

**CUSTOMER CHALLENGE & ADVISORY GROUP**

**Minutes of Meeting – held on 21<sup>st</sup> February 2018 at  
Holiday Inn Hotel, Solstice Park, Amesbury**

**Present:**

Ed Vidler, Chairman

Adam Lowe, Cholderton Water

Cllr. John Smale, Wiltshire council

Sarah Henry, Wiltshire Council

Gary Tomsett, Wiltshire Council

Anthony Fry, Cholderton Water

Lorna Taylor, Test Valley BC

Michael Barnes, CCW

Fiona Milligan, Shipton Bellinger/Cholderton

**Apologies:**

Mike Short, CCW, Tony Bowden, Shipton Bellinger PC, Cllr Phil Lashbrook TVBC, Cllr. Mike Hewitt, Wiltshire Council, Fran Cribb, Environment Agency

The chairman welcomed everyone to the meeting.

The minutes from the previous meeting on 23<sup>rd</sup> November 2017 were tabled. As there were no matters arising, they were accepted without amendment.

**Private Supply:**

EV reported that there had been some progress on the road to privatising the company since the previous meeting in June 2017. He asked AF to update the members.

AF: Finally, 5 months after submission of the application to the Charity Commission, the Cholderton Estate Trust was registered on 5<sup>th</sup> February.

In the meantime, discussions have been taking place with Ofwat about amending the water company's Articles of Association to bring them into line with the current Company's Act. It is hoped that this matter will be resolved within the next 3 – 4 weeks. Thereafter Henry Edmunds will transfer his shares in the water company to the Trust. The Trust will then hold a majority and controlling shareholding.

Following the previous meeting in November, when the members were asked if they had comments about the Statement of Commitment Test Valley BC made 2 suggestions both of which were incorporated in the draft. The final draft has been sent to Ofwat for their comments.

It is hoped that Ofwat will revoke Cholderton's licence before 1<sup>st</sup> April, thereby enabling the company to become a private supply. Nevertheless, the question has been raised with Ofwat about the status of the company if the process extends into the next fiscal year. Subject to the approval of Ofwat's Board, the current transitional arrangements will remain in place.

**Water Charges 2018-19**

The company has submitted its proposed charges to Ofwat for the year commencing 1<sup>st</sup> April 2018. The final determination for Cholderton setting price controls for 2015-20 allowed an adjustment factor of -0.33%. Against that the RPI in November 2018 showed a rise of 3.88% over the previous 12 months. This allowed the Company's regulated income to increase by 3.55% to £222,517.

A significant increase in water usage over the past 12 months meant that to achieve this income, rises in water charges for 2018-19 would be limited to:

Unmeasured households: 1.59% - average bill rising from £246.66 to £250.59

Measured households: 0.46%. - average bill rising from £180.36 to £181.19

### **Nitrate Treatment**

AF that the company continues to receive daily exception reports and weekly summaries from Wessex. Nitrate levels exceeding 10mg/l are shown as exceptions. Real time results from the outlet of the nitrate treatment plant can also be seen on mobile phone screens. There have been no breaches of the Drinking Water Standard<sup>1</sup> in the **raw water** from Compton Corner since January 2017.

Informal talks have commenced with the DWI to see if it is possible to vary the Regulation 28(4) Notice that requires the company to treat all raw water from the Compton Corner borehole until 31<sup>st</sup> March 2020. There appears to be a willingness on the part of the DWI to review the position.

### **Annual Results 2016-17**

AF explained that during the year the company had changed its accountants from a sole practitioner to Martin & Co, a Winchester based firm of chartered accountants. The production of the accounts for the year ended 31<sup>st</sup> March 2017 had been held up because of delay in the handover of accounting records.

The underlying profit for the year was £4,564 compared with a loss of £3,749 in 2015-16. The statutory accounts included an adjustment caused by a change in accounting standards (FRS102). This affected the fixed assets on the balance sheet which had to be revalued at their original cost.

### **Customer Contacts and Complaints**

AL reported that there have been no complaints since the last meeting. The only contacts from customers have been the standard service contacts; moves, billing enquiries etc.

### **Performance Commitments**

Water Quality: CDWC has been fully compliant for the 3 months of November - January. There was a single coliform present in one raw and one treated sample on 29 January. No bacterial contamination was found in the distribution system. A report was submitted to the DWI and the matter was closed. is in talks with TVBC, on the reporting requirements that will be required once the company becomes a private supply.

Outages: There have been no unplanned outages. There have been no planned maintenance stoppages.

Investment: Both hypochlorite delivery pumps for treating raw water have been replaced with enhanced units from Grundfos. The aim is to maintain chlorination levels within one standard deviation.

### **Leakage and High Demand**

AF stated that leakage remains a significant issue. Demand over the holiday period was significantly higher than experienced in previous years. The Shipton Bellinger Sewage Works is nearing completion and it is hoped that demand from there will drop in the next quarter. Abstraction has not approached the maximum allowed of 1.35MI per day but has been higher than normal.

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<sup>1</sup> 11.294Mg/l

The company that was given a contract nearly a year ago to re-install and update the telemetry system that was damaged during the installation of the nitrate treatment plant has still failed to start the work. An attempt is being made to recover the advance payment and find an alternative supplier

On the plus side, the leakage at the equestrian centre complex has been all but eliminated. The whole exercise took nearly 3 months

### **Accounts**

AF gave a brief a brief summary of the accounts for the year ended 31 March 2017. The company made a small profit on trading of £4,899 on a turnover of £199,873 which itself was slightly down on the previous year and less than the maximum allowed under Ofwat's final determination.

A change in accounting rules affecting the valuation of assets meant that a reduction in the balance sheet had to be reflected in the profit and loss account. This amounted to a purely notional increase of £57,370 in the P&L. This has no cash or tax implications.

### **Nitrate Treatment Plant**

AF reported that the concerns still remained over the financial status Ionex. Since the previous meeting in November the previous managing director and other staff had been made redundant.

Cholderton has been abstracting water exclusively from the Thruxton well since November and hence the NT plant has not been in operation. However, it is more than likely that Compton will be used at some point as the abstraction source. This water will have to be treated. An urgent meeting is being sought with the director in charge of the business.

EV wanted to know the risk to the company if Ionex were to fail to meet their obligations. AF replied that there were currently self-employed personnel under contract at Ionex who could provide support.

### **Any Other Business**

There being no other business the Chairman declared the meeting closed.

### **Date of Next Meeting**

The next meeting was set for June 2018 but this was later changed to:  
11<sup>th</sup> September 2018