

**CUSTOMER CHALLENGE & ADVISORY GROUP**

**Minutes of Meeting – held on 11<sup>th</sup> September 2018 at  
Gray Manor Hotel Parkhouse Cholderton**

**Present:**

Ed Vidler, Chairman  
Lorna Taylor, Test Valley BC  
Fran Cribb, Environment Agency  
Tony Bowden, Shipton Bellinger

Anthony Fry, Cholderton Water  
Cllr. Mike Hewitt Wiltshire Council  
Fiona Milligan, Shipton Bellinger/Cholderton

**Apologies:**

Cllr Phil Lashbrook TVBC, Cllr. John Smale, Wiltshire Council, Gary Tomsett Wiltshire Council, Sarah Henry Wiltshire Council, Adam Lowe Cholderton Water.

The chairman opened the meeting at 10:30 and welcomed those present

**Minutes of Previous Meeting**

The minutes from the previous meeting on 21<sup>st</sup><sup>d</sup> February 2018 were tabled. As there were no queries, they were accepted without amendment. The chairman said that the agenda would address any matters arising from the minutes.

**Private Supply:**

EV asked AF to update the members.

AF reminded members that an essential requirement of the privatisation process was that the Cholderton & District Water Co. should be incorporated within a trust. Although the Cholderton Estate Trust was granted charitable status of the Charity Commission on 5<sup>th</sup> February, there was an unforeseen delay when Ofwat required the water company to have new Articles of Association that would be in line with the current Companies Act. By the second week in March this issue was resolved and Henry Edmunds gifted his shares to the Trust, making it the major and controlling shareholder in the company.

Ofwat made a final approach to the relevant regulatory bodies, who had made submissions to the consultation of April 2017, to make sure there had been no changes in their positions. At a Board meeting in April, Cholderton's change of status was approved and Ofwat issued a Notice to the effect that the company's licence as a statutory water undertaker would be revoked with effect from 1<sup>st</sup> May 2018. At the same time Wessex Water's licence area was increased to include that of Cholderton leaving the latter free to supply water to customers within its boundaries.

Members requested an explanation of the role of the Trustees now that the company had become a private supply. AF responded that the company remained a private company under the Company's Act. This meant that the directors of the company retained the legal responsibilities and fiduciary duties assigned to them under current legislation. The primary role of the trustees was to ensure that the rights of consumers are respected by the company as set out in the Statement of Commitment. Paragraph 10 of that document explains the prominent role of the CCAG and paragraph 11 gives details of the business oversight the Trustees will exercise over capital expenditure and commitments.

**Performance Commitments**

AF outlined how the company has performed against the criteria set by Ofwat in the Final Determination covering the period 2015- 2020.

Water Quality: On 1<sup>st</sup> May 2018 the DWI issued a final letter of compliance covering the months of February to April 2018 concluding with the following statement: "This letter will be the last letter in association with your compliance data submissions as the company became a private water supply 1 May 2018. From this date, the company will be following the submission requirements for private supplies and are no longer required to provide compliance data to DWI."

AF and Steve Reade, who is now engaged as a consultant to Cholderton on water quality assurance matters, met with officers from TVBC and Wiltshire Council to hold preliminary discussions on how the assessment of Cholderton's sampling programmes and results would be monitored. The meeting also covered the format in which data would be presented, how non-compliance would be handled and the relative roles of the 2 authorities in order to reduce duplication. As matters stand on the last item, Wiltshire Council will give TVBC delegatory authority to act as the lead. The company will be submitting information on 'contingency planning' together with a preliminary 'risk assessment' no later than 31 October.

Outages: There have been no unplanned outages since the February meeting of the CCAG.

Water efficiency measures: The company has met the Ofwat performance measure for meter penetration and continues to fit meters in accordance with the agreed criteria. However, it is recognised that the company started the 2015 – 2020 period from a low base, making household consumption very difficult to measure accurately. The near drought conditions of the last 4 months – there has been just 12 hours of measureable rain over the period – has seen a 30%+ increase in demand despite an awareness campaign for consumers to use water responsibly.

Investment: Overall investment to date has exceeded the £79,240 that was set in the final determination. The majority of that investment has been targeted at upgrading the facilities at Compton Corner and improving the infrastructure generally.

### **Leakage & High Demand**

AF re-iterated that leakage remains a serious concern. Cholderton's staff have treated leak detection as a major priority. Since the last meeting 3 large leaks have been identified and repaired. These losses alone amounted to 5,1780m<sup>3</sup> that had accumulated in just 5 months. Numerous other smaller leaks in cattle troughs and customer's service pipes continue to be repaired weekly.

In late February, it became obvious that the order the company had placed for a replacement telemetry system was not going to be honoured despite the fact that it had been paid for in advance. A new supplier was found and the complete system was installed and commissioned by late April. This monitors the flow from the outlets of the 2 service reservoirs every 10 minutes and produces a daily report of the maximum and minimum flow rates and the total throughput of all the mains. The information is available in real time on mobile phones.

The main area of leakage has been confirmed as Shipton Bellinger where over 80% of the households are situated as well as several business premises. Where appropriate, older valves have been identified and replaced or freed. Several new valves have been installed to allow step-testing. This work is ongoing.

AF went on to explain that all this activity has taken place against a background of exceptionally high demand as explained in the section dealing with water efficiency measures.

An appeal was made to Wessex Water in June for assistance in leak detection. Unfortunately, they were unable to help as all their available staff were fully engaged in leaks and repairs related to the 'Beast from East'. However, they did provide an introduction to a company named 'Guterman' who specialise in the manufacture and supply of leak detection equipment. The company has been contacted and a representative will be visiting on 18<sup>th</sup> September.

### **Nitrate Treatment**

AF explained that the concerns he raised in February about the stability of Ionex were still a matter of concern. Further staff have left the business in the past 3 months, leaving no regular support as required under the contract. As it happens the company has not had to use the treatment plant since December as all abstraction has been from the Thruyton borehole where the water does not have to be treated. The plant has been kept in 'standby mode' ready for instant use should it be necessary to transfer abstraction to Compton Corner. This involves running water through the plant to waste for 20 minutes every 48 hours.

On 3<sup>rd</sup> March Ionex agreed to a reduction in the hire charge from £1633 to £600 per month to reflect the fact that the plant will be offline for much of the time.

AF stated that the company had submitted data to the DWI that demonstrated the level of nitrate in the raw water from Compton had not exceeded the DWS since February 2017. The submission included a request to modify the Regulation 28(4) Notice in order to allow the company to pump chlorinated water directly from Compton Corner into the Low-Level reservoir. As a safeguard, the company would conduct regular measurement of nitrate levels using the monitor in the treatment plant and 20-minute measurement of nitrate levels in the reservoir provided by the Trios submersible nitrate monitor. On 4th July the DWI revoked the Regulation 28(4) altogether.

### **Draft Accounts 2017 – 2018**

AF presented copies of the management accounts for the year ended 31 March 2018. The company's accountants are currently conducting a review of the documentation before issuing the final accounts for approval.

The preliminary results show a marked improvement in the profit over that for the previous year. This was down to:

- Increased demand across the customer base
- Excess wastage from leaks at non-household premises
- Charges made by the company to repair leaks on customers' premises

The bulk of the profit will be used to fund leakage detection equipment and the cost of external contractors the company may employ to identify the source of leaks.

EV asked for copies of the final accounts to be distributed to members. AF assured him that this would be done.

### **Customer Contacts and Complaints**

AF reported that there has been one complaint since the last meeting. One of the company's technicians was over robust in an approach to a non-household customer who was significantly behind in settling their account. In an email that followed the customer complained giving a valid reason as to why there had been a delay in sending payment. The company sent a letter in apology and the matter was closed. The only other contacts from customers have been the standard contacts relating to house moves, billing enquiries and general requests for information etc.

**Debtors**

AF provided details of the debtor position at 31 August 2018. The net debt stood at £41,105 compared with £38,693 on the same month the previous year. There has been no change in the households who have avoided paying for water. The debt from these increases by around £1,800 per annum and is deemed irrecoverable.

**Any Other Business**

There being no other business the Chairman declared the meeting closed at 12:45 pm.

**Date of Next Meeting**

Meetings will be held at least once every 6 months and members will be offered a choice of dates in due course. Between meetings The chairman will keep abreast of events by holding a quarterly meeting with the company.

AAF

23<sup>rd</sup> September 2018