tds were used on agricultural land
- A further 96 tds were sent to another water company for treatment

#### In England:

• 4,012 tds were used, including 6 tds for land reclamation in Cornwall.

### **EPA metric 6: AMP National Environment Programme (NEP) delivery**

This metric looks at how Dŵr Cymru have delivered against their Asset Management Plan (AMP) period, April 2024-March 2025. It looks at the percentage of schemes delivered compared to the cumulative schemes planned for the overall 5 year AMP 2020-2025.

EPA metric	Unit of	What this metric means	2024 result
	measurement		(metric status)
AMP National	% of planned	Whether the Asset Management	
Environment	delivery	Plan National Environment	100
Programme Delivery		Programme is being delivered to	(Green)
		plan	

In 2024/25 Dŵr Cymru delivered 306 schemes as planned – 25 improvement schemes, 5 investigation schemes and 276 monitoring schemes. After agreed alterations, the cumulative total of AMP NEP schemes completed to date is 416 (including 406 investigations on Urban Waste Water Treatment Regulations spill frequency reduction investigations on storm overflows). The improvements delivered by the programme will mean assets achieve higher standards and deliver water quality improvements.

In England, Dŵr Cymru delivered 23 actions in year 5 of the Water Industry National Environment Programme (WINEP), with no non-deliveries.

Looking ahead to AMP 8, 2025-2030, Dŵr Cymru are committed to NEP improvements totalling £1.6 billion in Wales. There are 199 schemes planned in England. We will continue to work with Dŵr Cymru to ensure the AMP8 programme is delivered.

More information on the planned water company investment in Wales can be found here: Natural Resources Wales / BETA: Wales environmental information portal.

#### **EPA metric 7: Supply Demand Balance Index**

The Supply Demand Balance index (SDBI) metric measures how the actual supply demand balance has performed compared to what is set out in a water company's Water Resources Management Plan (WRMP). We expect companies to have a score of 100.

In 2024/25, Dŵr Cymru had a SDBI score of 99. This metric stayed amber for the second year running. The score was due to the company reporting a small deficit in one water resource zone (Mid and South Ceredigion) again. This means that this zone was at a greater risk of needing customer restrictions if that area of Wales had experienced drought conditions in 2024/25. The company stated that it did not have an actual water supply risk during the year. We expect the company to increase its efforts in leakage control and water efficiency to reduce the demand for water to maintain a secure water supply in all zones this year and achieve a score of 100 for 2025/26.

EPA metric	Unit of	What this metric means	2024 result
	measurement		(metric status)
Supply	SDBI score,	How the actual supply demand balance	
Demand	max. 100	has performed compared to what is set out	99
Balance Index		in their Water Resources Management	(Amber)
		Plan (WRMP)	,

## Part 2: Dŵr Cymru's wider environmental performance

The seven EPA metrics detailed in Part 1 represent a core subset of environmental performance. However, our monitoring, reporting, and regulatory work in relation to Dŵr Cymru's activities extends beyond these metrics. Part 2 of this report covers additional areas, some of which are closely linked to EPA measures, such as incidents and permit compliance, while others reflect broader aspects of environmental oversight.

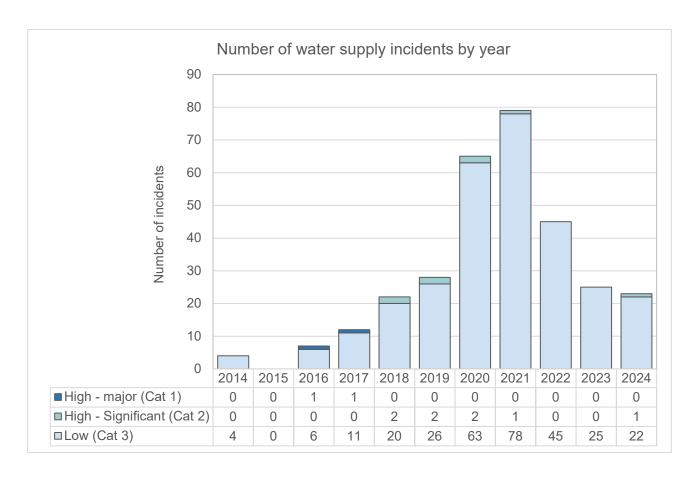
#### Incidents from water supply assets

We monitor pollution incidents from assets involved in the supply of drinking water. The numbers are not included in the EPA metric above as this is for sewerage-related pollution only.

Water supply incidents are an important aspect of environmental performance, as they often involve discharges of partially or fully treated drinking water from water treatment works (WTWs) or distribution systems. Such discharges can cause pollution due to the presence of chemicals like chlorine, aluminium, or iron, and may enter watercourses at high velocity, disturbing sediments and introducing silt.

In 2024, there were 23 pollution incidents from water supply assets. Of these, 22 were classified as Category 3, and one was Serious (Category 2).

Water supply incident performance showed a slight improvement in 2024 compared to 2023, following a peak during 2020-21. We expect Dŵr Cymru to build on this progress by further reducing incidents from water supply assets, with a particular emphasis on achieving zero serious pollution incidents.



#### Water quality descriptive permit condition compliance

In addition to the EPA metrics, it is important to consider trends in compliance with descriptive permit conditions at wastewater treatment works (WWTWs) and water treatment works (WTWs). These conditions cover non-numeric aspects such as site maintenance, operational management, and reporting obligations. They are critical to ensuring that sites operate responsibly and in line with environmental expectations.

We expect to see year-on-year improvements in performance, with the goal of achieving full compliance (100%) across all permitted sites. The table below shows the percentage of sites compliant with their descriptive conditions and the number of non-compliant sites from 2020 to 2024:

Year	Percentage compliant	Non-compliant sites
2020	63%	317
2021	87%	112
2022	91%	74
2023	87%	110
2024	85%	127

Compliance with descriptive permit conditions improved significantly from 2020 to 2022, rising from 63% to 91%. However, this progress has not been maintained, with compliance falling to 87% in 2023 and 85% in 2024. While performance remains better than in 2020, the recent decline is below expectations. We expect this downward trend to be reversed in 2025, with Dŵr Cymru taking action to achieve full compliance.

Of the 127 non-compliant sites in 2024, most breaches related to monitoring, reporting, and notification under the Operator Self-Monitoring and Urban Wastewater programmes. These included seven C1 (major) and 27 C2 (significant) non-compliances, alongside a larger number of C3 and C4 issues. C1 and C2 non-compliances are considered significant and require urgent attention.

To improve descriptive condition compliance, we expect the company to:

- take swift and positive action to address the root causes of non-compliance in 2025
- improve performance year-on-year, aiming for 100% compliance
- eliminate all C1 and C2 non-compliances due to their potential for serious environmental impact.

#### Flow compliance at wastewater treatment works

#### **Dry Weather Flow (DWF) compliance**

Dry Weather Flow (DWF) is the average daily volume of wastewater entering a treatment works during dry conditions, when there is no rainfall. It reflects normal flows from households and businesses. DWF is important for compliance because many discharge permits are based on this flow level. If the flow regularly exceeds the permitted DWF, it may indicate issues such as infiltration or overloading, which can affect treatment performance and lead to environmental harm.

Dŵr Cymru provided DWF data in accordance with their permit requirements. 42 WWTWs in Wales and three in England experienced data issues in 2023. 35 sites experienced missing or suspect data in Wales in 2024 and 1 in England..

24 WWTWs in Wales and five in England exceeded their DWF permit limits during 2023 where the measured Q90 DWF was greater than the permitted flow limit. This includes both previously reported and first-time exceedances. In 2024 the number of exceedances had increased significantly to 54 sites in Wales and 12 in England. Dŵr Cymru are required to carry out investigations and report the cause of the exceedance to the relevant regulator, and where appropriate complete remedial action within an agreed timescale.

#### Flow to Full Treatment (FFT) compliance

Flow to Full Treatment (FFT) is the maximum flow rate that a treatment works is designed to fully treat before excess flows are diverted, usually during heavy rainfall. It ensures that wastewater receives proper treatment before being discharged into the environment. Compliance with FFT is important because it helps prevent untreated or partially treated sewage from entering the water environment, protecting water quality and public health.

During 2023, in Wales 156 sites were reported as being investigated by Dŵr Cymru due to queries over their flow to full treatment (FFT) permitted limits. The number increased to

188 sites in 2024. We remain concerned that the number of sites has grown significantly from the 101 reported in 2022. Increased monitoring as part of the NEP W\_U\_MON3 and W\_U\_MON4 installations and associated new permit conditions for Flow Passed Forward (FPF) are considered a factor in the increased number of reportable risks. We recognise that progress has been made with the investigations programme and implementation of measures to address issues at a number of sites. We expect the number of sites under investigation to decrease in coming years.

#### Monitoring certification scheme (MCERTS) compliance

MCERTS is our monitoring certification scheme. It sets standards for equipment and systems used to measure and report environmental data, such as flow rates at treatment works. Compliance with MCERTS ensures that flow monitoring is accurate, reliable, and consistent with regulatory requirements. This helps us assess whether sites are operating within their permitted limits and protects the environment from potential harm.

Dŵr Cymru has made progress with their internal management system for MCERTS certification, a system which independently audits and certifies the suitability and accuracy of their flow monitoring equipment. All their sites in Wales were compliant with MCERTS re-certification requirements in 2023 and 2024.

#### Permitted storm overflows - Wales only

#### Permit compliance assessment

Through our incident response and permit compliance assessment work, we identified non-compliances at permitted storm overflows (sewage pumping stations, combined sewer overflows and storm discharges from WWTWs) for a variety of reasons.

The three most common types of non-compliance in 2024 are described below.

- 228 sites were non-compliant because their event duration monitoring (EDM)
  equipment was operational for less than 90% of the year. We recorded 131 C4 noncompliances and 79 C3 non-compliances; the majority were issued with a Warning. 26
  sites have been recorded with a C2 non-compliance. Enforcement action is being
  considered for these more serious non-compliances.
- 23 non-compliances were recorded for discharges to the environment caused by a blockage in the Dŵr Cymru sewer network. 22 recorded as a C3 non-compliance and one recorded as a C4 non-compliance; the majority were issued with a Warning. Common causes of the blockages were fats, oils and greases, rags and a build-up of silt.
- 45 non-compliances were identified for poor management of infrastructure. Five C4 non-compliances, 31 C3 non-compliances and nine C2 non-compliances. Issues identified include insufficient storm storage causing site flooding and premature storm

discharges, storm effluent not being returned to treatment when capacity allows, air locked pumps and inlet screen malfunction.

#### **Event Duration Monitoring**

Dŵr Cymru have installed event duration monitors (EDM) to monitor the number and duration of spills, on the majority of their permitted storm overflows in Wales. This means EDM is installed on the following assets:

- storm overflows on the sewer network (combined sewer overflows)
- storm overflows from pumping stations
- storm overflows at WWTWs.

In this section, we share data on permitted storm overflows only. For storm overflows currently operating without a permit, we have a programme of work underway to bring them within our regulatory framework, where appropriate. More information on storm overflows can be found on our website: <u>Storm overflows</u> and <u>Storm overflow spill reports</u>.

Unusually wet periods have the potential to result in increased spill frequency and duration, whilst dry weather has the opposite effect. We are working on a robust method to identify when spills are occurring in dry weather that will allow us to better assess storm overflow performance.

Using analysis based on long term rainfall average in Wales (1991-2020), 2024 was an average year for rainfall.

Year	Wales rainfall
2021	Average year
2022	Dry year
2023	Wet year
2024	Average year

#### **EDM** data reported

The data presented below uses the 2024 EDM summary data submitted by the water company in their annual regulatory return to us. EDM summary data from permitted storm overflows in England is not presented in this report.

Dŵr Cymru listed 2,067 permits in their 2024 return. We continued to issue EDM variations to storm overflow permits during 2024.

Following their annual EDM summary data submission in February 2025, Dŵr Cymru notified us of significant discrepancies in the data. A revised return was submitted in May 2025. After careful review, we have accepted the resubmission, which is presented in this report.

We have emphasised the importance of data accuracy and requested a written explanation of the steps the company will take to prevent a recurrence. In response, Dŵr Cymru has identified several areas for improvement and outlined proposed measures to enhance data completeness and accuracy in future submissions.

In 2024, 279 (13.5%) of the water company's EDMs were in operation for less than 90% of the year, which is below the agreed industry standard. We expect the water company to improve EDM operability so that all EDMs are operating for at least 90% of the time as soon as possible. We expect the company to continue work to improve the data completeness and accuracy for the storm overflow data sets.

#### Number of spills

The number of spills from storm overflows is calculated using the 12/24 block counting methodology. The Environment Agency use this same approach so there is consistency across water companies in England and Wales when counting storm overflow spills.

The spill data from Dŵr Cymru's 2,070 permitted storm overflows, tells us:

- 1% (19) had no data provided;
- 7% (153) had 0 spills;
- 19% (402) spilled between 1 and 9 times;
- 27% (564) spilled between 10 and 39 times;
- 24% (626) spilled between 40 and 99 times;
- 30% (304) spilled between 100 and 299 times;
- Fewer than 1% (2) spilled more than 300 times.

#### **Duration of spills**

The duration data from Dŵr Cymru's 2,070 permitted storm overflows, tells us:

- 1% (19) had no data provided:
- 7% (153) had 0 hours of spills;
- 31% (652) spilled for more than 0 but less than 50 hours;
- 25% (525) spilled for at least 50 hours but less than 250 hours;
- 12% (255) spilled for at least 250 hours but less than 500 hours;
- 11% (222) spilled for at least 500 hours but less than 1,000 hours;
- 12% (241) spilled for at least 1,000 hours but less than 5,000 hours;
- Fewer than 1% (3) spilled for more than 5,000 hours.

#### Water resources

#### Incidents from water resources activities

On 29 April 2024, we identified dry stretches in tributaries of the Nant Glandulas downstream of Dŵr Cymru abstraction points for Llanishen/Lisvane reservoirs. We found approximately 500 metres of stream to be completely dry, with visible upstream flow

indicating full abstraction at several points. Flow was reinstated by 1 May 2024. This incident was classified as a Category 3 incident for actual environmental impact.

On 3 July 2024, a Category 2 incident occurred at Llyn Celyn reservoir when flows dropped below the required summer compensation level for 1 hour 45 minutes. This breach, regulated by a water resources licence, was the sixth similar incident since 2020. Repeated under-releases will significantly impact fish populations in the Afon Tryweryn, particularly fry and parr, with cumulative effects considered harmful to the river's ecology.

When an incident occurs at a site with a licence we undertake an assessment of compliance with the conditions in the licence. Our compliance work for these incidents is detailed in the next section.

#### Water resources licence compliance

In 2024, we carried out 11 compliance assessments of Dŵr Cymru's water resources licences. Nine licences were found to be compliant. However, two assessments (incidents at Llanishen and Llyn Celyn Reservoir) identified breaches of licence conditions.

Due to the potential for a significant impact or effect on the environment both incidents were assessed as C2 non compliant with conditions in their licence. Dŵr Cymru received a Warning for both incidents, alongside requiring remedial actions in a Compliance Assessment Report.

#### **Drought planning and Water Resources Management Plans**

Water companies have a duty to maintain water supplies in their area, without damaging the environment or affecting the needs of other water users. There is a statutory requirement for water companies to prepare, maintain and publish Water Resources Management Plans (WRMPs) and Drought Plans. The latest WRMP was published in 2024. The latest draft Drought Plan was published for public consultation in early 2025. The company has recently published its Statement of Response to the comments it received during the consultation. The plans are published every five years. For the latest information on Dŵr Cymru's WRMP and Drought Plan, please see their website:

- Water Resources Management plan 2024
- Draft Drought Plan 2025

Please also have a look at our webpages for more information on these topics:

- Water Resources Planning
- Drought
- Drought plan guidance

#### Leakage and water use

Water companies submit a wide variety of data to us and Ofwat, which includes leakage rates and water use. An <u>investigation by Ofwat</u> found Dŵr Cymru Welsh Water misled customers and regulators on its performance on leakage and per capita consumption (water use per person) over a period of five years.

NRW, Environment Agency and Ofwat sent a joint regulator letter to Dŵr Cymru Welsh Water on the Annual Review of its WRMP for 2023/24, highlighting our concerns with the company's performance in demand management, especially for leakage that could affect security of supply and/or risk to the environment. The letter was published on <a href="Ofwat's website">Ofwat's website</a>.

The letter set out our expectations for Dŵr Cymru Welsh Water to take immediate action to improve performance on the issues raised and to hold meetings with Natural Resources Wales (NRW), Ofwat and the Environment Agency (EA) to demonstrate progress on addressing those issues.

Using water efficiently and reducing leakage are necessary for building climate resilience for nature and people.

The revised leakage rates and water use information for 2024/25 should soon be available at www.discoverwater.co.uk.

#### Waste permit compliance

Water companies carry out a range of waste-related activities, including biowaste treatment, landfill operations, biogas combustion, sludge incineration, and the operation of transfer stations. For permitted activities, we assess compliance against permit conditions and record any non-compliances.

In 2024, we conducted six compliance assessments across four sites, identifying five breaches of permit conditions. All were classified as C3 non-compliances. While this represents a lower level of environmental risk, we expect Dŵwr Cymru to take action to achieve full compliance.

#### **Enforcement**

Our Enforcement and Sanctions Policy ensures that environmental offences are addressed fairly, firmly, and proportionately to prevent further harm. Enforcement actions are guided by our *Offence Response Options*, which include:

- Advice and guidance
- Formal warnings
- Civil sanctions
- Prosecution

The choice of response depends on; The severity of the offence, the offender's willingness to comply and the public interest.

Our enforcement interventions aim to:

- Cease ongoing offences
- Restore environmental harm
- Deter future breaches
- Promote sustained compliance

Minor or unintentional offences may be resolved through education or voluntary action. Prosecution is considered a last resort, pursued only when other enforcement tools have proven ineffective or where the offence is particularly serious. Complex investigations may take time, and outcomes are often reported in subsequent years.

#### **Enforcement actions: case summaries**

#### Dŵr Cymru - Afon Cynin, Carmarthenshire

In 2024, Dŵr Cymru accepted a formal caution following a pollution incident affecting the Afon Cynin. Sewage was discharged from a pumping station without an environmental permit on the 14 and 15 March 2022 and 3 May 2022.

This enforcement action reflects the seriousness of repeated non-compliance and the importance of protecting watercourses from unauthorised discharges.

#### **Dŵr Cymru – Afon Cefni, Anglesey**

On 3 March 2022, red diesel leaked from a faulty storage container, contaminating surrounding land and the Afon Cefni. As part of an enforcement undertaking, Dŵr Cymru donated £15,000 to local environmental charities in the Llangefni area.

This voluntary contribution supports community-led environmental restoration and reflects a cooperative approach to enforcement.

#### Dŵr Cymru - River Wye, Herefordshire

On 7 July 2024, the Environment Agency prosecuted Dŵr Cymru for breaching permitted limits of biochemical oxygen demand in treated sewage effluent discharged into the River Wye. The failings occurred at the Kingstone and Madley wastewater treatment works between August 2020 and June 2021. The company was fined £90,000.

Welsh Water fined £90,000 for polluting River Wye near Hereford | Subscribe for Catchment News | Engage Environment Agency

#### **Reservoir safety**

Dŵr Cymru manages 134 registered large, raised reservoirs, of which 106 are designated as "high-risk". High-risk reservoirs are large, raised reservoirs, designated by us, where we think human life could be endangered in the event of a dam failure causing an uncontrolled release of water.

Throughout the year, we monitor quarterly compliance against key safety indicators, including:

- reservoirs without an appointed construction or supervising engineer
- reservoirs not inspected within the required timeframe
- reservoirs where recommended safety measures have not been completed within the timeframe recommended by the inspecting engineer.

Throughout 2024, Dŵr Cymru achieved full compliance (100%) each quarter for both the appointment of reservoir engineers and the completion of required inspections. For safety

measures, quarterly compliance remained non-compliant, resulting in a quarterly compliance rate of 97.0%. By the end of the year, the number of non-compliant reservoirs had reduced to three, with an overall compliance rate of 97.8%.

Dŵr Cymru's compliance is high. The non-compliance is largely attributed to large scale engineering projects complicated by interdependence of public water supply security, restricted working for environmental reasons, planning consent considerations and resource capacity. None of the non-compliances infer an immediate concern for reservoir safety. Project plans are in place to address all measures and delivery of these is ongoing.

Dŵr Cymru provide regular updates on progress and draw to our attention any implementation delays and the reasons for those delays, before the statutory deadlines. Measures are in place to ensure reservoir safety and advice is frequently sought from an independent qualified reservoir civil engineer.

The Environment Agency has not recorded any Dŵr Cymru reservoir safety non-compliances in 2024.

#### **Operator Monitoring Assessment (OMA)**

We carry out these audits of operators' self-monitoring arrangements to check that WaSCs are performing the required monitoring to the monitoring standards in our permits and via our Monitoring Certification Scheme (MCERTS). The Operator Monitoring Assessment (OMA) is the systematic tool that we use to carry out these audits in order to highlight areas for improvement and promote best practice.

There is no fixed schedule for conducting OMA audits; we undertake them based on our assessment of risk and operational priorities. We did not carry out an OMA audit on Dŵr Cymru in 2024. While we do not currently have one scheduled for 2025, we intend to carry out an OMA audit in the near future, subject to our ongoing review of priorities.

### Regulatory action

We are committed to driving improvements in water company performance through a robust and evolving regulatory framework. Our actions focus on the following key areas:

## 1. Pollution Incident Reduction Plans (PIRPs) – new legal requirement

The Water Special Measures Act has inserted provisions into the Water Industry Act 1991. These legally require all water companies to publish Pollution Incident Reduction Plans (PIRPs) and Implementation Reports. PIRPS must clearly explain how companies will reduce pollution from all their assets, including storm overflows. Implementation Reports will be a retrospective review of how successfully the incident reduction measures were implemented.

- We are currently developing guidance describing the content we expect in a PIRP and Implementation Report, to be published by end of 2025.
- PIRPs must be in place by April 2026
- We will check that PIRPS have been published and review their content.

## 2. Drainage and Wastewater Management Plans (DWMPs)

We are working towards making DWMPs statutory in Wales, embedding them into long-term planning and investment strategies.

- DWMPs must be ambitious, evidence-based, and aligned with climate and environmental goals.
- They will support strategic planning over a 25-year horizon, addressing challenges such as population growth, climate change, and infrastructure resilience.
- We will assess DWMPs for regulatory compliance and effectiveness.

#### 3. AMP 8 Investment Delivery and PR24 Priorities

Water companies are required to deliver their AMP8 investment commitments (2025-2030), aligned with performance targets set through PR24, led by Ofwat.

- Regulatory priorities include reducing pollution, improving water quality, enhancing climate resilience, and delivering better services.
- We will hold companies to account for timely, transparent delivery and ensure that investments result in tangible environmental improvements.

#### 4. Permit Compliance and Regulatory Service Plan

We are increasing our focus on compliance monitoring of permitted discharges through our Regulatory Service Plan, supported by enhanced resources from 2025.

- Strengthening permit compliance is critical to preventing pollution incidents.
- We will conduct more frequent and rigorous assessments to ensure companies meet permit conditions.

#### 5. Environmental Performance Assessment (2026–2030)

We are implementing a revised Environmental Performance Assessment framework for 2026-2030.

- This will include additional metrics to enhance scrutiny and accountability.
- Performance will be benchmarked to drive continuous improvement.

#### 6. Risk-based incident response

We are transitioning to a risk-based approach for responding to pollution incidents.

- Responses will be guided by environmental risk and intelligence, ensuring resources are directed where intervention is most needed.
- Not all reports will receive immediate action; some may be addressed through routine regulatory or enforcement activity.

#### 7. Collaborative regulation and sector improvement

We are working closely with Ofwat and other partners to drive sector-wide improvements.

- This includes reducing pollution incidents and promoting best practice across the industry.
- We will continue to hold water companies accountable at all levels, from frontline operations to senior leadership.

#### 8. Data strategy and analytical capability

We are enhancing our data systems through our customer platform and IT strategy for 2030.

- We are exploring tools to maximise data analysis capability, collaborating with other regulators to adopt best practices.
- Improved data will support more effective regulation and compliance monitoring.

### Performance expectations for 2025

As we enter the final year of the 2021–25 EPA reporting period, we expect Dŵr Cymru to make positive progress across all seven EPA metrics and reverse the deteriorating trends observed in 2024. Some metrics will tighten further in 2025 to ensure targets remain challenging and drive improved performance.

In 2025, we expect Dŵr Cymru to:

- reduce the total number of sewerage incidents year-on-year;
- eliminate all serious pollution incidents (sewerage and water supply);
- achieve 100% numeric water quality compliance;
- improve self-reporting of pollution incidents, particularly at pumping stations (PSs) and wastewater treatment works (WWTWs);
- maintain satisfactory performance on sludge use and disposal;
- deliver 100% of AMP NEP schemes;

As outlined in Part 2 of this report, there are several additional areas requiring attention to strengthen overall environmental performance. In 2025, we expect Dŵr Cymru to:

- reduce incidents from water supply assets and water resources activities;
- increase descriptive condition compliance to 100%;
- improve flow compliance across relevant sites;
- reduce leakage across the water distribution network.

## Annex 1: Performance assessment methodology

Water company performance is reported annually on a calendar year basis. Since 2011, we have used the same Environmental Performance Assessment (EPA) metrics and methodology as the Environment Agency. This alignment enables consistent reporting and benchmarking of Dŵr Cymru's performance against the nine large water and sewerage companies operating in England.

To ensure full coverage, we combine performance data from Wales with data provided by the Environment Agency for the part of Dŵr Cymru's operating area that lies in England. This report therefore presents performance for Dŵr Cymru as a whole.

These metrics are absolute rather than relative, meaning all companies are assessed against fixed standards. As such, every company has the opportunity to achieve 4-star industry-leading status.

We used the Environmental Performance Assessment (EPA) methodology (version 12) for assessing 2024 data.

## Annex 2: Summary of Dŵr Cymru's EPA performance 2015-24

The table below summarises Dŵr Cymru's EPA metric performance since 2015.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Pollution incidents (sewerage) Category 1-3 incidents per 10,000 km of sewer	59	30	28	28	26	21	23	25	30	36
Serious pollution incidents (sewerage and water supply assets) Total incidents (Categories 1 & 2)	1	0.6	0.3	0.8	0	0.3	3 <sup>1</sup>	5	7	6
Self-reporting pollution incidents % (% for PSs and WWTWs only)	74	68	63	75	73	80	76 (61)	69 (46)	70 (65)	74 (82)
Discharge permit compliance (WWTWs and WTWs) %	98.6	99	96.7	98	98.3	99.7	98.3	98.5	98.0	98.7
Satisfactory Sludge Use/Disposal %	100	100	100	N/A <sup>2</sup>	N/A	N/A	N/A	100	99.84	100
AMP National Environment Programme delivery % of planned delivery	100	100	100	100	100	100	100	100	100	100
Supply Demand Balance index (SDBI)	N/A	100	98	100	100	100	100	100	99	99
Company star rating	3- star	3- star	2- star	3- star	3- star	4- star	3- star	2- star	2- star	2- star

Key: Metric status

Green	Performance better than target
Amber	Performance below target
Red	Performance significantly below target

Key: Overall company star rating

4-star	Industry leading company
3-star	Good company
2-star	Company requires
	improvement
1-star	Poor performing company

<sup>&</sup>lt;sup>1</sup> Under the tighter and broader EPA metrics of the new 5-year EPA period (2021-25), the serious pollution incidents metric now includes serious water supply incidents and is no longer normalised.

<sup>&</sup>lt;sup>2</sup> We suspended reporting of the sludge metric from 2018-2020 while we reviewed how we assess and report performance consistently across the water companies on this activity in the future. The sludge metric was reinstated as a shadow metric for the 2021 data year, and as a full metric for the 2022 data year.