

CUSTOMER CHALLENGE & ADVISORY GROUP

Minutes of Meeting – held on 14th March 2019 at

Gray Manor Hotel Parkhouse Cholderton

Present:

Cllr. John Smale

Lorna Taylor, Test Valley BC

Fran Cribb, Environment Agency

Tony Bowden, Shipton Bellinger

Anthony Fry, Cholderton Water

Cllr. Mike Hewitt Wiltshire Council

Gary Tomsett Wiltshire Council

Apologies:

Cllr Phil Lashbrook TVBC, Sarah Henry Wiltshire Council, Ed Vidler Chairman, Fiona Milligan, Shipton Bellinger/Cholderton

In the absence of chairman (Ed Vidler) Anthony Fry opened and facilitated the meeting at 10:30 and welcomed those present

Minutes of Previous Meeting

The minutes from the previous meeting on 11th September 2018 were tabled. As there were no queries, they were accepted without amendment. AF said that the agenda would address any matters arising from the minutes.

Private Supply:

AF briefly updated the members.

After a long drawn out process and much hard work, CDWC became a private supply with effect from 1st May 2018. As the company had strayed into the financial year commencing 1st April 2018 the relevant annual returns had to be submitted to Ofwat. Cholderton will also feature in the DWI Chief Inspector's Report for the year ended 31 December 2018. LT reminded members that annual returns on water quality cover the calendar year.

Accounts 2017-18

AF projected the profit and loss account and balance sheet, as reviewed by the company's accountants, Martin & Co, onto the screen for members to see. The profit for the year was £47,076 which was more than forecast largely due to the excessive demand for water by a few business customers who had serious leaks. A full set of accounts is available for all who wish to see them.

AF added that CDWC are financed through an overdraft facility with Lloyds Bank, apart from a few HP agreements for pumps etc. The overdraft facility has been reduced from 75k to 60k at the company's request. Lloyds have indicated that they are open to providing a term loan to cover future investment.

Water Charges 2019-2020

AF explained this would be the final year that the company would follow Ofwat's Final Determination covering the period 2015 - 2020. The formula allowed a general increase of 3.21% in the regulated income. The company proposed an increase of 3.13% in the water bill to measured households and 3.34% to those households whose bill is calculated according to the rateable value.

It is hoped that increasing the charges to unmeasured properties by a greater percentage will encourage domestic customers to have a meter fitted. AF explained that the average annual demand for water by measured properties is 112m³ compared with 180m³+ for those that are unmeasured. Water consumption per head per day at CDWC is above the national average. This is partially explained by the

large number of big houses with swimming pools and paddocks with horses. AF presented members with a schedule showing a comparison of charges for 2019-20 with those for the current year. AF asked members to approve the proposed 2019-20 charges scheme. All those present agreed.

Abstraction

In Feb 2018, the company's extraction volume increased significantly, and it became obvious that the annual licence of 280MI would be exceeded. It was not until September that a very large leak was found in Shipton Bellinger underneath a concrete path that had been laid by the local authority. The leak, which exceeded 90m³ per day, exposed the company's vulnerability stemming from insufficient headroom.

The company contacted the Environment Agency as soon as it became clear that the abstraction limit would be exceeded in 2017-18 by this one leak. The Agency responded with a warning letter. Although the leak was found and repaired the following September, the level of abstraction in the preceding 6 months was so great as to make it impossible to reduce abstraction significantly enough to keep the abstraction volume within the licence for the year 2018-19. The Agency made it clear that an increase in the abstraction licence this would not be possible as the Bourne was already over abstracted. An appointment has been made with the water resources team in Exeter to discuss the options available to improve the situation.

In conclusion AF said it was likely the company would exceed the abstraction limit for 2018-19 by approximately 14-15MI (5.2%), a situation exacerbated by the period from late spring to early autumn 2018 being the driest on record. In view of the ongoing discussions with the EA it is hoped the company will not be penalised financially. In the event of a failure to reach a satisfactory outcome with the EA, an alternative, which CDWC would do reluctantly, is for the company to sink another borehole on behalf of the Cholderton Estate. As long as abstraction from this did not exceed 20m³ per day (7.3MI per annum) it would fall outside the EA's jurisdiction.

Leakage

Referring again to the major leak at Gardeners Green in Shipton Bellinger, AF explained that the contractors employed by the county council failed to contact the company before undertaking the work to install the concrete pathway. An 82mm cast iron main was severed in the process. CDWC was unaware that any work had been carried out. The leak was found only by chance from water ingress into some BT telephone ducts. 100m³ of water was being lost a day over 8 months and was a huge contributor to the company's over abstraction. LT added that County Council Highways should have a record of the contractors that carried out this work. It was assumed that they were installing a dropped curb.

AF explained the way in which the new telemetry system is being used to identify unusual fluctuations in demand with 10 minute outputs being available daily in spreadsheet format. The company has invested £4,000 plus in leak detection equipment from the Swiss company Gutermann. For leak detection in the longer pipe runs the company is engaging a specialist firm from Swindon that will test for leaks at least twice a year.

In the meantime, the Cholderton team are investigating potential leakage issues at Cholderton House and the Old Rectory. A project is in the planning stage to take the High-Level reservoir out of use to investigate an unexplained loss of 18m³ per day and make the appropriate repairs.

Water Efficiency

Although the company actively promotes the responsible use of water via social media and public notices the results have been disappointing, e.g. during the very dry 6 months in the middle of 2018 demand increased by over 25%.

AF explained that an analysis of water usage across the company's household properties showed that properties fitted with meters used up to 12.5% less water than unmeasured properties. Hence the area with the most potential for achieving water savings through water efficiency is to increase meter penetration from the current level of 39% as quickly as possible. Until now the company has been limited to installing meters on change of occupancy/ownership or on demand by householders. With relatively few people moving to or from the area it is not surprising that the percentage of domestic properties with meters has fallen far below the national average.

The proposal which the company is putting forward to increase meter penetration is to make it mandatory for properties to have their water supply metered. The immediate aim is to raise the percentage to 50% as quickly as feasible. It is only by demonstrating commitment to such methods that the company will be able to solicit help from the EA for support when excessive demand threatens over abstraction. Following further discussion, including reference to a similar approach by Southern Water, members agreed that the company should proceed with its plans.

In addition, it is proposed to install at least 4 meters in Shipton where there are no meters on the 4" & 6" mains within the village complex. This should make it easier to identify an area of search when the telemetry system indicates excessive demand.

The MoD owns 111 houses in Shipton, none of which are metered. The company has no means of controlling demand and Kelda, who pay the water bill for the properties, have failed to respond to requests for information about whom to contact. GT offered to provide contact details for Kelda services (or the new contractors) and to dig out the memorandum showing the obligations of MOD properties in respect of water supply.

Performance commitments

AF briefly outlined how the company had performed since the last meeting against the criteria set by Ofwat in the Final Determination covering the period 2015 -2020.

Water Quality: There have been no quality issues from the samples taken by the Wessex Water laboratories or complaints from customers. Steve Reade has met with TVBT to agree the format in which the quarterly reports on water quality are to be compiled.

Outages: There have been no outages; but there was a power cut caused by a falling tree. This cut the power to the Thruxton well for 16 hours, which the company was using at the time, and that to Compton Corner for just over an hour. Abstraction was switched to Compton Corner to supply the reservoirs. The customers were unaffected.

Leakage: As already mentioned this remains a serious issue. Nevertheless, the purchase of new leak detection equipment and the assistance that will come to identify leaks on the longer pie runs should enable the company to meet the target that was set for March 2020.

Investment: Investment continues even though the target set in the Final Determination has been surpassed. Future investment will be financed through a term loan rather than HP or an increase in the overdraft facility.

Nitrate Treatment

AF explained that nitrate levels continue to remain below the maximum level set by the DWI and WHO. The nitrate treatment plant has been put into hibernation. This will provide significant savings but maintains the option to re-commission the plant if necessary. The plant owners, Ionex, continue to reduce staffing levels and are now down to a skeleton staff of 4. There has to be some doubt as to whether the company could provide the full support guaranteed in the contract.

Debtors:

AF updated the group on the debtor position. Outstanding debtors at the end of February stood at £14,668 compared with £16,058 on the same date in 2018. However, not included was the outstanding debt from those who do not and never have paid. Each year the total amount owed by these people increases by approximately £2,350. All attempts to recover the debt have failed.

LT asked if the flow of water to debtors could be reduced. AF replied we cannot do anything that affects the normal supply of water to the properties as we have to mirror the protection to consumers provided by a statutory water undertaking.

AF went on to say that other water companies recover this debt through customer bills. CDWC have never done this but the company will need to consider this next year. It would result in an increase of approx. £3 per customer.

Customer Contacts & Complaints

AL advised that there have been no complaints from customers since the last CCAG meeting. Customer contacts have been of a general nature, e.g. information relating to house moves, requests for meters and reporting leaks.

Any Other Business

Succession Planning: LT raised this issue on behalf of TVBC and other members of the CCAG group. It is of some concern that there has been no mention of a suitable person to take on the role filled by AF who is now in his late 70s.

AF responded by saying that staff appointments were the responsibility of the directors rather than the trustees. He said he would raise the members' concern with the managing director and also alert Ed Vidler.

Next Meeting

September 2019

AF will liaise with the chairman to find a suitable date.

