DRAFT WATER RESOURCES (JERSEY) LAW 200-

TRANSCRIPT OF EVIDENCE

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BY

JERSEY NEW WATERWORKS COMPANY LIMITED

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WITNESSES: Mr. David Norman, Chairman

Mr. Howard Snowden, Managing Director

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JEAN LE MAISTRE: First of all, a warm welcome to you. You are amongst the first to go through this scrutiny process and we hope you don't find it too uncomfortable, but then it's not intended to be a cosy club.

I have to read to you what you have before you. It's important that you fully understand the conditions for which you are appearing at this hearing. You'll find a printed copy of the statement I'm about to read to you, on the table in front of you,

"*Shadow scrutiny panels have been established by the States* …..

So, as I said, welcome and thank you for the submissions that you've made,

and you've obviously received the objectives and terms of reference for the hearings. Perhaps we could start by asking you to explain obviously, from your submission, you are supportive of the water law and perhaps you could explain what your basis is for supporting the law?

HOWARD SNOWDEN: Was it not clear from the submission what that was, sir?

JEAN LE MAISTRE: It is reasonably clear, but I'd like you just to express that perhaps in just a few words. For the record, it is being taped by the way, so that you should know.

HOWARD SNOWDEN: The company feels that the proposed law will enable better regulation of water resources, prevention of over extraction of ground water resources, and result in a better understanding of overall volumes of water used in the island, to protect future water resources and allow a sustainable availability of water in the future. So, the company feels it's an important piece of legislation.

2. Current stress on water supply - Island an area of water scarcity

JEAN LE MAISTRE: Do you believe that there is any threat currently to the water supply in the island? Is it under stress? Or what is your view on that?

HOWARD SNOWDEN: The water resources in Jersey could be considered to be under stress. If one looks at the population of the island, given the average annual rainfall. For instance, the island could be classified as an area of water scarcity, insomuch that it's generally recognised that countries that have a fresh water availability per capita less than 1,000m^3 a year per person is an area of water scarcity. For instance, the UK has about 2,000m^3 per capita, and Jersey has about 444m^3 per capita, from my calculations, based on a population of 90,000 and an average rainfall of 852mm.

So, it is an area of water scarcity. I think that's quite highlighted by the need for us to have a desalination plant.

JEAN LE MAISTRE: Right, thank you. Any other members wish to ask a question?

3. Licence exemption for domestic boreholes

GERARD BAUDAINS: Yes. In relation to your submission, you state that the legislation of all

fresh water factors will resolve in a better understanding of private water usage, and knowledge of the total water volumes available. It would appear, from the draft law, that the vast majority of bore holes will be registered, but not metered. So, clearly no note will be forthcoming from them, and as we've been led to believe this morning, that there was a difficulty in calculating the water balance, as rain water run off, fresh water leaks, and all these sort of things are not easily as calculable - certainly not in definite limits.

How exactly are we going to benefit? Clearly, the larger users we will get readings from the meters, but there's been a whole lot of number of people stacking up to be here at the meeting today, and to be registered, whoever they are, but we don't know what they're using. Do you have comment on that?

HOWARD SNOWDEN: That is true of the domestic. The law is being made to exempt domestic users, but at least by registration of these bore holes we'll be able to estimate their use, and as you say, they only use $3m^3$ per day. So, it will give us a better understanding. At the moment we've got no idea, really, of the number of bore holes on the island, as such.

4. Domestic borehole water use to be estimated

PHILIP RONDEL: Can I come in there? How are you going to measure for these domestic bore holes, $3m^3$, and if you're going to meter each one of these private bore holes?

HOWARD SNOWDEN: You can't measure them, obviously, but you can estimate. If you use $3m^3$ a day per domestic bore hole you have an estimate of their approximate usage.

5. Multiple units from one borehole

PHILIP RONDEL: If I could come in the back of that, then what if you have a multiple of units from one bore hole, how are you going to measure that?

HOWARD SNOWDEN: True, but by registration again, that could be covered by the numbers of dwellings connected to the bore hole.

6. Benefit of the legislation to the general public?

PHILIP RONDEL: So, in the domestic field i.e. you being a private water company and it's

obviously beneficial to you to have these figures. What benefit is it going to be to the people of Jersey to put a law like this in place, given that you would be coming from a private company? These statistics would be supplied by government, at cost to the government, what benefit is there to the people of Jersey, even going down the road of actually financing this particular law through to its volition?

DAVID NORMAN: I don't understand the point of the comment that because we're a private company, there is something kind of secret benefit going to be accrued to us. This is -- we are supporting this because it's in the interests of island to have the information, not for a commercial reason. I don't think that's relevant.

7. Metering domestic use

PHILIP RONDEL: Okay, therefore, if I could come back in again, Mr Chairman, all your households, or the majority of them are not metered, correct? I don't know how many thousand households you have in mind, but tell us, is it your intention to meter all your households, so therefore, we would be having an even playing field, right across the island?

8. Purpose of the law to gain information

DAVID NORMAN: The purpose of our understanding -- our understanding of the purpose of this law is to gain information, which will benefit the community.

9. Power to regulate water extraction from boreholes but domestic use from mains supply won't be metered

JEAN LE MAISTRE: Thank you. If I can follow on from that, would you accept that the law has quite considerable powers? And it has within it, proposed the ability to regulate the supply or the extraction of water, by private individuals on their own land, although that isn't the intention at the moment, in the domestic cases? It certainly is proposed for business and not for domestic, but it could be has within it the power to do that. Would you see that as being reasonable, when private users, within your company - domestic users, are not metered? In other words we would be treating -- the law would be treating those with water

sources on their own land differently to those obtaining their water from yourselves?

DAVID NORMAN: Surely that's a matter for the committee bring the law to.

JEAN LE MAISTRE: It is indeed.

DAVID NORMAN: With a view on --

JEAN LE MAISTRE: If you have no views on that then perhaps you just say you have no view on that.

DAVID NORMAN: We hadn't really thought about it.

10. Saline intrusion

GERARD BAUDAINS: Could I return to the submission in the first paragraph, background information? We are led to believe that the water is confined in -- the available groundwater is confined within a shallow aquifer. The first part of my question is, can you -- do you agree with the -- I presume you're in line with the BGS's thinking on this that roughly between starting perhaps 5 or 10 metres from the surface, going down more than 25 to 30 metres?

But, the thing I do have concern with is where you state that seawater intrusion, is a direct result of over extraction, and confirms the vulnerability of the aquifer. Now the reason I ask that is because we have conflicting evidence on this. Some people say that we have a saline intrusion, and yet, just to give you one example, in the 1998 BGS report they say there was no evidence for increasing salinity resulting from pumping and new saline intrusion. As a company, you're obviously familiar with matters of water (inaudible).

11. JNWC Support for BGS view of Jersey's shallow aquifer and deep groundwater

HOWARD SNOWDEN: Well, we're not hydrogeologists, and we haven't got a hydrogeologist on our staff. I've fortunately worked -- in my areas of water industry have been associated -- with groundwater, rather than surface water, and from my understanding, and from the BGS's understanding is that we have not really got -- the word aquifer really is a long word to use in Jersey, I believe, because if you look in the dictionary, an aquifer is a strata of soil or rock able to hold or

transmit water. Well, our geology, as we know, is not that type of strata and an aquifer to me is either chalk, limestone or sandstone and we have a limited sand aquifer and I know its (inaudible). So, the word aquifer is used as bit of a misnomer in this case.

From our understanding, we have a very shallow groundwater aquifer, and the water is held in fissures in the rock and the subsoil, the substrata, the shales in Jersey. We believe and we were led to understand by the experts, BGS, that we haven't really got any deep water aquifer that you would normally term with parts of England where there's limestone and chalk, etc, where you've got water 200 to 300 feet deep, or even deeper in parts.

And the word perch water table refers to water table actually at different levels, with a very small locality, because of water trapped within the fissures. So, it's our understanding and we support BGS's sort of stance on their definition.

GERARD BAUDAINS: The only thing I was driving at there, I presumed -- but I didn't want to -- I presumed that you were meeting with BGS. I didn't know if you had your own conclusions?

HOWARD SNOWDEN: No, we agree with BGS.

12. Water abstraction from St. Ouen's Bay

PHILIP RONDEL: I note that in part 2 of your submission you mention the abstracting of 5% of your total volume of water from St Ouen's Bay. 5% equates to how much -- how many gallons or …?

HOWARD SNOWDEN: Well, I said not greater than 5%. In actual fact, last year for instance, we abstracted 3% of the water we supplied, which was 200 mega-litres or - in old money - 44 million gallons in the year. So, it's about 3% of the water we supplied last year.

[Confidential information extracted here]

13. Saline intrusion - prevention measures

We are very careful in the use of these bore holes to prevent saline intrusion. You are so close to the sea there, and they're quite shallow bore holes, and we do actually abstract quite limited volumes here, and we sample the sulphates

and salinity to make sure we don't over abstract from these bore holes.

14. No charge for mains water domestic use over 3 cubic metres

ROB DUHAMEL: Could you perhaps tell us the number of domestic users supplied by your company from mains, who actually use more than $3m^3$ per day?

HOWARD SNOWDEN: I can't off the top of my head on that -- qualifying volumes --

ROB DUHAMEL: But presumably, those figures could be supplied to the scrutiny panel.

HOWARD SNOWDEN: They would be -- I think they would be a minority.

ROB DUHAMEL: A minority?

HOWARD SNOWDEN: Yes.

ROB DUHAMEL: Right, and secondly does your company actually impose any special tariffs for users, at that level?

HOWARD SNOWDEN: No.

ROB DUHAMEL: No. So providing the taps and the pipes coming to a household are sufficient to supply that amount then the domestic user is at liberty to use it, right?

15 Extent of water meters for JNWC domestic users

A third point, if I may? The Guthrie and the Riley reports previously in 1977 and 1990 suggested that one of the ways forward was actually to supply water meters for all domestic users. Could you actually indicate to the panel to what extent those suggestions have actually been picked up by your committee and the proportion of meters that have been supplied since that date?

HOWARD SNOWDEN: We -- the company does advocate metering. Since 1 July last year, all new connections made to our distribution system are metered, regardless, domestic and commercial. We have now waived the charge to have meters fitted for existing customers, so people who want a meter, fit it, and where it is possible - and it isn't always possible because of the plumbing system - we will fit meters free of charge. So, we do encourage metering. But there are added costs to metering, of course, in both installing a meter, maintaining a water meter and reading a meter.

ROB DUHAMEL: Right. Again, in line with my previous comment, the actual number could be

supplied to the panel --

HOWARD SNOWDEN: On a metered basis?

ROB DUHAMEL: -- on a number of meters installed since 1977?

HOWARD SNOWDEN: I can't give you the actual numbers as a (inaudible) but we have 6,000 water meters, and it's split roughly 50/50 commercial and domestic users, and we are see a bigger uptake in metering in our domestic options, since we've waived our installation charge.

ROB DUHAMEL: On that note --

DAVID NORMAN: The point we're trying to get over presumably is since 1978 … was that the question?

ROB DUHAMEL: 1977.

DAVID NORMAN: 1977 -- not very much was done until pretty recently about this. There are a number of practical issues relating to this metering.

16. Impact of water meters on efficient use of water

ROB DUHAMEL: And two other small questions, if I may? Is there any indication from your records that those persons actually supplied with water meters, actually use less water?

HOWARD SNOWDEN: I think, from our records, people are more careful with the water initially, until they get used to their bills, and they get used to their water consumption, but I don't think -- and I think the case is the same with the trials in the UK -- there's no great evidence to suggest that, in the longer term, metered customers use less water, but they're more conscious of their water use.

17. Estimated loss of water within JNWC distribution network

ROB DUHAMEL: Right. Thank you, and one final point, if I may? Could you actually indicate to the panel the percentage losses of water within your distribution network?

HOWARD SNOWDEN: Yes. We have a range of losses, between probably 5% and 20% losses in our system, which whilst high is not as high as the UK. This is better than the UK. Because of our limited water resources, the company has always spent quite a bit of money on leakage detection and we've done a lot of work to try and

prevent leakage as such.

The losses are difficult to calculate because they're an estimation because, until you have a complete metered system, you don't know what the legitimate uses are and what leakage is. So, until we have everybody on a water meter, you could not put your hand up in the air and say, "What is leakage and what is legitimate use?" This is an estimate.

ROB DUHAMEL: Okay. Thank you. Yes, Deputy Baudains?

18 Ensuring the sustainability of surface water streams - How does borehole abstraction affect stream flow?

GERARD BAUDAINS: Thank you. As a forward to my next question, is it your understanding that the law is there to prevent over extraction either now or in the future, or is it mainly for environmental reasons and to be in step with EU? What is your view?

HOWARD SNOWDEN: Combination.

GERARD BAUDAINS: Okay. Thank you. I'm coming on to, again your submission, the fifth paragraph. You state there that the groundwater needs to be managed and protected to ensure sustainability of the surface water streams. Now, whilst I understand those concerns, what I'm not quite clear about, and I hope you can help me here, is that it seems to me that the stream flow over the winter months is basically where you get most of your recharge, and during the summer months the stream flow would dwindle quite substantially. The farmers, who would probably be the largest drawers of water at any one time, would surely be most likely to be operating at the time when your stream flow is low anyway. So, I'm trying to understand how the abstraction from bore holes would affect your stream flow because I see in the winter, when people like farmers and that would not be drawing water, your reservoirs are recharging. But in the summer, when the stream flow would, I presume - I haven't been round to look at your stream into the reservoirs - but I presume it would be fairly low --

HOWARD SNOWDEN: Not last week.

GERARD BAUDAIS: No, but I think, if you see what I'm driving at, I'm not quite sure, I think, how

abstraction at that time --

DAVID NORMAN: Can I just make the point this is not our law? We aren't from the Environment and Public Services Committee.

GERARD BAUDAIS: Certainly, no --

DAVID NORMAN: Well, I hope everybody sort of understands that. We're generally supportive of it. There's probably bits of it that are going to cause some anxiety to people but that will depend, I think, on how it's implemented in the future by the politicians who are in charge at that time.

The summer … you're quite right that the reservoirs fill up in the winter, but some stream flows in the summer are extremely important. If we can get a top-up in June/July, this is very, very important to us because we have a finite storage resource, as everybody is aware.

HOWARD SNOWDEN: We're still abstracting quite significant quantities, even in the summertime. For instance, during the summer days when there's been no rainfall, we can still -- we're only taking probably about 20% to 30% out of our reservoir storage. So, the rest of it's still being made up from abstraction sources around the island pumping into reservoirs.

19. Little use by JNWC of borehole water supply

GERARD BAUDAINS: That -- if I could -- actually leads me on to another question I was going to ask because I think we're all familiar with the fact that you pump groundwater, and the St Ouen's aquifer has been mentioned in many papers. It was my belief that you had other bore holes across the island, and I was wondering whether you still use these or whether you didn't because, looking at your annual report, I'm not sure that I noticed it in there.

And further leading on from that - sorry if I'm confusing you - I was wondering whether you'd ever considered using the French method of deep bore holes supplying water towers from which obviously evaporation would be less of a problem than you have from your reservoirs? Or would that be a matter …?

HOWARD SNOWDEN: We have a number of small bore holes, less than probably five, I think, in the St Saviours area round Grands Vaux. They're very high in nitrates, they're very

small outputs, they're only sort of domestic type bore holes and they've hardly ever been used in my time, or since the Queens Valley reservoir was built. They're not significant and because of the high nitrates, we've sort of mothballed them.

20. French water towers not suited to JNWC infrastructure

HOWARD SNOWDEN: As regards the French idea of having local water towers for the collection, what have you, being the size of the island it is, we've got, if you like, a common distribution network and it's limited to where our treatment works are. We pump all of our raw water to the treatment works for treatment, and then from there it either gravitates or gets pumped into distribution. So, I think the logistics of our infrastructure limits --

GERARD BAUDAINS: It wouldn't fit into your network?

HOWARD SNOWDEN: No, not very easily.

GERARD BAUDAINS: Okay.

PHILIP RONDEL: Yes. Mr Norman, you mentioned certain bits of the proposed law that could cause anxiety. Could you enlarge on that, please?

21. Retained powers contained in the Law

DAVID NORMAN: Well, I think, as members of the panel were inferring earlier, there are powers in there which, depending on -- I guess depending on how they're used in the future would -- you know, could affect people. There are retained powers, is my understanding.

22. Grey water

PHILIP RONDEL: Thank you. Also, could I have your views on the use of grey water within your system, i.e. waste discharge, grey discharge water being recycled and re-used instead of desalination?

HOWARD SNOWDEN: Grey water as an individual, sort of, household, or are we talking of the Bellozanne?

PHILIP RONDEL: Probably not Bellozanne, no, because that would be too difficult. To a household.

HOWARD SNOWDEN: Right. It's probably something for the future. There are obviously inherent costs, as such, but it may well be a way for the future of using grey water. We've always advocated to people to use water -- put some in water collection for garden watering. Garden watering can form a very large part of our daily demand in the summertime. We've a lot of keen gardeners in Jersey.

23 Nitrate issue and use of desalination plant

JEAN LE MAISTRE: Could we look at the nitrate issue? In your view, there appears to be a declining concentration of nitrates if we look at the tables in, say, 1990/1991. If that were to continue, what is the balance of using the desalination plant to actually supply water needs, compared to actually diluting the water that you actually have in storage to meet the 50mg requirement?

HOWARD SNOWDEN: We -- it appears to be declining but, if you look behind the details, we have in recent years installed a lot more raw water transfer mains between sources. We've got much better facilities for blending water now. Our nitrate levels recorded in streams are very much the same as they have been for several years, although it's very rainfall dependant, of course.

Depending on when the rainfall occurs -- if we have a dry spring and rain -- then the nitrate levels are not a problem to us. If we get a wet spring of course, then it's a different matter completely. So, it's all a matter of timing of rainfall and intensity of rainfall as well and, as we all know, that's a very strange pattern these days.

So, we don't think that nitrate levels are actually falling away as quickly as we'd like to see them. It's better management of our resources. And in recent years, since we have installed the cheaper to operate reverse osmosis desalination plant, we now are able to use that when nitrate levels are high to try and blend those levels down, whereas, with the original desalination plant - the old thermal steam plant - the operating costs were twice as much as they are. So, it really wasn't feasible.

So, that's the story behind the nitrates, really, from our point of view.

24. Nitrate testing

JEAN LE MAISTRE: The nitrate tests that are undertaken in the streams feeding the reservoirs are undertaken by yourselves or by Public Services?

DAVID NORMAN: Senator, could you explain the relevance of this line of questioning to the law?

JEAN LE MAISTRE: Yes, because the law is intended - as I understand - to safeguard the public and therefore, there's a relationship between the actual water supply quality and that which you receive and that which then goes out. Generally, by the way, I ask the questions, not the other way round.

DAVID NORMAN: I was only trying to seek clarification --

JEAN LE MAISTRE: Yes, of course.

DAVID NORMAN: -- as this is a learning process for all of us.

HOWARD SNOWDEN: Sorry, I've forgotten what the question was.

JEAN LE MAISTRE: We're actually asking about the monitoring … or the sampling of the water.

HOWARD SNOWDEN: Ah, sorry, yes. We undertake -- the majority of the nitrate testing of the water resources and through treatment and into distribution ourselves but they're cross-checked with the state analyst on a weekly basis so -- just as a -- as useful for them as well as for us, to say that our systems are correlating as such. And, as well as that, we have consultant analysts carrying out the same tests as well, as part of ongoing measurements with other parameters. So, it's really not an extra cost but it's there in any case.

25. Drop in levels of nitrates

JEAN LE MAISTRE: The other reason I was asking this is that in a submission on another matter recently, we were informed that there had been a significant drop in the levels of nitrates since the early 1990s.

DAVID NORMAN: Are we talking in supply or in streams?

JEAN LE MAISTRE: In streams.

DAVID NORMAN: Right.

HOWARD SNOWDEN: We --

JEAN LE MAISTRE: But that is not you --

DAVID NORMAN: Well, we find it rainfall dependent (several inaudible words) it just --

JEAN LE MAISTRE: Absolutely, but I think you'd find that as a pattern throughout the years, in any case, that - my understanding of this is that in the spring, with heavy rainfall, you always have an increase in any case.

DAVID NORMAN: Yes.

JEAN LE MAISTRE: But the impression I gained, I think from the statements made, was that there had been a significant drop, recognising that you get these fluctuations obviously, but the pattern was on the way down.

HOWARD SNOWDEN: I understand the Public Services Department - and I can't speak for them - have seen a decline in some bore -- in groundwater in some bore holes that they monitor.

JEAN LE MAISTRE: Okay, thank you.

MALE SPEAKER: Well, it would be good news.

JEAN LE MAISTRE: Yes. It could be that I misunderstood that actually the reduction is in ground water bore holes, rather than in streams, so it's something that we need to pick up.

26. JNWC test surface water samples and Public Services test groundwater borehole samples

PHILIP RONDEL: The water monitoring -- I note from your latest document that you collect water samples, which I would expect you to do. Is the information shared with Public Services or not or only if it's requested by Public Services would it be shared?

HOWARD SNOWDEN: It's shared. To what degree I can't say but, under the Water Law Amendment that was passed by the States now the Environment and Public Services Departments have rights to come into our laboratory and see our results and they do, on a quarterly basis, where our books are open to them to examine.

PHILIP RONDEL: And does it work the other way? Can you get information out of the department, or do they close the doors and say, "It's data protected"?

HOWARD SNOWDEN: I don't think the legislation's there, but they do share their ground water information with us.

PHILIP RONDEL: So, would I be right in saying that there could be duplication? In other words, if this new law comes about, there would be duplication in monitoring, or do you

believe we will only have one team of people collecting water and the results going either to yourself or directly to the department, who will feed the results to you?

HOWARD SNOWDEN: My understanding is that we do a majority of the surface water sampling in the island, and the Public Services Department do the majority of the ground water bore hole sampling.

PHILIP RONDEL: Mm hmm. And would there be any other department carrying out -- because historically agriculture would do it. I don't know what happens now. That's all changed in the last few months, but having said the public health -- would other departments also feed in that same information, shall we say, to the centre or you? Or are most of them all working their own silos --

HOWARD SNOWDEN: Well --

PHILIP RONDEL: -- to your knowledge?

27. Sharing of information in common database

HOWARD SNOWDEN: As part of this work done recently by consultants for the - again, I'm not speaking for Public Services Department - work carried out on water quality objectives under the water pollution law, we have a system where ourselves and other agencies will input data to a common database on water quality.

28 Lack of evidence for depletion of groundwater resources (Riley Report)

GERARD BAUDAINS: Could I just address, looking at page 2 of your submission, the need for a water resource law, where you refer to the report which was chaired by Major Riley. The working party came to conclusions which -- as far as we can see, the draft water law was based heavily upon those conclusions. Are you aware that, for instance, the first conclusion of that report states,

"*That we are persuaded that the ground water resources are being depleted faster than they are being replenished"*

Are you aware that that is not supported by evidence and would that affect any of your views on the law?

HOWARD SNOWDEN: Well, I'm not a hydrologist and we haven't one on our staff so, I'm really unable to comment on that, I'm afraid.

GERARD BAUDAINS: No, I'm just wondering because you're -- you know, this is -- you're putting that forward as one of the reasons you support the law. I was just wondering whether you are aware that the -- one of the possibly main drivers for the law has fallen away as a result of fresh information, that the later information states, as far as I can see, that the water balance is not under any stress. I just wondered if that would in any have affected your thinking.

HOWARD SNOWDEN: No, not really. No.

GERARD BAUDAINS: Okay, thank you.

29. Is JNWC concerned about possibility of future stress on water resources?

JEAN LE MAISTRE: If we can actually keep to that particular topic, clearly the law is intended to safeguard the resource for the future. What, in your opinion, will be the requirement, based on the obviously historic rainfall patterns? Do you see an issue with regard to supplying the needs of an island of 90,000 people with your present structure, or could you see that as being potentially under threat in the future, because clearly that's what the law is aiming to achieve?

DAVID NORMAN: I think if all the ground -- if all the bore holes dried up overnight, then there'd be a problem.

JEAN LE MAISTRE: There would be?

DAVID NORMAN: Well, yes, assuming that a lot of the population get their water from that source.

JEAN LE MAISTRE: Yes, we --

DAVID NORMAN: And that's why we think the information to be gleaned from the law will be useful for future planning --

JEAN LE MAISTRE: Yes, so you --

DAVID NORMAN: -- or even future thinking.

30. Main benefit of the Law - obtaining information

JEAN LE MAISTRE: So, the main emphasis that you see - the benefit of the law - would be on the information that it would obtain, at this stage?

DAVID NORMAN: For us, yes.

JEAN LE MAISTRE: Yes, for you.

DAVID NORMAN: And for our political masters.

31. Impact of the proposed Law on JNWC

GERARD BAUDAINS: I was wondering how this law would actually affect the company. For example, would you expect to be -- I presume you are expecting to be licensed and charged for bore hole abstraction and stream flow. Knowing very little about this, I'm having difficulty understanding how you are going to calculate the stream flow because obviously you've got a stream coming into a reservoir; in various places you've got overflows, you've got evaporation. How would a licence refusal or restriction affect your ability to serve your customers?

32. Law takes due regard of JNWC obligation to provide adequate water supply

HOWARD SNOWDEN: Well, the proposed law has to take due regard of the Water Jersey law and our obligation is to supply an adequate, wholesome supply of water to the island. There is a caveat there, as such, so -- and that's our legal standing at the moment.

GERARD BAUDAINS: You don't see any difficulty in calculating your water draw from streams?

33. Good monitoring systems to measure volume of abstraction from streams

HOWARD SNOWDEN: We have monitoring systems throughout our raw water system. We know how much we take from the streams, how much we pump, so we've got a very good handle on water volumes.

GERARD BAUDAINS: Okay, thank you.

34. Costs of Law to be passed on to customer

JEAN LE MAISTRE: Can we assume that the cost element would be a straight transfer to the customer because there will be a cost to administer the law, which I think - it's no secret - is estimated at £120,000 or thereabouts. We just hope that it's more accurate than the JCRA.

DAVID NORMAN: We hope that might be coming out of the department's savings, efficiency

savings.

GERARD BAUDAINS: I think it's been suggested that it could add around about £3 to every one of your clients' bills.

HOWARD SNOWDEN: On that sort of figure, yes. I mean, with the number of customers we have, that would equate to, as you say, £3 per bill.

JEAN LE MAISTRE: About right. But it's actually going to be -- it would appear to be based, the charge, on the amount of extraction --

HOWARD SNOWDEN: We understand so.

JEAN LE MAISTRE: You understand that, yes. Now, what I'm not sure about is whether the projections are correct, in terms of the extraction figures that have been put forward and in relation to what you were saying, which was -- I think, it's been assumed there was a higher extraction rate than what actually you've been undertaking.

35 Cost estimates based on estimated abstraction rate

HOWARD SNOWDEN: We've not given any abstract --

JEAN LE MAISTRE: In percentage terms.

HOWARD SNOWDEN: Sorry. We've not given an abstraction rates to anybody at the moment.

JEAN LE MAISTRE: You haven't?

HOWARD SNOWDEN: No.

JEAN LE MAISTRE: So, they've just been assumed, presumably?

HOWARD SNOWDEN: Yes, might be estimated, given maybe the information in the public domain.

JEAN LE MAISTRE: Yes, okay. Well, that's very useful, thank you, again.

GERARD BAUDAINS: Well, I suppose you know how much you deliver, so you can work backwards?

HOWARD SNOWDEN: That's right.

36. Water from Desalination Plant not included in licence system

GERARD BAUDAINS: The other matter I'm not sure of: water from the desalination plant. Would that be licensed and charged for or not or ...?

HOWARD SNOWDEN: We understand it doesn't cover desalination; seawater.

JEAN LE MAISTRE: Right, is there any other point that you would like to make before we conclude?

DAVID NORMAN: No, we've come to try and be as helpful as we can and I hope we've answered your questions.

37. Number of JNWC accounts

PHILIP RONDEL: I have a couple of minor questions, if I may. Could you give us the number of domestic customers you have, please?

HOWARD SNOWDEN: In numbers of people, Deputy, or household? It's difficult because we have a number of accounts rather than properties because the States housing, of course, pay for their bills as a lump item. So, we really don't know the number of dwellings associated with that, as such. So, we have 27,000 domestic accounts -- and the rest are commercial. I think it's in total, 34,000 accounts, and the rest are domestic accounts.

PHILIP RONDEL: So, a housing estate with 100 units of accommodation on under housing would come as one account?

HOWARD SNOWDEN: That's right. And the States benefit by that as well because we give them a small reduction for reducing the number of paperwork and bills.

38 Housing estates not metered

JEAN LE MAISTRE: Are those metered, actually, most recently?

HOWARD SNOWDEN: No, not now.

JEAN LE MAISTRE: None of them?

HOWARD SNOWDEN: I'd have to just check on that, but the flats -- maybe apartments are, but general housing estates are paid by the rateable value assessment.

JEAN LE MAISTRE: So, the recent introduction of metering domestic has not applied to housing?

HOWARD SNOWDEN: I don't think we've built any States housing since 1 July last year, apart from maybe apartments where they are bulk metered. They will be metered.

JEAN LE MAISTRE: Those like they --

HOWARD SNOWDEN: Nobody escapes -- since 1 July last year, nobody escapes metering.

JEAN LE MAISTRE: The waterfront, for example, is metered.

HOWARD SNOWDEN: Metered.

JEAN LE MAISTRE: Yes.

PHILIP RONDEL: So, you're telling me that States themselves are benefiting to the expense of the ordinary consumer?

HOWARD SNOWDEN: Well, I wouldn't say 'expense'. We've actually produced -- there's less paperwork involved and less accounts going out and less postage, so ...

DAVID NORMAN: They have to collect the debts as well.

HOWARD SNOWDEN: Yes.

PHILIP RONDEL: Well, I appreciate that.

DAVID NORMAN: So, I'm not sure that -- I'm not sure who -- I think we might be benefiting. The company and its other customers might actually be benefiting.

PHILIP RONDEL: Thank you. That's all I have, Mr Chairman.

JEAN LE MAISTRE: Okay, thank you. No other questions? Well, thank you very much.

GERARD BAUDAINS: Well, I've got one question. It's got nothing to do with the draft water law. I just hope your company is not going to give us all substantially larger water bills now that the rating system has changed and the number of quarters has gone up.

HOWARD SNOWDEN: Yes, some adjustments there needed, I think.

JEAN LE MAISTRE: Thank you very much.

(meeting adjourned)