

2	<p>Minutes of last meeting</p> <p>These were AGREED and will now be published on the SBW web site.</p> <p>PW requested that going forward, all minutes will have an “action log” appendix. All outstanding actions were to be carried forward at each meeting.</p> <p>There were no other matters arising.</p>	DCH/AL
3	<p>Outcomes and Measures of Success</p> <p>Papers on this had been circulated pre-meeting.</p> <p>AL summarised that they included the amendments suggested at the workshop of 29/01/13 and subsequently by AB, DK and JA. AL confirmed this is an iterative and evolutionary process.</p> <p>Members requested copies of the e-mail trail between SBW and members to provide an audit trail of discussions and challenges outside the CEPF meetings and Outcomes and Measures of Success (MoS) workshop. SBW to provide to all members with a challenge diary.</p> <p>SBW will report back to the CEPF on the development of the biodiversity MoS at the next meeting.</p> <p>EV queried Outcome 5 point 1: suggested that customers were excluded from the “fair return”; PW suggested amending “shareholders” to “stakeholders”. Meeting AGREED this change. SBW to ACTION</p> <p>With changes made as above SBW’s Outcomes and Measures of Success as presented were AGREED.</p>	<p>DCH/AL</p> <p>AL</p> <p>SBW</p>
4	<p>Capital Plan</p> <p>Paper sent to members pre-meeting; TKL gave the group an overview.</p> <p>A key component of the plan would be to accelerate the physical installation of meters at household properties. JS questioned the wisdom of metering policy citing Bristol where there had been low take up with a similar scheme; RH responded advising that the proposed area installation of meters was the most cost effective method when viewed over the medium to longer term. In respect of the approx 35% unmetered household customers in the customer base, for almost half of these there would already be a suitable meter boundary box in place and therefore fitting a meter involves only visiting and screwing in a meter. For the remainder, the existing highway sited stop taps were ageing and will need replacing at some point in the medium term. The company considers that the systematic physical replacement of infrastructure and installation of meters at all properties represents a cost effective way ahead. He added that the company was not at this stage proposing any different approach to converting customers from rateable value charges to volumetric charges other than promoting the meter option and providing customers with better information about their usage.</p>	SBW

	<p>EV pointed out that this policy was not reflective of those customers who did not wish to be metered and asked if the group was comfortable with this; AB felt that reducing long term demand meant that business was more sustainable long term which was a priority. MH felt that Bournemouth Borough Council would support the zonal installation of meters to reduce upheaval. SBW confirmed that in fact the proposed approach was actually 'business as usual' but in a quicker and more efficient way. The efficiency saving would reduce the impact on customers' bills.</p> <p>PW felt that the 10% rise in investment should have a timeline. JS requested information on bill impacts. RH explained that the SBW Board will discuss proposals in April and that therefore SBW will be in a position to respond to the CEPF at the next meeting.</p> <p>CH asked whether there was a need for a Capital sub group. Members' opinions varied but after discussion it was AGREED that this was not currently necessary with SBW, but that the decision would be kept under review.</p> <p>JS questioned why additional work on Alderney WTW was proposed after funding was granted in AMP5. RH responded that there had been no funding for AMP5 for any specific investment at Alderney treatment works. The design of the plant was not as it would have been if built to current standards and that the intention was to provide a step-change in process performance.</p> <p>JA also queried the work proposed at Woodgreen WTW; RH responded that he understood that DWI had been satisfied that the development of the management of risk at the site which had led to the installation of ultra-violet disinfection had been appropriate. It was now proposed to investigate the local catchment in order to better understand the sources and routes of migration of cryptosporidium at certain times.</p> <p>This would be an investigation which may or may not lead to further capital works. The members AGREED with the response from RH.</p>	RH/SBW
5	<p>Update on Customer Research</p> <p>Paper circulated pre meeting.</p> <p>EV asked for an update on Online research. DCH responded advising group that response rates had been disappointing with only 41 surveys completed; it had been a very steep learning curve.</p> <p>EV asked for update on Customer Preferences on Service and Cost CPSC pilot; DCH advised it was taking place right now and the results should be out by Easter. SBW will share findings with EV before work progresses.</p>	DCH

	<p>JS pointed out to the meeting that levels of research should be proportionate to the size of the company and the levels of investment planned. This was AGREED</p> <p>TKL advised that SBW wished to submit to the group excerpts from the expert peer review of the CPSC research to address EV's observation on the variance to UKWIR guidelines. (ie potential overlap re the attributes for metering and leakage.) ENDORSED by the group unanimously.</p>	<p>SBW</p> <p>TKL</p>
6	<p>River Basin Plan Timelines</p> <p>AB advised group of timeline for these which are designed to improve water environment.</p> <p>The UK government will not sign off on these until December 2015 so Ofwat expects water companies to estimate associated costs in the business plans. This may require cost-benefit analyses. The meeting AGREED that the Company's Business Plan would be based on an estimate of costs for this.</p>	
7	<p>Assurance Statement</p> <p>Paper circulated pre- meeting. It was NOTED that the Group will need to prepare a report to accompany the company's business plan when submitted to Ofwat at the end of 2013, possibly followed by further reports at later stages of the periodic review.. Following a discussion it was AGREED that:</p> <ul style="list-style-type: none"> • Any reports should be drafted by an independent third party of high professional standing • An interim report should be prepared on progress and outcomes to June 2013. • It would not be appropriate for SBW's Ofwat Reporter to take on the role. • SBW will put forward to the Chairman a short list of three potential candidates with details of competence and reasons considered eligible. Short list required in time to enable an appointment to be made by the end of April 2103. • Once appointed (by the CEPF), an author would need to engage with the members of the committee. • The Chairman will prepare a draft list of subject headings for an interim report, for comment by members. • An interim report would be helpful in the development of thinking towards formal reporting to Ofwat when the company's business plan is submitted. • SBW will bear the costs of reporting. 	<p>SBW</p> <p>CH</p>

8	<p>Additional Meetings</p> <p>Paper circulated pre- meeting.</p> <p>TKL presented the new timeline to members and also highlighted the need for meetings to be arranged throughout 2014 during the period when the company's business plan will be subject to challenge by Ofwat.</p> <p>TKL also emphasised the tighter timescale potentially being imposed by Ofwat which may require additional meetings at short notice.</p> <p>EV suggested at least one more meeting in 2013 around key activities. RH suggested one more around final governance.</p> <p>SBW to arrange minimum of 2 meetings in 2013 and in line with its paper at least 3 in 2014.</p>	DCH
9	<p>AOB</p> <p>PW requested that papers submitted as appendices in response to questions at previous meetings are put on next agenda.</p> <p>RH advised group that SBW had held an initial meeting with DWI in respect of the water quality requirements of the business plan. He advised that SBW expected 'no surprises' in relation to water quality in its business plan.</p>	DCH/AL
	<p>Meeting closed at 12.00; next meeting 11th of June @ 10.00am at Longham Lakes</p>	