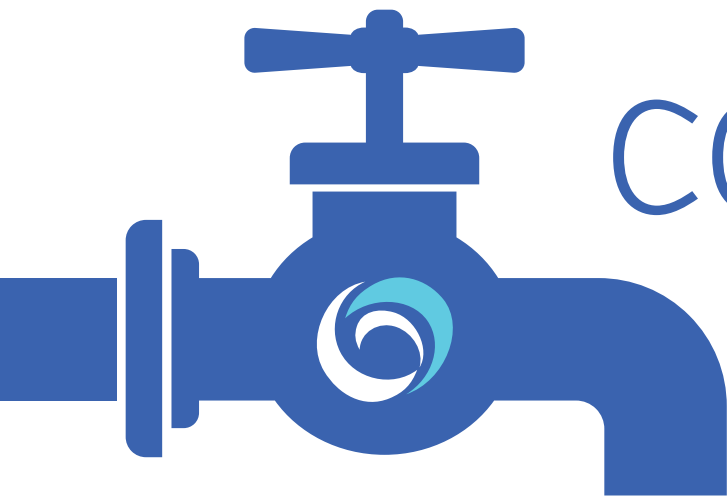


Guernsey Water
Annual Report

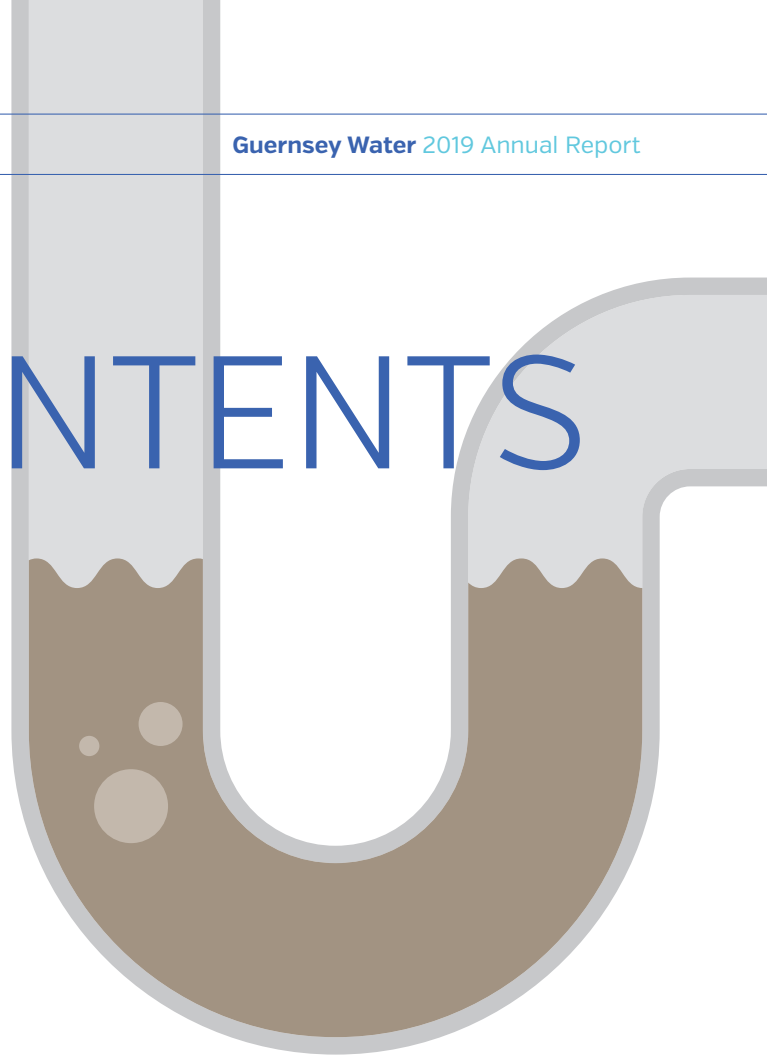
2019



water.gg



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Our vision is focused on the value of our core business which is water and wastewater service provision.

“Customers always value the quality of our drinking water and the safe return of our wastewater to the environment.”



CHAIRMAN'S STATEMENT

Overview

As Chairman of the Guernsey Water Board I am focused on ensuring that as a competent business, Guernsey Water continues to be regarded with confidence and trust. As a Board we ensure that Guernsey Water continues to be well managed, maintains its focus on efficiency, performs strongly for its customers, is able to evidence continuous improvement and compares well with benchmarks. Good progress has been made towards these aims in 2019 and this is reflected in our annual report.

In 2019 Guernsey Water rebalanced its water and wastewater charges and returned some of the savings it made in recent years to customers by freezing their overall bill. By increasing our wastewater charges and decreasing our water charges we made them more cost reflective. These changes to charges are reflected in our financial statements for the year.

Towards the end of 2019, Guernsey Water was also able to make a return to the States of Guernsey. A repayment of £1.3m was made in relation to grants previously received from the States, which will help the States' Trading Supervisory Board (STSB) achieve the target for returns that was set in the States of Guernsey Medium Term Financial Plan.

Board Update

In 2019, the STSB recruited advisors from the business community to bring additional commercial expertise to its boards. This included the appointment of Michael Lawther to the Guernsey Water Board.

In the past year the Board has been further considering the future of Guernsey Water's wastewater services, in particular the cesspit emptying service and access to the public sewer. As a principle we are committed to making our level of service more equitable and the cost of these services fairer for all. Work to better understand how this can be achieved continued throughout 2019 and the first changes to the delivery of this service are expected in 2021.

The Board has also provided direction on the development of asset management within Guernsey Water. As an asset intensive business, the service we provide our customers relies on the way we manage and invest in our infrastructure, which should be pro-active and efficient over the whole life of each asset. This substantial programme will involve the development of systems, processes and most importantly our people. Asset management principles will apply to a review of our business plan, which will start in 2020, and the development of asset strategies between now and 2025 will inform the next iteration of our plan.

Strategy Development

In June 2019 we published a summary of our Water Resources and Drought Management Plan (WRDMP). This confirmed that up to 2040 we should expect a fine balance between forecast supply and demand during a repeat of the more severe historic droughts that Guernsey has experienced. The plan we have developed to deal with this currently provides a level of protection that is comparable to that provided by UK water companies and exceeds that of some water companies in the south of England. This level of protection was endorsed by the Committee *for the Environment & Infrastructure*.

Work is ongoing to develop options for reducing the risk of sewer flooding in St. Peter Port. This work has now been expanded to include all contributing catchments across the island. This work is expected to continue throughout 2020 and 2021. In the meantime, our sewer flooding mitigation programme is helping to protect customers from the more extreme rainfall events.

JOHN HOLLIS, CHAIRMAN



GENERAL MANAGER'S STATEMENT



“An independent survey shows further substantial improvement in customer satisfaction this year and we continue to outperform utility and all sector average benchmarks.”

STEPHEN LANGLOIS,
GENERAL MANAGER

Business Improvement

2019 was another successful year for Guernsey Water and this is reflected in our performance. In delivering the fourth year of our business plan we have further improved the services we provide for our customers. This is evidenced by the results of a third independent survey carried out by the Institute of Customer Service (ICS). Customer satisfaction has increased by 7.8% when compared with 2018; this is a substantial improvement from a position that was already outperforming utility and all sector average benchmarks.

Following a strategy development day with the Guernsey Water Board (GWB) in early 2019; new strategic priorities were agreed that will help to form the basis of our updated business planning process. This new updated strategic direction is detailed at a high level under each outcome in this report.

Operational Performance

Drinking water is vital for public health so we always strive to provide wholesome water. We have robust sampling programmes in place for both drinking water compliance and raw water monitoring. In 2019, our water quality remained high at 99.85% compliance with drinking water standards, a slight decrease from 99.91% in 2018.

Total rainfall during 2019 was 5% above the average for the last 10 years. Despite this it was 21% below the 10 year average by the end of August and water resource levels fell to 77.6% in September. However, the remaining months were wet and by the end of the year reservoir levels had recovered to 100% full. Investment in more effective capture of water from streams during the last decade played an important role in enabling this rapid recharge of water levels.

Financial Performance

Whilst Guernsey Water has reported a deficit in 2019 this is primarily due to the need to write off a number of assets and stock items that were being held for re-purposing after the decommissioning of Longue Hogue Water Treatment Works. Guernsey Water is now of the opinion that it is no longer possible to re-purpose those items; therefore a one-off write down of £530k has been accounted for during the year.

Operating surplus for the year was £4.6m, a reduction of 22% from 2018. This is primarily due to a slight reduction in the demand for water, a freeze in the overall bill for customers and an increase in operational maintenance costs. In addition, a revenue adjustment of £204k was required as a result of grants repaid in the year.



£4.1m

INVESTED IN
IMPROVING AND
MAINTAINING THE
INFRASTRUCTURE
WE USE TO SERVE
OUR CUSTOMERS.

Nevertheless, Guernsey Water was able to keep operating and management expenses 1% under budget.

This year Guernsey Water's resources have been more focussed on the maintenance of its assets than the creation of new ones, as shown by a reduction of £838k in the amount spent in 2019 on capital projects compared to 2018.

In addition, 2019 saw the completion of two large projects for Guernsey Water where most of the required investment had been made in prior years. These were the recommissioning of Juas Water Treatment Works and the construction of a new sewer in La Hure Mare, which was phase 3 of the work to help alleviate flooding and pollution from sewer overflows in St. Sampson.

Investment in Services

This year Guernsey Water invested £4.1m in improving and maintaining its services. This included completion of the refurbishment of Juas Water Treatment Works, which enabled the decommissioning of Longue Hougue Water Treatment Works. This major investment was delivered using our

own Water Production team, with several team members using skills developed through apprenticeships with us.

Guernsey Water also commenced refurbishment of the Harbour St. Sampson wastewater pumping station in 2019. This was the final of four projects representing a total investment of £5m in improving drainage in the north of the island. This programme has reduced the risk of sewer flooding and pollution, created capacity for growth and dealt with some significant health and safety concerns.

In addition to these improvements, Guernsey Water remained focused on the ongoing maintenance of its assets. During the year 0.5km of sewer was rehabilitated which was less than in recent years. However, this is due to the scale and complexity of the sewer lining project in the Grand Bouet, which required significant planning and resources. Guernsey Water also replaced 4.5km of water mains, which exceeded our target of 3.6km.

Looking forward

In 2020 we expect to begin the refurbishment of our Water Treatment Works in St. Saviour, which will be a major project. We also plan to commence a programme of investment in the refurbishment of our treated water storage reservoir at Forest Road; delivery of both schemes is expected to continue into 2021. The ongoing refurbishment of our Harbour St. Sampson wastewater pumping station will conclude, and we will commence development of our asset management system. 2020 will also be an important year for the future of our wastewater services as we work with States Works to source and begin implementing a replacement for their cesspit emptying management system. This project will continue into 2021.

DESPITE A DRY
YEAR THERE WAS
NO REQUIREMENT
FOR ANY WATER USE
RESTRICTIONS

The Team

Our people are at the heart of everything we do and are proud of the service that Guernsey Water provides for our island's community. We recognise the important link between how happy our people are at work and the customer service that they provide. Because our people are at the heart of our business we introduced a new business outcome in 2019; 'Proud Performing People'. This encompasses the health, safety and well-being of our people as well as our shared sense of purpose in a high performing team.

During a regular anonymous pulse survey, in August 2019 we asked, 'how likely would you be to recommend Guernsey Water as a great place to work?' This question is asked periodically to understand people satisfaction over time. 43% of our people responded and the

average rating was 7.7 out of 10. Following significant improvement in 2018 people satisfaction in Guernsey Water has held steady at around this level.

This year has been a challenging year with several vacancies in various departments. However, the average length of service at Guernsey Water remains high at 11 years and the team has not allowed these vacancies to impact on the service provided to our customers.

Looking forward Guernsey Water recognises the ongoing importance of investing in ensuring our people have the right skills to meet the likely future challenges for our business. This led to the development of a 'Licence to Operate' competency framework in 2019. Implementation will commence for our Water Distribution team in 2020.

I would like to thank all our people for their dedication, hard work and commitment to providing excellent service throughout the year. As we continue to strive to meet the expectations of a high quality service, environmental protection and manageable bills for our customers, all our planned improvements will affect our savings and efficiency challenge next year. 2020 promises to be another exciting and challenging year that our customers and everyone at Guernsey Water can look forward to.



Our Water Production Team successfully completed the refurbishment of Juas Water Treatment Works.

OUR 2019 OUTCOMES





VALUED BY CUSTOMERS

1

Customers value our services

- 💧 We understand and anticipate customer's needs
- 💧 Customers pay for what they use and our services are fair
- 💧 It is easy for customers to do business with us

89.2

OUT OF 100 ON
THE CUSTOMER
SATISFACTION INDEX

Performance Highlights

We have continued to develop our communication with customers to make it easier to do business with us. Our social media following and interaction with customers grew throughout the year, and we continue to invest in this method of communication.

One area of focus for 2019 and beyond is the future of our wastewater services. This programme of work is looking at improving our cesspit emptying service, which is outsourced to States Works. We are currently investigating opportunities for replacement of the cesspit emptying scheduling and billing system, along with other technologies such as cesspit level measuring technology.

Capital Investment

PAY 360 was integrated into our payment process in 2019. This ensures that our customer card payments are compliant with both the payment card industry data security standard and Guernsey's Data Protection Law.

We have also developed and implemented a new vehicle strategy which looks at how we manage our fleet of vehicles throughout their life. This has included investment in replacement vehicles as we revitalise our fleet.

CASE STUDY



Customer Service Training

The Institute of Customer Service provided First Impressions training for customer facing people from across Guernsey Water. As part of their training each person prepared a proposal for improving the way we help customers at first point of contact, many of these proposals have since been implemented.

Business Performance

ICS independently surveyed our customers in September for the third year running. This process provides us with robust benchmarks and key performance indicators for our customer service as shown below. We achieved an 89.2 out of 100 rating for overall customer satisfaction in

September 2019, an improvement from our 2018 rating of 81.4 (Figure 1). The UK Utilities average was 72.1 and the UK All-Sector Average was 77.1. Our net promotor score also increased by 37.2% to 73%, which is considerably higher than the UK All-Sector average of 20.5% and UK Utilities that achieved an average of -9.4% (Figure 2). Our customer

effort score has also improved. With a lower figure indicating less effort for the customer when interacting with us, our score was 1.8 which is an improvement of 1.1 on our score in 2018 (Figure 3). The survey also provided valuable qualitative data which will help to inform our approach to customer service going forward.

Figure 1 - Customer Satisfaction Index out of 100

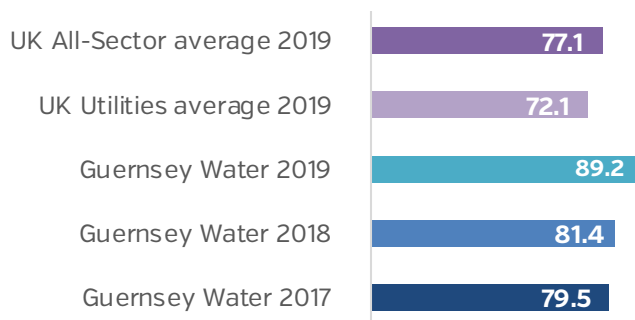


Figure 2 - Net Promotor Score (%)

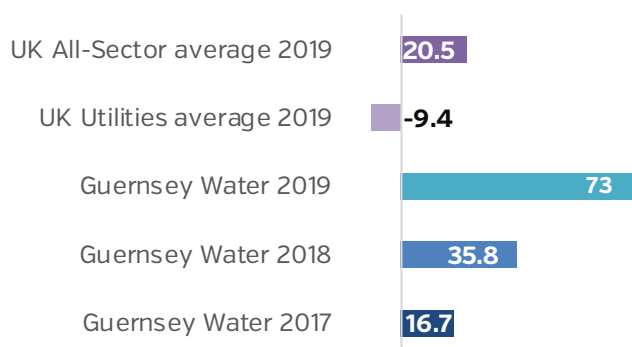
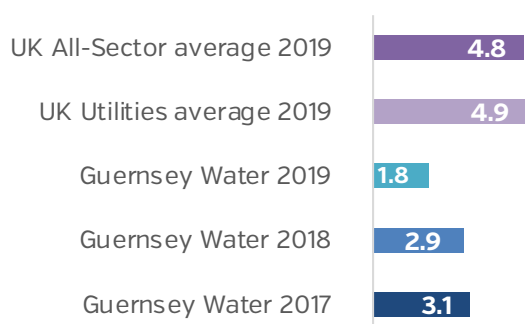


Figure 3 - Customer Effort out of 10















“The Institute of Customer Service independently assessed our customer service. Our overall customer satisfaction improved again this year and was 12.1 above the average for UK businesses and 17.1 above the utilities sector benchmark”

PHIL MARQUIS
CUSTOMER SERVICES MANAGER

BUSINESS INITIATIVES

On Target =  Satisfactory progress but not all 2019 targets met =  2019 targets missed = 

Business Initiative	Description	Target Date	2019 Progress	Performance
Business Continuity	To agree a relocation plan to continue with business as usual as quickly as possible after a major incident at Brickfield House. This includes a documented procedure covering our people, communications, systems and hardware.	2017-2020	Our business continuity plan is now in place. We have also developed plans with other States Trading Businesses to relocate to our premises if needed for their business continuity. Further work will test these plans.	
Customer Experience Training	Training our customer facing people to help us make the right impression first time through the ICS First Impressions Programme.	2016-2021	ICS provided First Impressions training for customer facing people from across Guernsey Water. As part of their training each person prepared a proposal for improving the way we help customers at first point of contact, many of these proposals have since been implemented.	
Vehicle Strategy	Fully review our vehicle replacement policy and fleet.	2019	Our vehicle strategy was reviewed, revised and implemented in 2019.	
E-billing Account Access	Improve access and integration of e-billing services. This will improve visibility of account details, meter reading data and links to payment systems for customers.	2018-2020	Development of a new e-billing platform is due to begin in 2020.	
Enhance Customer Communications Through Social Media	We will continue to expand our use of social media to inform our customers and encourage dialogue. Customer education initiatives include water efficiency, disposal of Fat, Oil and Grease (FOG) and unflushables such as wipes. We will provide increased self-help information on water.gg.	2016-2020	Dedicating resources to our customer communications has improved feedback from customers and contributed to our improvement in overall customer satisfaction.	
Customer Billing	Review our billing process to ensure timely bill deliveries to every customer.	2019-2020	Adjustments to the volume and timing of billing in 2020 will help ensure consistency and timeliness of bill deliveries.	
Future Wastewater Services	Provide equitable and easy access to our wastewater services through connection to the sewerage network and improvement of our cesspit emptying service. This will include customer engagement to inform decision making.	2018-2022	Resource has been dedicated to developing our Future Wastewater Services programme which will cover all aspects of cesspit emptying and sewerage connection.	
Further Development Of CRM	Develop the use of our Customer relationship Management system (CRM) and use it to its full potential across the business.	2018-2020	We integrated CRM into some areas of the business. This will continue in 2020.	
Metering Strategy	Develop a metering strategy to guide the future of metering across the island. This is to include the procurement and replacement of meters, meter reading software and hardware.	2017-2020	Our metering strategy was approved and implementation commenced in 2019.	
Guernsey Data Protection Law	Ensure compliance with the Guernsey Data Protection Law.	2019	We completed a project to align Guernsey Water with States of Guernsey Data Protection Policy.	
Support Our Vulnerable Customers	Reviewing our services, policies, performance and literature to ensure that they are inclusive and accessible to all customers. We will review if customers who are vulnerable need additional financial support.	2017-2019	Research was conducted in 2019 and we developed relationships with relevant external stakeholders and started to develop appropriate policy.	
Engaging With Community Associations	Deliver community based initiatives that help achieve our business plan outcomes and benefit the Island going forward.	2019-2021	We have engaged with community groups on initiatives such as refill, vulnerable customers, improving biodiversity and community service.	



SAFE AND GOOD TO DRINK

2

The quality, sustainability and availability of our water makes it the drinking water of choice

- Customers trust that our drinking water meets the highest standards, looks and tastes good
- Invest in efficient and sustainable water treatment to improve drinking water
- Our drinking water is available to everyone

99.85%
OVERALL
COMPLIANCE WITH
DRINKING WATER
STANDARDS IN 2019

Performance Highlights

Wholesome drinking water is vital to the health and prosperity of our island, so we always strive to improve the quality of our drinking water supplies. In 2019, the quality of water supplied to the island remained high. Our priority throughout the year was to continue to develop our disinfection strategy to pro-actively address any risks to water quality and ensure the provision of wholesome water that our customers enjoy. We maintain a strong focus on all areas that pose a risk to compliance. In line with this we continued to develop our catchment management [see Protect Our Environment] work to ensure that water quality is not compromised by agricultural practice or the use of pesticides. This is ongoing and we will continue to monitor our raw water for pollution to ensure that water quality is not compromised for our customers.

We continue to apply best practice in line with UK and European legislation. In 2019 out of 8,308 parameters tested 99.85% complied with drinking water standards, a slight decrease from 99.91% in 2018. We have robust sampling programmes in place for both drinking water compliance and raw water monitoring. This provides the data to help us strive for continuous improvement in the quality and taste of our drinking water in 2020 and beyond.

Capital Investment

In 2019, as part of our disinfection strategy we began upgrading our Forest Road water storage site to maintain the quality of the water held there. We carried out a remote operated vehicle (ROV) survey of our storage tanks, and a cleaning and maintenance programme to ensure the integrity of our storage remains high.

CASE STUDY



Drinking Water Safety Plans

We continue to develop our Drinking Water Safety Plans using the guidelines set out by the World Health Organisation (WHO). These enable us to closely monitor our water supplies from source to customers' tap and identify areas for improvement.

Upgraded mixing has been installed to maintain bacteriological quality during storage and secondary disinfection equipment will be upgraded in 2020 to allow us to gain better control over our disinfection from Water Treatment Works to customers' taps. We are also aiming to improve disinfection at our Water Treatment Works. One of the main components of this will be the application of ultra-violet (UV) disinfection at our Water Treatment Works. This has been successful at Juas Water Treatment Works and could be part of our planned refurbishment of St. Saviour Water Treatment Works.

Business Performance

Water quality compliance

Overall compliance with drinking water standards in 2019 was 99.85%, which was slightly lower than the 99.91% in 2018. Compliance for service reservoirs (treated water storage) was 99.23% this was due to integrity issues at the Forest Road site which are being addressed.

Compliance at Water Treatment Works was 99.98%, which was lower than 100% compliance in 2018 due to the herbicide failure at our Kings Mills Water Treatment Works. The reason for this has been fully investigated and catchment management processes put in place to avoid re-occurrence. In our north and south water distribution zones compliance was 99.12% and 99.81% respectively, with overall compliance at customers' taps at 99.41%.

The majority of exceedances in 2019 were due to bacteriological failures both at the service reservoirs and in the distribution system, all of which were thoroughly investigated, and actions taken to minimise the risk of re-occurrence. In 2019, we experienced high water temperatures in our distribution system which contributed to these failures. Work will be ongoing in 2020 to better understand our distribution system and how we can maintain disinfection within it to reduce failures going forward.

Customer Contacts

Work to minimise water quality related contacts from customers continued in 2019. We also brought our complaints recording in line with UK companies which will allow better comparisons and benchmarking going forward. By the end of the year we had received a total of 141 water quality related contacts with 11 complaints and 2 compliments. Taste and odour complaints accounted for 9 of these complaints, which is lower than seen in 2018. The majority of these related to chlorine taste and improved monitoring of chlorine dosing at our Water Treatment Works will play a part in our work to minimise these contacts. There were also 2 complaints regarding appearance and work will be ongoing in 2020 to further minimise these contacts.









“Wholesome drinking water is vital to the health and prosperity of our island, so we always strive to improve the quality of our drinking water supplies. In 2019 the quality of water supplied to the island remained high.”

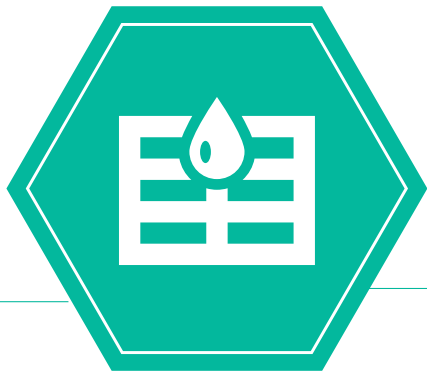
MARGARET MCGUINNESS,
WATER QUALITY RISK MANAGER



BUSINESS INITIATIVES

On Target =  Satisfactory progress but not all 2019 targets met =  2019 targets missed = 

Business Initiative	Description	Target Date	2019 progress	Performance
Contingency & Emergency Planning	We will continue to develop and test our contingency plans for the provision of alternative water supplies in the event of an emergency. We will also ensure that our people understand their role in the context of an emergency by continuing to conduct exercises in specific areas of risk.	2016-2025	Exercises were carried out to test our pandemic planning and lessons learnt were fed back into our emergency plans.	
Develop And Deliver A Water Treatment Strategy	This strategy will address current and future water quality risks to maximise the value of our Water Treatment Works. It will also help determine the optimum operational strategy for our works given the whole life cost of both current assets and future investment in treatment improvements.	2016-2020	Our newly refurbished Juas Water Treatment Works went in to operation at the start of 2019. We are now working on plans to develop our St. Saviour Water Treatment Works.	
Quality Assurance	Our operational policy and procedures will be developed in consultation with the Office of Environmental Health and Pollution Regulation (OEHPR). Where appropriate they will also be externally audited by a UK Regulator. We will apply the principles of continuous improvement.	2016-2021	A vacancy for much of the year meant this initiative was not resourced. Nevertheless, good progress was made at the end of 2019 and plans for 2020 were agreed.	
Water Capital Maintenance [Asset Strategies]	We will ensure the stable operating performance of our assets by developing an efficient long-term capital maintenance programme, which will inform our business plan review in 2020.	2016-2020	In 2019 the STSB approved plans for the development of our Asset Management System. This major initiative will help us move from reactive to pro-active asset investment over the next five years.	
Water Byelaws Guidance	Our water byelaws will be kept up to date and targeted at high risk areas through supplementary guidance provided by Guernsey Water.	2019-2020	A review of our water byelaws was commenced in 2019 and any recommendations will be considered in 2020.	
St. Saviour Water Treatment Works Strategy	We will develop a strategy for St. Saviour Water Treatment Works.	2019-2025	A feasibility assessment was completed in 2019. Options assessment and the first enabling works are planned for 2020.	



EFFECTIVE DRAINAGE

3

Customers are protected from flooding and wastewater is returned safely and efficiently to the environment

- Protect customers from sewer flooding
- Provide cesspit customers with easy access to a more equitable wastewater service
- Provide efficient, good quality cesspit services

38,167
METRES OF SEWER
WAS CLEANED IN
2019

Performance Highlights

There were no incidents of internal foul water flooding of properties due to hydraulic incapacity reported in 2019. We removed 81 tonnes of material from the islands wastewater using the screens at Belle Greve Wastewater Centre. This consists mainly of unflushable items such as wet wipes and we continue to communicate with our customers to advise against putting wipes and fats into the sewer network. We plan to run a wastewater education campaign in 2020 to try to change customer behaviour that increases the risk of blockages that can cause flooding and pollution. We dealt with 74 pump blockages in 2019 compared to 65 in 2018, we also cleaned 38,167 metres of sewer.

Capital Investment

We installed flood protection measures at five properties in 2019 to protect them from the risk of internal foul water flooding. We successfully rehabilitated 542 metres of sewer using 'no dig' pipe lining techniques. This rolling programme is targeted according to the risk of blockage or sewer collapse. Our approach to sewer lining uses a technique that avoids excavation and minimises disruption to road users. We refurbished our Harbour St. Sampson pumping station to reduce the risk of flooding and pollution and address operability, maintenance and health & safety issues. We successfully trialled a series of next generation pumps which intelligently deal with unwanted materials such as baby wipes automatically at three of our wastewater pumping stations.

CASE STUDY



Grand Bouet Sewer Rehabilitation

In September 2019 we started the final phase of sewer rehabilitation in the Grand Bouet following investigations that confirmed the 780mm sewer was in poor condition. The road was reopened in October following successful lining works which will improve sewer resilience in the area. Disruption to businesses was kept to a minimum and customer feedback on our support throughout the work was positive.

More pumps like these will be installed as we progress our pumping station maintenance programme.

A hydraulic modelling study was completed to better understand the risk of sewer flooding and potential scale of flood protection that could be needed to protect St. Peter Port in the future. We also refurbished a number of surface water outfalls to maintain them and prevent back-flow into the sewerage system at high tide.

Business Performance

Our cesspit emptying service provider, States Works, collected 162,709 cess cart loads in 2019. We continue to manage our service level agreements with them and started on a major programme of joint work to make the sewage collection service more efficient through our Future of Wastewater Services Project. The first stages of this project focus on two areas:

1. combining the sewage collection and water billing functions to enable a more efficient billing and customer service provision;
2. the efficient scheduling of sewage collection.

Engagement with the planners and developers has seen a number of housing developments implement sustainable drainage systems (SuDS) which has reduced the amount of surface water entering the public foul sewerage system.

A new type of valve was installed on the surface water outfall at Vazon to increase the volume that can be discharged to sea under gravity during low tide conditions. An emergency discharge pipe was also installed to avoid the need for a road closure if temporary over pumping was ever needed. An underground road crossing and over pumping point was also installed at the lower

end of Rue de Goddards to facilitate emergency drainage in the event of significant flooding in the area.




“Our cesspit emptying service provider, States Works, collected 162,709 cess cart loads in 2019. ”








JON HOLT,
OPERATIONS MANAGER



A robotic cutter used in sewer rehabilitation.

BUSINESS INITIATIVES

On Target =  Satisfactory progress but not all 2019 targets met =  2019 targets missed = 




Business Initiative	Description	Target Date	2019 progress	Performance
Fog & Unflushable Management	Initiate a focused campaign to change the behaviour of key social groups such as the parents of young children and fast food restaurants who use Fats, Oils & Greases (FOG) and unflushables such as wipes that can block sewerage system.	2017-2021	Our communication strategy for 2019 included several social media releases, radio and TV interviews to highlight the issues of unflushables such as wipes. We started work on our wastewater communications campaign to reduce unflushables in 2020.	
Sewer Flooding Property Protection	Protect properties against the impact of sewer flooding.	2016-2019	Five schemes were completed to protect customers from the impact of flooding.	
Sewerage Network Flow Monitoring	Further our understanding of how our sewerage system performs during rainfall and to pro-actively manage flood risk by responding to live data by moving flows around our sewerage system.	2018-2020	Initial work on this initiative was deferred due to other higher priorities.	
St. Peter Port Drainage Strategy	Development of options to address hydraulic deficiencies in the St. Peter Port sewerage network that cause internal flooding of properties.	2018-2019	A hydraulic modelling study was completed to better understand the risk of sewer flooding and potential scale of flood protection that could be needed to protect St. Peter Port in the future.	
Wastewater Capital Maintenance (Asset Strategies)	We will ensure the stable operating performance of our assets by developing an efficient long-term capital maintenance programme.	2016-2020	In 2019 the STSB approved plans for the development of our Asset Management System. This major initiative will help us move from reactive to pro-active asset investment over the next five years.	
Predictive Flood Modelling & Customer Alerts	We will utilise 'FloodNet' software to predict the response of our sewerage network to rainfall radar data and prepare by managing flows to increase available capacity and issuing flood warnings to customers that sign up to this service.	2019-2022	Our research this year concluded that there would be insufficient benefit for customers from investment in the current capabilities of the FloodNet technology.	
Stream Flow Monitoring	Development of feasibility study of how we can monitor flows in our main streams that form part of the water resource catchment areas.	2019-2021	Stream flow monitoring was not progressed in 2019 to allow focus on other priorities.	



PROTECT OUR ENVIRONMENT

4

Water quality is protected from source to sea and our environmental impact is carefully managed

-  **We are leaders in protecting the water environment**
-  **We consider the environment in everything we do**
-  **Our sites help protect biodiversity and allow access that benefits our community**

1,692
TESTS CONDUCTED
TO HELP PROTECT
WATER QUALITY
IN OUR ISLAND'S
STREAMS

Performance Highlights

As the guardians of our water from source to sea, protecting our environment is very important to us. To protect the marine environment we removed 81 tonnes of material from the islands wastewater using screens at Belle Greve Wastewater Centre. This consists mainly of unflushable plastic items such as wet wipes and we continue to communicate with our customers to advise against putting wipes and fats into the sewer network. To protect our environment and ensure effective drainage, we plan to run a wastewater education campaign in 2020 to try to change customer behaviour that increases the risk of blockages that can cause flooding and pollution.

Our short sea outfall operated twice in 2019. Both instances were investigated and reported to our environmental regulator within the agreed timescales under our event notification process. One event was due to very high rainfall overwhelming the sewerage network and the other was due to equipment failure. Both resulted in flows being sent directly through our short sea outfall at Belle Greve. We endeavour to minimise the number of short sea outfall discharges that are unrelated to weather and continue to improve our wastewater infrastructure and operations to protect customers and the environment from sewer flooding and pollution.

CASE STUDY



Refill Guernsey

Uptake of Refill Guernsey continued to gain support from business and local recreational events. In 2019 we provided water for several events including Pink Ladies Walk, Saffrey Rotary Walk, Sure Big Screen Event and BWCI Guernsey Mini Soccer Festival.

This joint initiative targets a reduction in single use plastic bottles by encouraging islanders to top up their own reusable bottles for free with the help of local businesses.

Capital Investment

Harbour St. Sampson (HSS) Pumping Station

Improvements of our HSS pumping station continued during the year. This £2 million investment is the final part of a £5 million programme of improvement to St. Sampson's wastewater catchment. It will reduce the risk of sewer flooding in the upstream sewer network and the risk of pollution from sewer overflows on either side of the harbour entrance. Coastal modelling has shown that this will improve bathing water quality.

Phase one was completed in 2017 and the following year we completed phase two, which improved the sewer in Vale Road to protect the area from sewer flooding during storm events. Phase three involved the construction of a new sewer in La Hure Mare which was completed in early 2019. This sewer will reduce the risk of sewer flooding in the Summerfield Road area.

The fourth and final phase of the programme commenced in spring 2019. This involved upgrading the pumping station on the southern edge of St. Sampson Harbour, which transfers sewer flows from large parts of the Vale and St. Sampson parishes to Belle Greve Wastewater Centre. The investment in the future of our island's wastewater infrastructure reinforces the importance we place on customers and our environment over the long term.

St. Peter Port Drainage Strategy

This project currently aims to better understand the risk of sewer flooding in St. Peter Port and to establish feasible options for managing it over the long term. During 2019 we undertook more detailed analysis of

the St. Peter Port drainage network and its upstream catchments. We also completed hydraulic modelling of various options to understand their benefits and costs of intervention. Long term climate change projections have been investigated and modelled. Additional work will be carried out in 2020 to further define potential improvement options and their benefits before we determine a preferred way forward.

Business Performance

In 2019 we established a biodiversity and recreation delivery group to further develop our long term Biodiversity Strategy. Working with members of this group we implemented biodiversity action plans for six of our operational sites and have changed the way we manage and maintain all our sites to support and promote our island's flora, fauna and ecology. A key change has been to cease use of all herbicides for any land management aside from control of invasive species such as Japanese Knotweed, and only then through direct injection. These are long term initiatives that we hope will help protect habitats that are vital for our native species for generations to come.

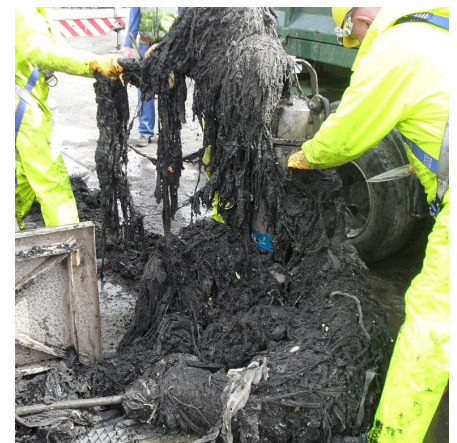
2019 saw continued support from businesses and local charities that enabled 'Refill Guernsey' to expand. The initiative encourages people to reuse water bottles and reduce single use plastic consumption, including our own people who were all provided with an insulated refill bottle. The momentum that the scheme has gained is encouraging with a number of sporting events and retailers taking part throughout the year. We also used social media and worked with print media, radio and television to highlight the issues of plastic

pollution relating to unflushables such as wipes. Work has now started on developing a wastewater communications campaign to reduce unflushables.



"81 tonnes of material removed from wastewater by screens at Belle Greve wastewater centre to protect the marine environment. "




CARL FALLA,
CAPITAL DELIVERY MANAGER



Wastewater Technicians removing an accumulation of wipes that have blocked one of our pumps.

BUSINESS INITIATIVES

On Target =  Satisfactory progress but not all 2019 targets met =  2019 targets missed = 

Business Initiative	Description	Target Date	2019 progress	Performance
Bathing Water Partnership	We will continue to actively collaborate with this partnership to protect and improve the quality of our island's bathing waters.	2016-2025	We continue to meet and collaborate with the Bathing Water Partnership, which has also been working with shellfish producers.	
Biodiversity And Recreation Strategy	We will work in partnership with others to ensure management of our operational sites contributes to delivery of Guernsey's Strategy for Nature. Where it works in harmony with nature and our operations, we will enable recreational access to our sites that benefits the health and well-being of islanders.	2019-2020	We changed the way we manage our operational sites this year to protect valuable habitat and encourage biodiversity. We also continued to support recreational use of our sites such as fishing and walking at St. Saviour reservoir.	
Combined Sewer Overflow (Cso) Monitoring	Monitor our sewer overflows to improve understanding of the way our wastewater system operates and assess our environmental performance.	2019-2020	<p>We undertook a pilot study of monitoring sensors and data loggers across a range of different sites within our drainage network. Part of this study also considered communication options to link monitoring equipment into our SCADA telemetry system.</p> <p>The results of this pilot study will form the basis of a programme of CSO monitoring installations across our network, starting in 2020.</p>	





SUFFICIENT AND RESILIENT

5

Water and wastewater systems adapt to climate change and have sufficient capacity for our island's future

- Deliver long term strategies for water resources and drainage
- We invest in infrastructure to serve future generations
- Be prepared for emergencies

ZERO
RESTRICTIONS ON
WATER USE
IN 2019

Performance Highlights

In 2019 we published a summary of our Water Resources and Drought Management Plan (WRDMP). This confirmed that up to 2040 we should expect a fine balance between forecast supply and demand during a repeat of the more severe historic droughts that Guernsey has experienced. The Plan we have developed to deal with this currently provides a level of protection that is comparable to that provided by water companies in England and Wales and exceeds that of some water companies in the south of England. This level of protection was endorsed by the Committee for the Environment & Infrastructure in September 2018. This plan will be updated at least every five years.

Capital Investment

Water supply mains replacement

This ongoing programme lined or replaced 4.5km of water mains this year, which exceeded our target of 3.6km.

Soil moisture monitoring

Soil moisture monitors have been installed at four locations across the island to monitor moisture levels in different soil types. This will help water resource and drought management planning and will inform drought and flood risk assessment once sufficient data has been gathered and correlated with rainfall.

CASE STUDY



Water Pressure Management

This major investment was completed in 2019 and installed pressure monitors that provide real time feedback on the performance of our water supply network. Monitoring has already identified opportunities for the installation of pressure reducing valves, which are now helping to reduce water mains bursts. This project is an important precursor to developing a smart water network in the future.

Business Performance

Water resources

Total rainfall during 2019 was 5% above the average for the last 10 years. Despite this it was 21% below the 10 year average by the end of August and water resource levels fell to 77.6% in September. However, the remaining months were wet and by the end of the year reservoir levels had recovered to 100%. Investment in more effective capture of water from streams during the last decade played an important role in enabling this rapid recharge of water levels.

3,947 million litres of water was supplied to customers in 2019, which was 3.4% lower than the previous 10 year average. The total number of supplies increased by 0.6% in 2019 and 70% of all properties that we supply have a chargeable meter and are therefore paying on the basis of what water they use. Leakage

throughout the year equated to 15.9% of the total water supplied, which is up from 10.9% in 2018. 4.4% of this increase was down to a single leak which proved difficult to locate as it was losing water to a stream, which meant that it was not visible.

Unplanned water supply interruptions

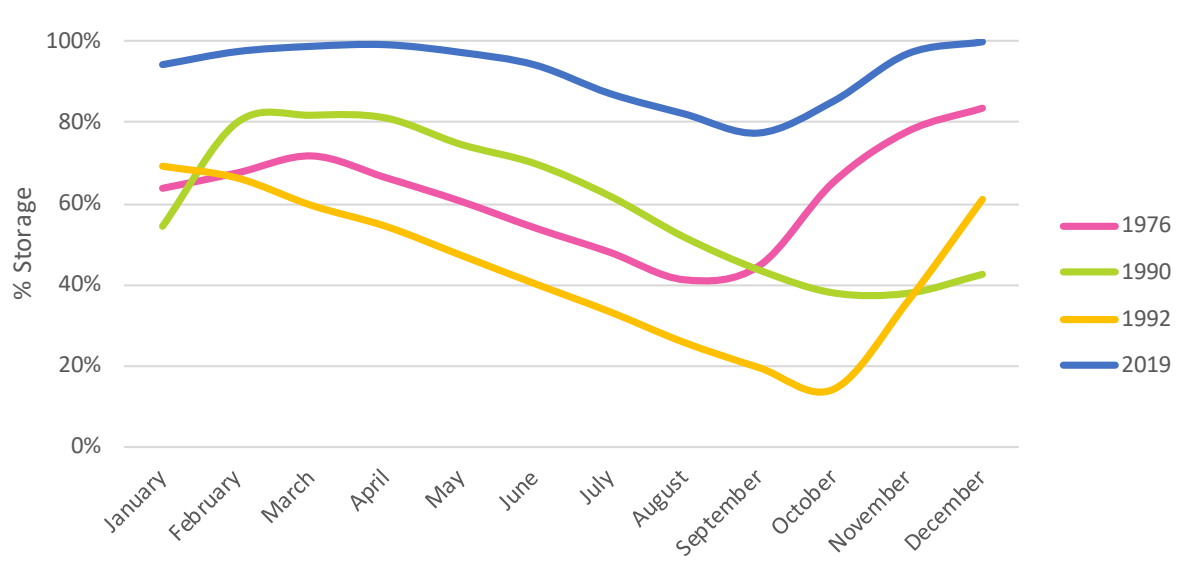
The impact of burst mains on our customers remained acceptable in 2019. Our distribution team worked quickly to deploy temporary supplies to reduce water supply interruptions and minimise the impact of bursts on our customers. Throughout the year the average monthly number of water supply interruptions as a percentage of our total number of customer supplies¹ was 1.9%, which is under our target² of 2%.

Figure 4 shows our water storage levels compared to years with significant drought, showing a

successful recharge of our stored water resources in the winter months of 2019.

Figure 5 shows water consumption data over a 30 year period and illustrates changes in water consumption in each sector during this time.

Figure 4 - Raw water reservoir storage levels during 2019 compared to levels during previous drought years.



¹ In accordance with Ofwat (Water regulator in England and Wales) serviceability measure this is weighted according to the length of interruption.

² Good (<0.5%), Acceptable (0.5 - 2.0%), Needs Improvement (>2.0%).

BUSINESS INITIATIVES

On Target =  Satisfactory progress but not all 2019 targets met =  2019 targets missed = 







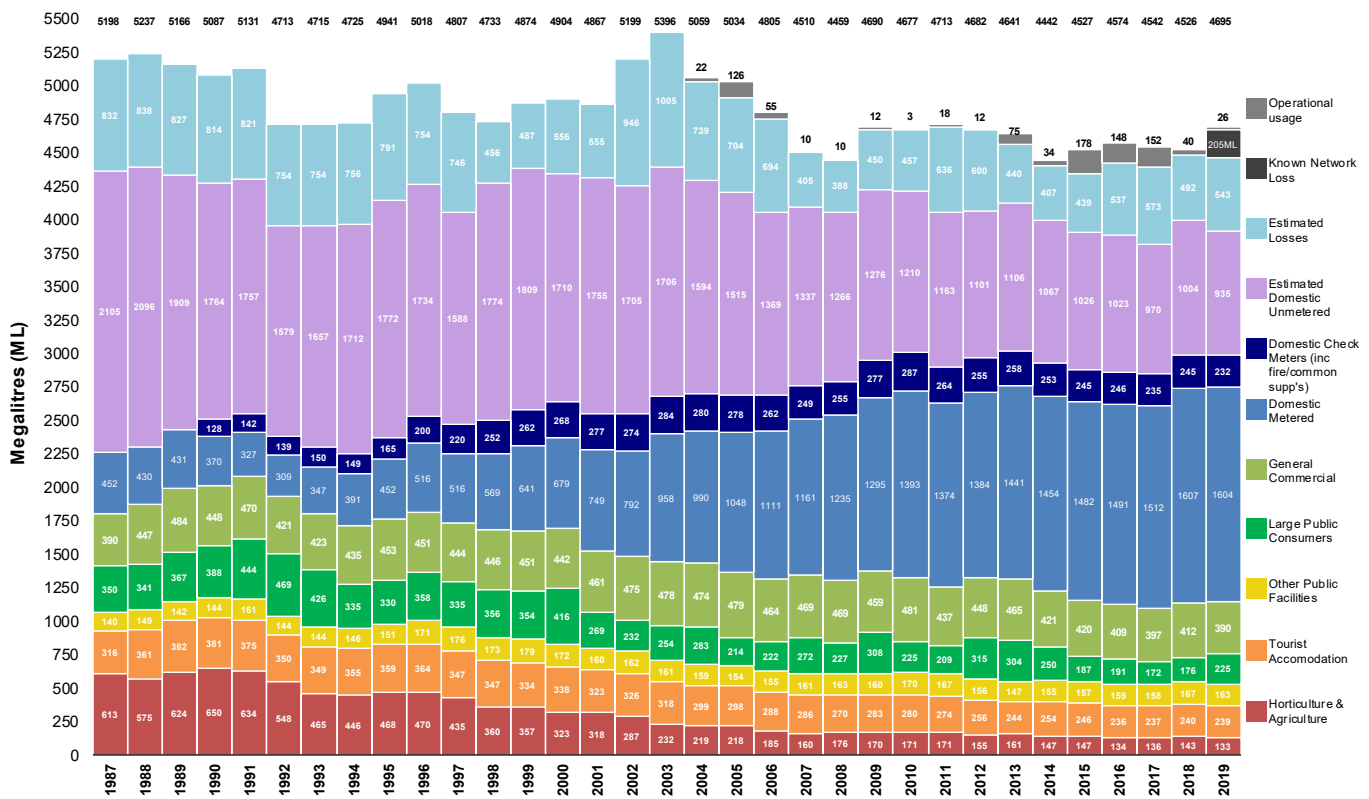
Business Initiative	Description	Target Date	2019 progress	Performance
Cost Benefit Assessment Of Les Vardes Quarry For Use As A Raw Water Storage Reservoir	Our WRDMP will determine if this assessment is required. If so it would also consider opportunities to decommission other raw water storage reservoirs (quarries).	2017-2019	Our WRDMP determined that Les Vardes should not be needed for water storage before 2040, so a detailed assessment is not needed at this time. Nevertheless, a high level desktop assessment was started in 2019 and will be completed in 2020.	
Pressure Management	We will trial a water supply network pressure management system and then roll it out on a scale and at a pace that is commensurate with its short and long term benefits: reduced pressure complaints, reduced leakage, reduced bursts, reduced power consumption and extended asset life.	2016-2020	Pressure monitoring of our water supply network was delivered in 2019. It has already led to pressure reduction in some areas that has reduced bursts.	
Raw Water Transfer Strategy	We will invest in refurbishing and extending our network of raw water pipe infrastructure.	2016-2019	The scope of this initiative has expanded to include the transfer of treated water as well as raw water, so we now expect it to continue beyond 2020.	
St. Saviour Emergency Response Plan	We will commission an external flooding inundation and emergency draw down assessment to inform emergency planning in the unlikely event of failure of our St. Saviour reservoir dam wall.	2018-2019	Our inundation study and emergency draw down assessment has been completed. An emergency planning exercise is scheduled for 2020-21.	
Water Mains Extension	To provide easy access to fair and equitable level of service to all customers, where the cost is reasonable we will extend the public water supply to those that want to connect to it.	2019 Onwards	The Guernsey Water Board and STSB agreed a new policy for extending the water network in 2019. Delivery is expected to commence in 2020.	
Treated Water Storage Resilience	We will manage drinking water in our distribution system to optimise disinfection and minimise water quality related customer complaints.	2020-2021	In 2019 we developed a £1m programme of investment in refurbishing our treated water storage facility at Forest Road. Delivery is expected to commence in 2020 and continue into 2021.	

Figure 5 - Water Consumption from Public Supply (ML)





FIRM FINANCIAL FOUNDATIONS

6

Our services are efficient and investment in our assets is made in the best long term interests of islanders

- Balance delivery of our business plan against financial sustainability and affordability for customers
- Manage the whole life of our assets
- Benchmark our services to ensure we provide value for money

GUERNSEY WATER REPAID TO THE STATES OF GUERNSEY £1.3M OF GRANTS RECEIVED IN RELATION TO CAPITAL PROJECTS INCLUDING THE BELLE GREVE PUMPING STATION.

Performance Highlights

Our priority is to ensure that we are in a strong financial position to meet the demands of all of our stakeholders including customers, the States of Guernsey and our people in Guernsey Water.

Whilst Guernsey Water has reported a loss in 2019 this is primarily due to the need to write off a number of assets and stock items that were previously being held for re-purposing as a result of the decommissioning of Longue Hougue Water Treatment Works. This was no longer possible so a one-off write down of £530k has been accounted for during the year.

Operating surplus for the year was £4,564k, a reduction of 22% from 2018. This was mainly due to a slight

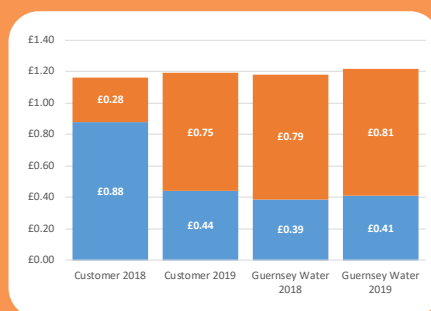
reduction in the demand for water, a freeze in the overall bill for customers and an increase in operational maintenance costs. In addition, a repayment of States' grants resulted in an extra £204k cost. Nevertheless, Guernsey Water was able to keep operating and management expenses 1% under budget.

This year, Guernsey Water's resources have been more focussed on the maintenance of its assets than the creation of new assets, as shown by the reduction of £838k in the amount spent in 2019 on capital projects compared to 2018.

In addition, 2019 saw the completion of two large projects for Guernsey Water where most of the required investment had been made in prior years.

CASE STUDY

Figure 6 - Average Metered Customer vs Guernsey Water Daily Expenditure 2018 vs 2019



Charging Policy

In 2019 we rebalanced our charges to better reflect the cost of the water and wastewater services we provide. In addition, as a result of the savings and efficiencies achieved in previous years, the majority of customer's bills were frozen for 2019. Further to this Guernsey Water was able to freeze water charges in 2020.

These were the recommissioning of Juas Water Treatment Works and the construction of a new sewer in La Hure Mare, which was phase 3 of the work to help alleviate flooding and pollution from sewer overflows in St. Sampson.

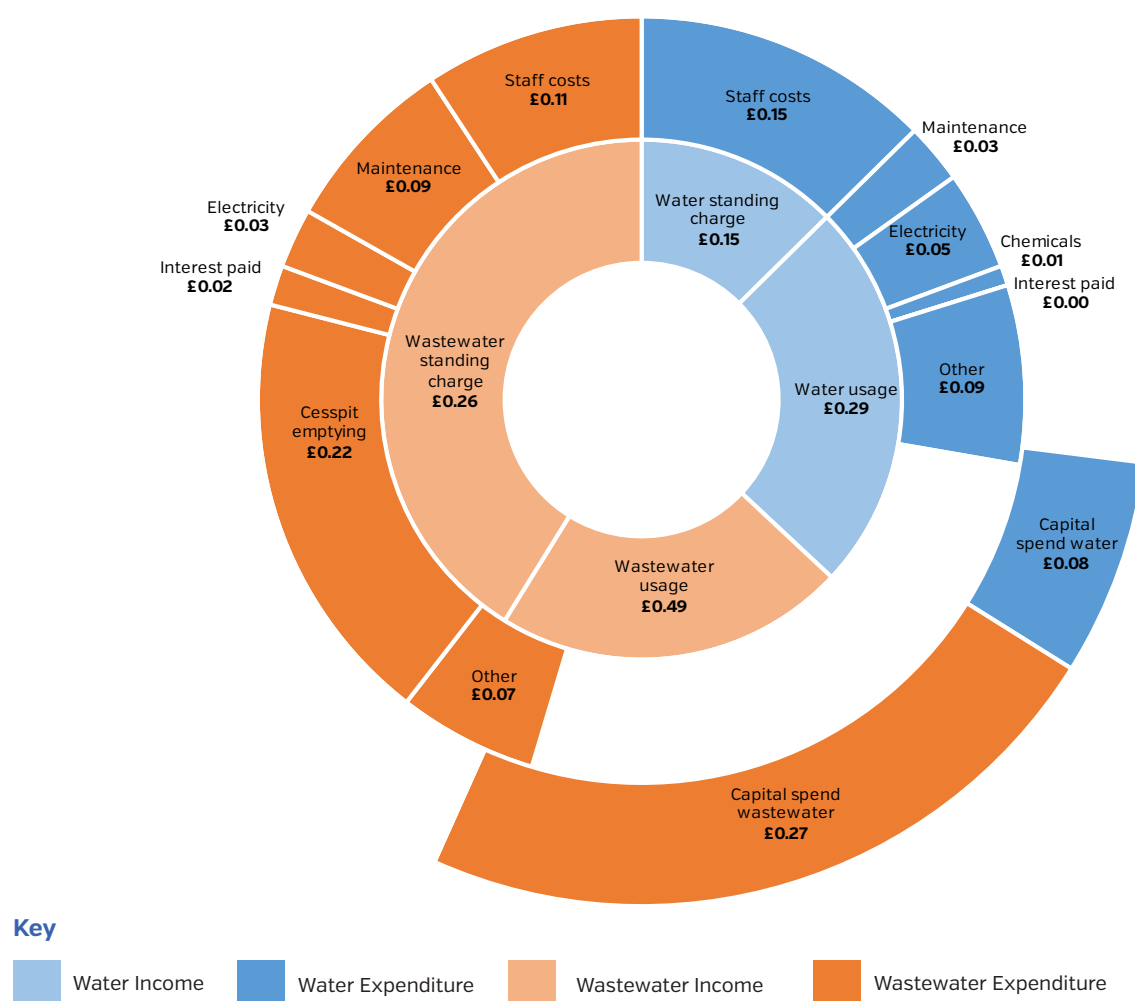
Figure 6 shows that in 2018 the average metered customer was paying more than double the amount

that it cost Guernsey Water to provide a drinking water service, but they were also paying less than half the cost of providing a wastewater service. In 2019 although the cost to Guernsey Water increased, the overall cost of water and wastewater services to customers did not change. However, water and wastewater charges were rebalanced to better reflect the cost of providing each of

these services.




The average metered Guernsey Water customer spent £1.19 per day with us in 2019. Here's how we spend that income comparing expenditure on water and wastewater service provision.

Figure 7 - How we spend your money



BUSINESS INITIATIVES

On Target =  Satisfactory progress but not all 2019 targets met =  2019 targets missed = 

Business Initiative	Description	Target Date	2019 progress	Performance
Building Maintenance/ Property Review	Review our property portfolio, which includes our quarries, to ensure these assets are delivering best value by maximising commercial, environmental or leisure opportunities. Maximise returns from the sale of any assets that are surplus to requirements.	2017-2020	A review of our property portfolio has highlighted the need for investment in buildings maintenance across our estate. The sale of two small quarries that are no longer used for water storage has been investigated and in partnership with Guernsey Housing Association we are planning to redevelop one of our properties to make it available for rent.	
Value For Money Service Level Agreements	Based on efficiency benchmarking data, commission an independent review of our service level agreements to identify opportunities to increase value for both client and provider.	2018-2020	In 2018 this initiative was superseded by an independent review that was commissioned by States Works. In 2019 it was superseded by our Future Wastewater Services initiative (see Valued by Customers).	
Asset Management System	Develop a business-wide Asset Management System that will inform business planning and develop the people, systems and processes we need to manage the whole life of our assets efficiently.	2019-2025	Phase 1 (road map) and Phase 2 (development of the framework and business processes) have been completed in 2019.	








PROUD PERFORMING PEOPLE

7

Guernsey Water is a great place to work, where people perform to their full potential and are proud of their contribution to our island community.

-  We listen to colleagues and act on their suggestions
-  We invest in the future of our people
-  We are true to Guernsey Water's Values in everything we do

Our people are at the heart of everything we do and we are proud of the service that Guernsey Water provides for the island's community. We recognise the important link between how happy our people are at work and the customer service they provide. At the end of 2018, we developed a new business plan outcome 'Proud Performing People' that focuses on our current and future people. This outcome will encompass the health and safety, personal development, training and well-being of our people as well as our shared sense of purpose and sense of belonging in a high performing team.

Performance Highlights

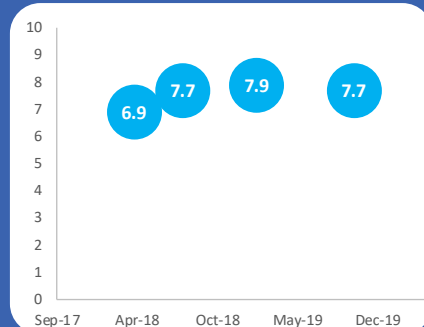
We started work on this outcome in 2018 with the introduction of our anonymous staff engagement platform 'TINYpulse'. Every one of our 82 people contribute to the water and wastewater services we provide the island and this anonymous engagement tool helps us to receive open and honest feedback from across the business to improve how we work.

Training and development

Throughout the year we have been developing plans to introduce a 'Licence to Operate' competency framework in 2021. This will help our team to develop the current and future skills they need through a programme of industry specific courses.

IN 2019, WE ESTABLISHED FOUR CORE VALUES FOR GUERNSEY WATER.

CASE STUDY



How happy are you at work?

As part of our aim to be a great place to work, we regularly ask our team how happy they are at work through our anonymous engagement platform 'TINYpulse'. We continue to benchmark these scores and have been encouraged by the results so far.

As well as ensuring core competency this would help with recruitment, retention and succession planning. Training in 2019 ranged from mandatory health and safety courses to coaching training for line managers.

As part of our investment in our people we developed an area of our wastewater stores into a new meeting and training room. We continue to invest in technology and IT infrastructure to develop internal communication and we hope to continue to develop our use of technology to improve this going forward.

Understanding our Values

At the end of 2019, as part of a review of our business plan, we went through a Values Discovery process. Over 80% of staff attended a values discovery workshop to identify their personal values. We wanted to ensure that Guernsey Water's values reflected those of our people and as a result of these workshops we have established four core values for Guernsey Water [Figure 8]. We will work to embed these values into our behaviours and working practices to support our aim of Guernsey Water being a great place to work. Staff engagement throughout our ongoing

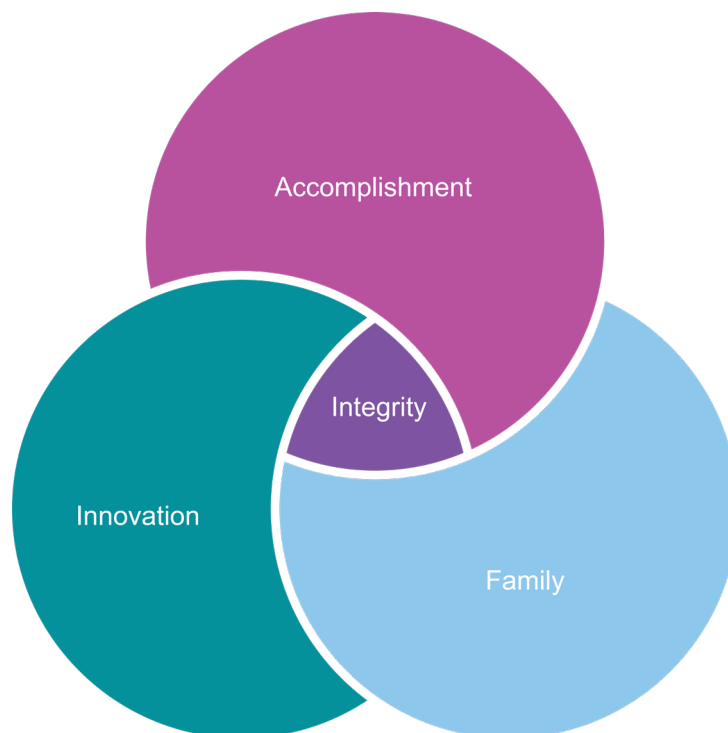
business plan review is important for ensuring everyone understands how they contribute to our success, and to set clear direction and a shared sense of purpose for the future.



"Throughout the year we have been developing plans to introduce a 'Licence to Operate' competency framework in 2021".






**STEPHEN LANGLOIS,
GENERAL MANAGER**

Figure 8 - Our Four Core Values



BUSINESS INITIATIVES

On Target =  Satisfactory progress but not all 2019 targets met =  2019 targets missed = 

Business Initiative	Description	Target Date	2019 progress	Performance
Business Plan Update	We would like everyone in Guernsey Water to feel that the next iteration of our business plan is their plan as well. We will ensure that we give our people the opportunity to contribute to our plan we will consult with our teams throughout our business planning process.	2019-2021	In 2019 we worked with the Board to establish our strategic direction. We conducted workshops with over 90% of our people and a values discovery with over 80% of our people to identify Guernsey Water's values for our plan. Our business planning process is now dependent on the concurrent development of our Asset Management System (see Firm Financial Foundations).	
Staff Engagement	Develop a culture of feedback through coaching and the use of engagement tools such as TINYpulse.	2018-2020	We continued to ask regular TINYpulse questions and react and respond to ideas and feedback through the platform.	
License To Operate Framework – Core Competency & Professionalism	Develop a framework that ensures the core competency of our people and enables them to fulfil their potential.	2018-2019	Several knowledge exchange visits took place with a UK water company that is recognised as providing a leading License to Operate programme. We also engaged with training providers on and off island to research what a competency framework might look like for Guernsey Water and how it might be implemented.	
Develop Our Line Managers, Coaches And Mentors	Help our managers and leaders to become effective managers, coaches and mentors through training and development.	2019-2020	All 12 people in our business improvement group received 'leader as a coach' training to help us embed a coaching culture in our business. As part of succession planning 'preparing to progress' and certificate in management training was also provided.	
People Planning	All annual team plans and longer term business plan will be supported by people plans to enable their delivery. Our people plans will cover staff engagement, performance, leadership, succession and resourcing.	2019-2020	As part of our annual and longer-term business planning, we are developing a people plan to ensure our people are at the heart of our business plan. Less progress was made with this in 2019 than planned at the start of the year.	

HEALTH & SAFETY

Performance Highlights

Health and Safety (H&S) is extremely important to us and our 'work safe, home safe' approach encourages a culture of working safely and reporting incidents effectively. We received 39 near miss reports in 2019, which is a 30% increase when compared to 2018. We continue to encourage a culture of reporting and continuous improvement. Each near miss is subject to immediate investigation and corrective action. No formal legal action regarding service of notices and prosecutions was taken by the H&S Executive against Guernsey Water in 2019.

Injury at work

There was one over three day or major injury RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences) report made in 2019. In addition to this there was one RIDDOR report, made by a contractor, relating to a Dangerous Occurrence. There were five non-RIDDOR accidents that resulted in injury in 2019, a small increase from 2018. Eleven working days were lost due to injury compared to one day lost in 2018. These lost days were the result of two separate manual handling incidents.

Accident Frequency Rate

The Total Accident Frequency Rate (TAFR³) at the end of 2019 was 3.95, an increase from 2.51 at the end of 2018. This was a result of the slight increase in the number of accidents in 2019. The TAFR is based on all reported accidents, irrespective of whether they are RIDDOR or not;

although they are investigated the TAFR does not include any of our contractor's accidents.

Active Management Visits

A total of 43 active management visits (AMVs) were recorded in 2019. These visits are conducted by members of the senior management team and line managers to assess H&S conditions on our sites and hear about the practicalities of working to our H&S policies. They are also a chance for line managers to engage with our people, ask teams about their well-being and whether they have any suggestions for improvement.

H&S Training and Development

13 H&S training courses were provided to Guernsey Water people in 2019 by both internal and external training providers. The majority of training was identified through the implementation plans detailed within our H&S directives and our 2019 H&S training plan.

Looking forward

Our TINYpulse engagement tool enables us to ask our people for their views on our H&S provision. This has provided valuable anonymous feedback and this method of engagement on H&S will continue into 2020.

The H&S Manager position, which remained vacant in 2018 was filled in September 2019. The position was covered up to this period by a H&S consultant who enabled our H&S Group to continue to meet monthly, receive regular reports relating to

H&S and make good progress with the organisations H&S objectives.

15 H&S objectives were set as targets at the beginning of 2019. Eight of the objectives were completed, two objectives were partially achieved, and five objectives were not completed. These outstanding objectives include further policy development and a continuation of our risk assessment programme and will now form part of our 2020 objectives.

A health check of Guernsey Water's H&S systems will be carried out in 2020, measuring our performance against the ISO45001 (Occupational Health and Safety) standard. The results of this audit will assist us in identifying what areas to focus our resources in order to improve H&S throughout the organisation.



³The formula for the calculation is: TAFR = (Total number of accidents per month / Total hours worked) x 100,000.

OUR COMMUNITY



We are committed to contributing to the Policy & Resource Plan's vision that: "We will be among the happiest and healthiest places in the world, where everyone has equal opportunity to achieve their potential. We will be a safe and inclusive community, which nurtures its unique heritage and environment and is underpinned by a diverse and successful economy."

Guernsey Water collects surface water and treats it to provide high quality drinking water; then we ensure the safe return of the island's wastewater to the environment. This helps to protect the environment and helps to ensure a healthy community.

2019 was another busy year for us in the community. We continued to support and promote Refill Guernsey, this included provision of temporary standpipes for a wide range of island sports events to enable the public to refill their bottles with tap water. These refill points have been well received so we are planning to trial the installation of two permanent refill stations in 2020. We also provided all of our team with reusable insulated drinking bottles this year. This has helped us to reduce single use plastic waste across the business

and in turn is helping to protect our environment.

Guernsey Water continues to maintain the Millennium Walk around St. Saviour Reservoir for the community. It is a fantastic recreational asset for the island that brings health and well-being benefits to many people and enables them to connect with and learn about our natural environment. With the help of Floral St. Saviour and The Art of Living Guernsey, in 2019 people from Guernsey Water helped to clear an area of land near the reservoir. These efforts are helping to restore a wet meadow, a scarce habitat in Guernsey. This will help to protect biodiversity in the area.

We were delighted to welcome school groups to St. Saviour Reservoir and the Petit Bot stream to understand more about our water catchment. As leaders in the protection of our water environment we know it is vital to educate future generations in why it is so important. We also welcomed a number of students to our work experience programme during the year. They were guided through our work from source to sea and enjoyed experiencing the wide range of work that we conduct, from tasting

tap water samples to joining tanker drivers for a trip around the island emptying customers' cesspits.

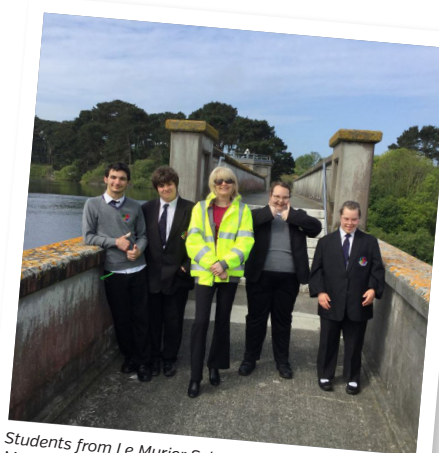
We maintained our presence at the careers show to highlight the diverse range of careers that are needed in the water sector. We also continued to support the Channel Island Group of Professional Engineers [CIGPE] Technology Challenge, with a Guernsey Water representative advising a team of students who were given the task of developing projectile devices.

Following the reclamation of some of the original bricks from the Brickfield House kiln, we offered the community the chance to own their very own brick in exchange for a small charitable donation. We raised nearly £700 for The National Trust of Guernsey and La Société Guernesiaise.

Our Customer Services team took part in a Community Connector training session by Health Connections Guernsey. Community Connectors can help friends, family, colleagues and customers find and access support if they need it. This will help us to support customers and our own communities in the future.



All Guernsey Water staff were provided with a refillable bottle to help reduce their plastic use.



Students from Le Murier School joined our Risk Management Officer, Sarah Brown, for a tour of St. Saviour Reservoir.



Ladies College Students conduct benthic surveys in the Petit Bot stream to understand more about the ecosystem.



Floral St. Saviour, The Art of Living Guernsey and Guernsey Water staff help to clear a field near St. Saviour Reservoir to improve biodiversity in the area.



Members of the community were able to own their own piece of history when bricks that were found in the Brickfield House kiln were offered to the public in exchange for a small charitable donation.



Our stand at the 2019 Careers Show helped to showcase a broad range of roles that are involved with keeping our water and wastewater services running.

CORPORATE GOVERNANCE

The purpose of the Guernsey Water Board (GWB) is to support the delivery of the STSB's mandate, ensuring the efficient and effective management, operation and maintenance of Guernsey Water.

The GWB is accountable to the STSB and operates by challenging established practices and assumptions and seeking to support the business in establishing clear strategic direction, business planning and operational delivery in support of the outcomes of the Policy & Resource Plan, the Medium Term Financial Plan, the Public Service Reform Agenda, Service Guernsey and other strategic reviews and organisational drivers.

The GWB membership is a minimum of a Chairman who is not a States Member, a Political Member of the STSB, a Senior Executive of an Incorporated Company or one or more Senior Officers of the States, the General Manager and the Financial Manager.

All members other than the General Manager and the Financial Manager are appointed by the STSB.

As a subcommittee of the States, the quorum will be two members of the STSB.

The GWB does not hold a fiduciary responsibility.

The GWB will take into account the States' political direction with regard to the operation of Guernsey Water, as directed from time to time by the STSB. It must ensure that Guernsey Water operations and operational

policies align with the wider strategy and policy framework of the States of Guernsey and/or the STSB. The GWB may generate policy for endorsement by the STSB and onward to the States of Guernsey as required.

The STSB specifically confers the following responsibilities and delegated authority to the GWB to:

- Approve capital and revenue annual budgets in line with the long-term budgets approved by the STSB,
- Approve annual business plans in line with long-term strategy and planning approved by or directed by the STSB,
- Approve and issue annual reports, and
- Guide and steer Guernsey Water.

In carrying out these responsibilities the GWB is bound and enabled by States of Guernsey rules for financial and resource management and the rules, directives policies and procedures of the States of Guernsey, such as, but not limited to: Finance; Procurement; Property; Human Resources; Data Protection; Health and Safety Management; Risk and Issue Management; Managing Matters of Litigation; and Relevant legislation. The GWB has the authority delegated by the STSB to direct the Guernsey Water General Manager in the day-to-day operation of Guernsey Water in line with approved budget and business plans.

The GWB acts as a political subcommittee of the STSB.

The STSB can disband the GWB at any time without notice or recourse to any other body.

In the event due process has not been followed, the GWB must render itself unable to make a decision until such time process has been followed.



The purpose of the Guernsey Water Board is to support the delivery of the STSB's mandate, ensuring the efficient and effective management, operation and maintenance of Guernsey Water.

STEPHEN LANGLOIS,
GENERAL MANAGER

WHO'S WHO?

THE LEADERSHIP TEAM



Stephen Langlois

General Manager

Stephen joined Guernsey Water in July 2014 and his leadership draws upon a wealth of experience from many years working in the UK water sector, most recently Anglian Water. He is a chartered water and environmental manager with a post graduate qualification in water and wastewater treatment technology from Cranfield University. Stephen has 20 years of professional water and wastewater management and operational experience. His role is to lead a team that ensures the quality and resilience of the island's drinking water supply and safe return of wastewater to the environment. As an executive to the Company Board he ensures that Guernsey Water continues to be well managed, maintains its focus on efficiency, performs strongly for its customers, is able to evidence continuous improvement and compares well with benchmarks.



Margaret McGuinness

Water Quality Risk Manager

Margaret joined Guernsey Water in August 2015 after almost 20 years' experience within the industry. She has an in-depth knowledge of water and wastewater systems. As Public Health Manager at Scottish Water she was responsible for managing drinking water quality and wastewater pollution incidents. Margaret is a Fellow of the Royal Society of Chemistry, a member of the Royal Society of Public Health and chair of the Public Health Network for Water UK. Her team manages water quality risk from source to sea, ensuring customers receive drinking water of the highest quality and that wastewater discharges meet environmental standards.



Carl Falla

Capital Delivery Manager

Carl joined Guernsey Water in 2016 to head up the Asset Management Department and lead the development of a formal Asset Management System and supporting functions. Carl has a wealth of experience in the Project Management and delivery of large infrastructure projects over the last 15 years, predominantly within the public sector. He is a Chartered Construction Manager and Member of the Association for Project Management. He took over the role of Capital Delivery Manager in late 2019 and his team is responsible for the delivery of all capital projects and programmes and asset management initiatives within the business.

**Phil Marquis**

Customer Services Manager

Phil was appointed Customer Services Manager in 2018. He has over 31 years' experience in the Telecom industry, mainly in managerial positions within the customer, access engineering and customer provisioning and billing. He has managed and been responsible for the setting up of our Customer Liaison Team in Guernsey Water and also oversees our Income and Contact Team. Phil has a passion for change and enjoys the human elements of management.

**Jon Holt**

Operations Manager

Jon is a Chartered Engineer with over 20 years' experience across operations and asset management in the water industry. He joined Guernsey Water in 2011 from Anglian Water. As operations manager, Jon oversees the operation and performance of all of Guernsey Water's clean and wastewater assets – this ensures that Guernsey Water is able to provide a resilient, high quality service to its customers 24 hours a day.

**Andrew Morton**

Senior Finance Manager

Andrew joined Guernsey Water in December 2015 and was appointed to his current position in May 2016. He was previously Chief Operating Officer for the Channel Islands Securities Exchange; a position he held for over 15 years. Andrew is a Chartered Accountant and a member of the Institute of Directors and is responsible for all financial aspects of Guernsey Water. As an executive to the Board he ensures that Guernsey Water continues to be well managed, maintains its focus on efficiency, performs strongly for its customers, is able to evidence continuous improvement and compares well with benchmarks.

EXTRACT FROM THE FINANCIAL STATEMENTS

Financial Performance

for the year ended 31 December 2019

STSB presents its report and the audited financial statements for Guernsey Water for the year ended 31 December 2019. These are comprised of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 27.

Principal activities

Guernsey Water, a business unit of the STSB, delivers to its customers:

- A reliable supply of high quality drinking water in sufficient quantity that satisfies normal daily demand at the lowest cost consistent with meeting a high level of customer service and confidence.
- A reliable wastewater collection service which treats and returns flow to the environment sustainably and efficiently.

Contributions' to the States of Guernsey

During 2019 Guernsey Water repaid grants received in relation to wastewater assets of £1,309k to the States of Guernsey [2018: £Nil].

Customers

Guernsey Water provides water to the majority of the residents and businesses on Guernsey. Guernsey Water also collects and treats wastewater from all properties on the Island.

Number of supplies:

Paying by tax on real property
Paying by measure

Total

2019	2018	Change %
8,080	8,236	-1.9%
18,130	17,831	1.7%
26,210	26,067	0.5%

Financial Highlights

Revenue
[Deficit]/surplus for the financial year

Capital expenditure

Actual 2019 £'000s	Budget 2019 £'000s	Actual 2018 £'000s
16,003	16,376	16,622
[768]	[47]	126
4,130	4,214	4,968

During 2019 there were significant changes that had a material impact on the financial position:

i) Guernsey Water rebalanced its charges for water and wastewater services to better reflect the cost to Guernsey Water of providing the service in line with the States of Guernsey's principle that the "User pays". As part of this exercise the overall bill for the majority of customers was frozen.

ii) Assets that were being retained within the business at Longue Hougue Water Treatment Works were deemed to no longer be able to be re-purposed and due to the nature of those assets cannot be sold so a write down of £530k is reflected in this year's financial statements.

In relation to capital expenditure, the major works completed include work on HSS improvement works (completion of Phase 3 and starting Phase 4), Juas Water Treatment Works recommissioning and the replacement of water mains.

Operational Performance

Volume supplied in million litres (ML):

Delivered to customers paying by measure
Delivered to other customers
Operational use, fire fighting and losses
Total put into supply

2019	2018	Change %
2,754	2,745	0.3%
1,167	1,249	-6.6%
774	532	45.5%
4,695	4,526	3.7%

Service:

Restrictions on supply
Burst mains
Discolouration - claims paid

None	None	None
37	30	23.3%
4	4	0.0%

Unit costs (partially weather related):

Water production (per ML)
Water distribution (per supply)

£414	£368	12.5%
£16	£17	-5.9%

Full time equivalent employees
Average number of full time employees

80	82	-2.4%
81	83	-2.4%

Statement of Comprehensive Income

for the year ended 31 December 2019

	2019 £'000	2018 £'000
Revenue		
Water supplies	5,692	11,262
Waste water supplies	9,128	3,663
Other income	1,183	1,697
	16,003	16,622
Expenses		
Operating expenses	7,637	7,291
Management expenses	3,802	3,467
	11,439	10,758
Operating surplus before depreciation/amortisation and gain on disposal of fixed assets	4,564	5,864
Depreciation/amortisation	(4,792)	(5,347)
Impairment of assets	(532)	(3)
Gain on disposal of fixed assets	9	-
Operating (deficit)/surplus for the year	(751)	514
Investment return/(loss) and net interest receivable	297	(67)
Interest payable	(314)	(321)
(Deficit)/surplus for the financial year	(768)	126

All material activities derive from continuing operations.

There are no recognised gains or losses or other movements in reserves for the current or preceding financial years, other than as stated in the Statement of Comprehensive Income.

Statement of Financial Position

as at 31 December 2019

	2019 £'000	2018 £'000
Non-current assets		
Intangible fixed assets	186	192
Tangible fixed assets	147,468	146,710
Investment property	650	650
Assets under construction	3,043	4,991
	151,347	152,543
Current assets		
Inventories	1,648	1,517
Debtors and prepayments	2,116	2,134
Cash at bank and in hand	1,061	1,474
Balances with States Treasury	1,561	2,614
	6,386	7,739
Creditors: amounts falling due within one year	(3,496)	(3,797)
Net current assets	2,890	3,942
Creditors: amounts falling due after more than one year	(16,679)	(18,159)
Total net assets	137,558	138,326
Reserves	137,558	138,326

Signed on behalf of the States of Guernsey - States' Trading Supervisory Board

Deputy P. Ferbrache

8 June 2020

President

Signed on behalf of the States of Guernsey Trading Assets

Mr S. Elliott

8 June 2020

Managing Director

Statement of Changes in Equity

for the year ended 31 December 2019

	2019 £'000	2018 £'000
Balance at 1 January	138,326	138,200
(Deficit)/surplus for the financial year	[768]	126
Balance at 31 December	137,558	138,326

Statement of Cash Flows

for the year ended 31 December 2019

	2019 £'000	2018 £'000
Net cash flows from operating activities	4,162	5,639
Cash flows from investing activities		
Purchase of fixed assets	[4,130]	(4,968)
Proceeds from disposal of assets	11	-
Net cash flows used in investing activities	[4,119]	(4,968)
Cash flows from financing activities		
Grants repaid in year	[1,309]	-
Capital repaid	[183]	(177)
Interest paid	[314]	(321)
Investment return/(loss) and interest received	297	(67)
Net cash flows from financing activities	[1,509]	(565)
Net (decrease)/increase in cash and cash equivalents	[1,466]	106
Cash and cash equivalents at the beginning of the year	4,088	3,982
Cash and cash equivalents at the end of the year	2,622	4,088
Reconciliation to cash at bank and in hand:		
Cash at bank and in hand	1,061	1,474
Balances with States Treasury	1,561	2,614
Cash and cash equivalents	2,622	4,088

Revenue

All revenue is derived from activities within the Bailiwick of Guernsey. An analysis of Guernsey Water's revenue by class of business is set out below:

	2019 £'000	2018 £'000
Water Supplies		
Unmeasured	1,780	3,668
Measured	3,912	7,594
	5,692	11,262
Waste Water Supplies		
Unmeasured	3,095	1,305
Measured	6,033	2,358
	9,128	3,663
Cesspit emptying income	1,207	1,175
Net (deficit)/surplus on other trading activities (below)	(84)	253
Grant released (note 18)	60	269
	1,183	1,697
	16,003	16,622
Net (deficit)/surplus on other trading activities		
Standard charges for service laying	(16)	189
Charges for work at ascertained cost	31	40
Property rental income	112	138
Cost of items issued from Stores	543	557
	670	924
Expenditure	(754)	(671)
	(84)	253
Expenses		
Operating expenses		
Water production	1,946	1,667
Water distribution	422	436
Asset management	431	408
Pumping	1,318	1,232
Sewers	3,520	3,548
	7,637	7,291
Management expenses		
Management and general	1,321	1,179
Water quality and risk management	540	537
Customer services	955	756
Finance and support services	986	995
	3,802	3,467
Total expenditure	11,439	10,758



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