



Affinity Water
Customer Challenge Group

Purpose of Meeting:	Customer Challenge Group planned meeting Number 10	
Location:	Hub	
Date of Meeting:	19 March 2014	
Present:	Chair Robin Dahlberg	
	Jim Barker, EA Keith Cane, East Kent Housing (by video link) Karen Gibbs, CCWater Kathy Hughes, Blueprint for Water Tim Hutchings Hazel Smith, GlaxoSmithKline Jill Thomas, CCWater Damian Williams, Tendring Council	
Observers		Presenters Christopher Offer Mike Pocock
Apologies:	Jacky Atkinson DWI Allyson Broadhurst, Charis Grants John Fox, Tendring Council Mark Kibble, Dacorum Council Mark Tomkins, Heathrow Airport Ltd	
Distribution:	As above and web site	
Originator:	Liz Allen	

No	Notes of Meeting	Action
1	<p>Introductions and apologies</p> <p>The Chair welcomed new members to the CCG.</p> <p>The Chair summarised actions since the December submission and the response to the risk and reward guidance, following notification of pre-qualification of enhanced status.</p>	
2	<p>Response to revised guidance on Risk and Reward.</p> <p>Chris Offer, Head of Regulation, Affinity Water, took members through the main points of the submission responding to the risk and reward guidance. Ofwat had requested that the Affinity Water response be kept confidential until all details had been clarified. Members were able to review a paper copies during the meeting which were all returned.</p> <p>The key components were the acceptance of the Cost of Capital, the acceptance of a revised uncertainty mechanism and detailed reworking of the ODI's.</p> <p>The company believed they had accurately interpreted the guidance and made the submission to Ofwat on 17 March. Further discussions were taking place, post submission, to finalise the design of the ODI's so that Ofwat could provide sufficient evidence to their Board to support the prequalification enhanced status.</p> <p>The final announcements will be made on 4 April 2014.</p>	

3	<p>Resilience to flooding</p> <p>Mike Pocock, Physical Asset Strategy Manager, Affinity Water, briefed the CCG on the management of the flooding in the Thames Valley. This was classified as the biggest civil emergency in the UK since the fire at the Buncefield depot.</p> <p>Affinity Water successfully managed the threats to treatment works and there was no risk to water quality.</p> <p>The company were making preparations, in response to flood warnings issued by the EA on the river Thames, from early February. Four sites are located on the Thames or are dependent on an intake from the Thames. Some parts of these sites lie below river level and can be flooded and or can be affected by groundwater flooding.</p> <p>Precautions including testing pumping equipment in basements and mobilising additional staff and equipment ensured responses to flooding could be swift.</p> <p>Affinity Water responded to Gold command in Surrey and were able to call on additional resources to ensure protection of assets etc.</p> <p>Affinity Water always maintains emergency coverage with a dedicated emergency controller/incident controller. This senior manager maintains control of the emergency for its duration and is responsible for disseminating learning and recommendations for improvements.</p> <p>Additional contingency plans were developed which included the distribution of alternative water supplies with the support from other water companies. The water industry operates a mutual aid arrangement so that companies affected by an emergency can call on resources and support from others. Fortunately these plans did not need to be put in place.</p> <p>The management of the flooding ran for about 3 weeks. During that time there were no water quality or quantity issues for customers. Affinity staff maintained a presence in the community and were able to offer advice, at the flood drop in centres, to reassure customers of steps they can take to protect water quality if their properties had been affected.</p> <p>Affinity Water has plans for further resilience investment in this AMP which will further improve protection of assets.</p> <p>The flooding occurred at the same time as the annual billing. Affinity Water made the decision to postpone sending bills to customers in areas affected by flooding until later in the year.</p>	
4	<p>CCG discussion</p> <p>Affinity Water employees were asked to excuse themselves while the CCG discussed the latest material. The CCG members considered their letter to Ofwat dated 14 March 2014 in light of the presentations given to the meeting. The CCG decided that there was no need to write a further letter to Ofwat at this time. The CCG asked the CCG Chair to alert them by email should there be any material changes to Affinity Water's revised bid. Should the company make any material changes, the CCG would decide then what to do next.</p>	

Minutes of 10th CCG meeting held on 19 March 2013

Approved by Robin O'Brien

Date 23 July 2014