

**MINUTES OF THE INAUGURAL
 CUSTOMER ENGAGEMENT PLANNING FORUM MEETING
 HELD ON WEDNESDAY 1 FEBRUARY 2012
 AT 11.00 A.M. AT THE COMPANY'S HEAD OFFICE**

PRESENT: Charles Howeson (Chairman) - CH
 Philip Warr (Deputy Chairman) - PW
 Alan Burrows (EA) - AB
 Jacky Atkinson (DWI) - JA
 Ed Vidler (CCW) - EV
 Gillian Mayhew (CCW) - GM
 Douglas Kite (Natural England) - DK
 Mike Holmes (Borough of Bournemouth) - MH
 Lindsay Cass (Christchurch & E Dorset) - LC
 Julie Leigh (FSB) - JL
 Jonathan Holyhead (Dorset Blind) - JH
 Roger Harrington (SBW) - RH
 Peter Bridgewater (SBW) - PB
 Tracey Legg (SBW) -TL
 David Harrison (SBW) - DH

Apologies **None**

Overview:

RH opened the meeting by welcoming everyone to Sembcorp Bournemouth Water and expressing gratitude for everyone taking time to attend. The meeting was then handed over to CH who proceeded to explain the purpose and function of this group. He explained that today was not a "working" day, but an introduction to the task in hand and the logistics involved.

1. CH explained the process of the meeting as well as the role and function of the industry regulator Ofwat. RH reported that SBW served approximately 0.5m people (186,000 households, 16,000 commercial) and has an annual turnover of circa £40m.
2. All those present were then invited to give a brief personal profile to the group. It was requested by DH that each member e-mail a short "thumbnail" personal profile to him for circulation.
3. CH was formally elected as the Chairman and PW as Deputy Chairman by all present.
4. CH gave a brief history of the water industry, the rationale behind the privatisation of the industry in 1990, the principal driver being the need for private equity to fund strengthening of the asset infrastructure.

Action

All

A brief description of each was given of the 4 principal regulators for the water industry: Ofwat; CCW; DWI and EA.

It was pointed out to the group that those members who represent a regulator also have to consider compliance during the course of this process.

CH advised that SBW was a very well run water company with no serious supply issues.

5. CH outlined the CEPF process:
- a) The CEPF should aim for a level of scrutiny and quality of debate to ensure that SBW's customer engagement is thorough and fully reflected in the final business plan.
 - b) The CEPF must assume that the process will continue through to its conclusion and that Ofwat will not amend the process.
 - c) CH and PW will visit Ofwat during the process; Ofwat may attend some meetings of the CEPF as observers. **CH/PW**
 - d) SBW will create a discreet access page on their website for members **SBW**
 - e) The group will occasionally be privy to confidential information which the members should respect. Any such information would be identified by SBW in advance. RH confirmed that SBW is not subject to the Freedom of Information Act but its policy is to be as open as possible. SBW was also mindful of the Data Protection Act in respect of individual water customers. **All**
 - f) All meetings to be minuted and CH would ensure that items which require accurate detailed recording are highlighted during the meeting. **CH**
 - g) It is preferred that the members do not use "deputies" at future meetings in order to maintain the quality of the engagement. Any such use should be cleared with the chairman.
 - h) SBW will provide secretariat services and also be available to provide detailed information about specific company matters. **SBW**
 - i) Jargon to be avoided at all costs.
 - j) Dates for all future meetings to be provisionally set well in advance.
 - k) Chairman and Deputy Chairman should be considered in the same breath, i.e. all communications should be sent to both.
 - l) All items for the agenda to be provided by SBW and approved by the chairman; members should avoid items under AOB and any such items to be advised to the chairman in advance. **SBW All**
6. MH asked for clarity on Chatham House rules for the meeting. CH confirmed that the meeting would be empowered not to minute or attribute some things to individual members, confidential matters excepting.
7. The date of the first "working" meeting is now set at 20 March 2012. It is anticipated that 4 meetings per year would be required and it was agreed that 5 days would be put in the diary, with the 5th day being classed as an optional reserve day.
8. CH asked that any differences of opinion in respect of member's expenses should be addressed to the chairman or deputy chairman.
9. GM raised the matter of a requested amendment to the Draft Terms of Reference (ToRs) for the Group. Point 1.7a, first paragraph: GM requested that "Appendix 1" be replaced with "Ofwat's policy on customer engagement (Aug 2011) and secondly the DWI had requested that point 1.7 b, first

paragraph be replaced in its entirety by “whether the plan adequately facilitates the delivery of the required and desired outcomes”. The meeting agreed to these amendments and DH will circulate revised ToRs to all members.

DH

10. RH advised that an expert in market research would brief the members on methods of quality engagement at the next meeting.
11. AB informed the forum that Caroline Spellman, Secretary of State for The Environment, had “drought” at the top of her agenda.
12. RH gave a brief overview of Sembcorp Bournemouth Water, based on the printed presentation provided to all members.
13. SBW is to arrange for some form of induction process to be made available whereby members may learn more about the industry; how it is regulated, about the company, its operations, challenges and the issues it faces.
14. CH closed the meeting at 1.00pm and advised that although lunch was optional he would prefer members to stay for the lunch and benefit from the networking opportunities.

SBW

Date of next meeting: 20 March 2012 to be held at Longham Reservoirs @ 10.30 am until 13.00pm with lunch served at 12.30pm
(map & directions attached)