To provide great water for a stronger, greener and healthier Cheshire



Summary of the event

United Utilities has submitted its draft business plan for 2025-30 to Ofwat.

The plan we are proposing is the largest investment in water infrastructure for over 100 years and has been shaped by our customers and stakeholders.

We recently held a 'Your water, your say' online open challenge session on 08 November 2023, where we invited household customers, businesses, and those representing regional and national interest groups to attend.

The session allowed us to go through that plan and explain how customers and stakeholder views, particularly from the last Your Water, Your Say session, held in June, have been considered in the final business plan.

The session is also part of the Price Review process known as PR24. It is designed to enable people in Cheshire to hear about our plan, including the challenges we are facing as a sector and the different ways we're working with communities and stakeholders, to deliver more for customers and the environment.

It was an opportunity to put questions directly to the company's Chief Executive and other senior directors, as highlighting issues, challenges and opportunities they want us to consider.

The event was hosted by independent facilitator Bernice Law, Chair of Your Voice, the independent challenge group representing United Utilities' customers and stakeholders across the North West.

Members from our Executive Team included:

- Louise Beardmore, Chief Executive
- James Bullock, Strategy, Policy and Regulation Director
- Jo Harrison, Environment, Planning & Innovation Director
- Mike Gauterin, Customer Service Director
- Emma Birch, Area Engagement Lead

This is a summary of the discussion which centred on the three themes of our plan, which is to make the North West *stronger, greener*, and *healthier*.

Following a welcome and introduction by the independent chair, Chief Executive Louise Beardmore gave a 15minute presentation on the company's proposed draft plan for 2025-30 and what it means for customers and stakeholders in Cheshire.

Overview of plan for North West and Cheshire

- We serve 7 million customers in the North West, supporting over 200,000 businesses.
- We are also a huge employer in the region, employing over 5,000 people and supporting more than 22,000 skilled jobs through our supply chain, both in terms of delivering our services, but also in terms of improving our infrastructure across the 5 counties, including Cheshire.
- We want to ensure it delivers a plan for the North West that improves the services for customers and for the environment.

It is time for a step change to deliver an ambitious plan that benefits everyone. We are embarking on the largest infrastructure investment in the company's history to help reduce the use of storm overflows. We have already acted and have delivered a 39% reduction in spills since 2020 – but we want to go further and faster.

Across the North West we plan to:

- Invest £13.7 billion in the next 5 years, the largest investment in the North West for over 100 years and seven times increase in our environmental programme, based on what we've delivered in the past
- Safeguard water supplies to 2 million people halving the chance of a hosepipe ban
- Improve water quality for 1.4 million customers
- Reduce spills by 60% (decade to 2030), the biggest in the UK and an investment of a £3.1 billion.
- Improve 500 km of rivers, not just protecting but also enhancing rivers across the region
- Support 30,000 jobs, 7,000 of which are new roles
- Offer £525m affordability support, helping one in six customers

In Cheshire we plan to:

- Currently supported 19,900 people with affordability help, this will double by 2030
- Currently supported 34,000 customers through Priority Services
- Employ 1,500 people across Cheshire, with more green jobs created
- Improve 65km of the Vyrnwy Aqueduct to ensure resilient water supplies
- Invest £433 million to improve 24km of rivers in Cheshire
- Invest £420 million to reduce spills at 63 storm overflows
- Collaborate to promote sustainable farming practices and protect drinking water quality
- Partner, to reduce flood risk, with local authorities such as the Northwich flood defence scheme
- Provide 2 additional water treatment works to deliver great quality water into the future
- Deliver additional water from borehole supplies across Cheshire to maintain supplies in dry weather

The plan we have submitted will be reviewed by water industry regulators:

- Ofwat
- Drinking Water Inspectorate
- Environment Agency and Natural England
- Consumer Council for Water

It will receive an interim review from regulators in May / June 2024 and a final decision will be made by Ofwat in December 2024. The new five-year regulatory period begins in April 2025.

Summary of main topics of discussion during Q&A section

Long-term water supply

Water is a vital but limited natural resource. The pressures of population growth, climate change and environmental considerations mean that it's now more important than ever to plan how we will manage water resources. With careful planning we can continue to deliver a reliable supply of water for customers in the future, while protecting the environment.

With increasing pressure on water resources across the UK, our Water Resources Management Plan (WRMP) defines our strategy to achieve a long-term, best value and sustainable plan for water supplies in the North West.

We produce a WRMP every five years, and this sets out how we intend to achieve a secure supply of water for our customers. When testing the plan, we consider a range of scenarios and options taking account of uncertainties around climate change, water transfers, and the amount of water needed, population growth and environmental changes.

This helps us to understand what the risks are in the short, medium and long-term to our water supplies across the region.

As part of our plans being put forward for the Price Review, we are looking at how to drive improvements in leakage, how to reduce customer demand so people are using less, and how to develop new sources of water.

In Cheshire, we will be delivering additional water from borehole supplies across the county to maintain supplies in dry weather.

Reducing Leakage

We're increasing our efforts to find and fix leaks, using new technology where possible to help us reduce the level of leaks faster.

Water is a precious resource, and we plan to reduce the level of leakage by at least 13% and have set targets to reduce leakage by 50% by 2050.

In order to meet these stretching targets we are increasing efforts to find and fix leaks on our own network. We continue to innovate and have been installing a series of sensors across the North West to understand how our pipework is performing, where leaks may be occurring, and, more importantly, how to get out to fix them more quickly.

Reducing customer demand

Making the best use of our water is a major part of our plan to ensure there is a sufficient supply of water for the decades ahead. To address challenges around future supply we need to lower demand and create new water sources.

We are working closely with customers to help support them to use less water by raising customer awareness about the importance of saving water. We know customers genuinely care about how much water they are using and would like to understand more.

As part of our plan, we will install 900,000 new smart meters that will give customers information about their water use, giving them confidence to move to a water meter and become more water efficient.

Bills and affordability

Customers want us to spend money wisely and efficiently, so we can make sure that we keep bills affordable. The average annual bill today is £417. Going forward that bill will increase, before inflation, to £556 by 2030, a £22 increase each year for the 5 years.

Affordability is also a hugely important issue for many people in the region and lowering bills and helping customers out of water poverty is a priority.

Although 74% of all customers support our plan, 43% were concerned about affordability.

Therefore, we will double our support package to £525 million, supporting 1 in six customers with their bills, £200 million of which will be funded by shareholders directly, so that no customer is left behind as a result of bill changes.

We recognise the social and economic challenges of a region that includes some of the most deprived areas in the country, so it is more important than ever that we are doing what we can to help those customers who are struggling with payments.

We currently offer six different help to pay schemes, dependent on their needs. In Cheshire we currently support 19,900 customers through affordability schemes and 34,000 people with additional needs through our Priority Services scheme.

Supporting jobs and local economy

As we embark on our largest ever investment programme to deliver environmental improvements, this will stimulate greater employment opportunities directly, and through our supply chain, contributing to local economies across the North West.

We're proud to invest in young people, offering several opportunities including graduate, apprenticeship and intern schemes.

We employ 1,500 people across Cheshire and our increased future investment will create more green jobs. In addition, we're providing award winning training schemes to drive skills development.

Infrastructure investment

We understand that our customers and stakeholders want us to do much more to protect our natural environment. In response, we are embarking on the largest investment programme since privatisation to ensure our plan makes the North West stronger, greener, and healthier.

In Cheshire we are investing £151 million to improve 65 kilometres of the Vyrnwy Aqueduct so we can sustain resilient water supplies for people across the county.

We will also invest at 2 water treatment works to ensure that we have the capacity and capability to deliver great quality water supplies into the future.

Protecting the environment

As a trusted company, we're committed to improving the environment across the region. We understand we need to invest in our system, and work closely with customers, stakeholders and partners to protect and enhance the long-term resilience of the environment for future generations.

Storm overflows

Storm overflows are an important part of the sewerage network and include combined sewer overflows (CSOs) and storm tank discharges.

They act as a pressure relief valve when there is too much rainfall, allowing rainwater, mixed with sewage, to rise inside the sewer and eventually enter a separate pipe which flows into a river or the sea. Sewers operate this way to help prevent the flooding of streets, homes and businesses.

When CSOs operate, they can sometimes affect river and bathing water quality, albeit usually temporarily.

Our plan embodies a step change in our approach to combined sewer overflows, working towards new long term targets embodied in the Environment Act: eliminating harm by 2035 and achieving no more than 10 spills per year at all sites by 2050.

Our rainwater management strategy forms an important part of our plan, reducing storm overflow activations and delivering long-term resilience to climate change by managing rainwater before it enters the sewer system.

The plan that we are putting forward for the next 5 years is going to see the company reduce storm flow activations by 60% (*decade to 2030*). In Cheshire we are investing £420 million to reduce activations of 63 storm overflows.

Reducing the risk of flooding

We have got some of the biggest and most ambitious targets across the sector to reduce the number of sewer flooding incidents that happen, whether these are outside homes and businesses (external flooding) or inside them (internal flooding).

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Essential to this is a partnership approach to tackling flooding to ensure we can respond quickly and thoroughly.

In Cheshire, a comprehensive flood defence plan has been established for Northwich, bringing partners together to protect the town's residents and businesses during adverse weather.

In addition, we've been investing in technology across the North West and installing a series of sensors in our network so we can monitor and understand how our sewers are performing.

This will help to identify problems with blockages or issues sooner, so that we can get to customer's homes quicker, and fix the problem before it occurs.

Executive Pay

Our executive pay continues to be firmly aligned to the performance of the company with respect to delivery for customers. The senior team is incentivised on the issues that are important to customers including reducing leakage, reducing combined sewer overflows, and pollution events for example.

Questions answered during the session

Please note that in this summary, we have not recorded any details relating to individual customers. Where commitments were made to contact customers after the session, these have all been followed up.

STRONGER

Q1. The North West has more rainfall than anywhere else in the UK, yet we're constantly reminded about saving water. Surely you should build more reservoirs.

In the North West, our water supply is reservoir fed, and we have more reservoirs in the region than anywhere else in the country. A lot of supplies elsewhere in the country come from aquifers and boreholes and we're really lucky that we've got those reservoirs. The problem is that reservoirs fill up quickly, but they also drain very quickly too. So excessively dry weather for any significant period of time can cause water supply challenges. We need to make sure that we've got a future water supply, not just for today's population, but for the future. This plan outlines how we're investing now to ensure we've got the water supplies needed for the future. There's a number of things that we are doing to safeguard water supplies, so we can reduce the need for hose pipe bans by 50% in the future. Primarily, we are investing in reducing leakage to ensure more water reaches customers. Secondly, we're securing new water supplies. Within this plan, we've identified new boreholes and new water treatment sites so we can bring in new water supplies. In Cheshire, much of the water comes from Lake Vyrnwy in Wales. We're strengthening our pipework and investing in 2 treatment works, allowing us to extract and treat more water to supply Cheshire. As a result of this work, we'll eventually have an additional 22 million litres of water in the North West, ensuring that we've got reliable supply for the future. This doesn't mean that there won't be times, after prolonged dry weather, where we have to ask customers to reduce water usage, but what we're trying to do is invest for the future to see how we minimise this as we go forward.

Q2. Why has UU not made this investment before? A lot of people think this exercise is partly to soften the blow of the increase in water rates when tonnes of money is going to shareholders and management.

If we look back at the investments that we've make, it's evident that we invest twice as much than is paid in profits. We invest around £800 million a year in the North West. If we look back over the past 30 years, we can clearly see that there's been improvements in water quality, there's been reductions in leakage, and improvements in terms of bathing water standards. There is a clear need for further improvements, as we go forward, and more importantly we need to make sure that we're investing not only to deliver improved environmental standards, but to also deal with the impact of climate change and population growth. It doesn't matter who pays for the improvements, whether it be shareholders or whether it be through taxes. The answer is we've got to invest in the infrastructure that we need for the future.

Because what we can see is that climate change is impacting us, we've got more people, and we've got to make this investment. The role that shareholders play is essentially, like the role of a building society. Shareholder finance allows us to invest now and pay the money back over many years. Shareholder dividends are at 4%, which means they get a return of 4% on the money they give us so we can invest. That's less of a return than if you were to put your money into the building society in a savings account. £13.7 billion has to come from somewhere, bills alone cannot cover it. We know it's an emotive issue but put politics aside, we need an investment in infrastructure in the North West. And we need to make sure that we're making that investment not just for now, but for up to 2050 because there's no point having a plan for just the next 5 years.

Q3. We live on the boundaries of Cheshire and Greater Manchester and our water quality has deteriorated severely. It's always been from a borehole but recently, they've blended it with another borehole. We've had people out numerous times, and the water quality is not getting any better. It's coming from Lightshaw treatment works, which we heard is 50 years old and there's been no investment there. Local people are having rashes, sickness, and diarrhoea. The water coming out of our tap is like silt. The water has stained our new sink. We just want to know what's happening with this water because we're not getting any satisfaction at all.

The supply at Lightshaw has moved to hard water from a borehole and I know there are plans to do some blending on the water. We'd like to take your details separately and come back to you on Lightshaw as we've sent in a letter around to customers regarding an investigation about water treatment at Lightshaw. We will give you a call this afternoon because we have got some work going on in the area, but if they are specific problems that you're seeing coming out your tap, we're keen to get the right people out to you.

Q4. There are 3 water extraction pumping stations in Bickerton on an aquifer. How much water is extracted annually, and does UU plan to extract more water in the future to meet increased demand?

There are 3 water extraction pumping stations in Bickerton that are on the aquifer. We don't extract any water at Bickerton. We are aware that there are some other companies in the area with extraction facilities. The closest points to Bickerton, where water is extracted, are in Eaton, near Tarporley, or Sandiford, which is near Little Budworth. In relation to extracting more water to meet increase demand, we don't take anything specifically at Bickerton, but we do extract from the West Cheshire Aquifer in terms of the Wirral and in North Cheshire. There are particular areas that we extract from at that point, but we can provide those details to you after the call

Q5. Are you working with builders and developers to promote the use of grey water?

We should point out we are not a statutory consultee for planning, so if a developer wants to build a housing estate, we have to take those connections. We are very mindful that one of the challenges that we have in the North West is the mixing of sewage and rainwater, when a lot more could be done to separate those systems. We've been working with developers and if they put in surface water separation screens, what we call Sustainable Urban Drainage (SuDS), we give them a discount of 90%.

We're working with the Housing Federation, and every single housing developer across the North West, providing a huge discount to developers to encourage them to participate in grey water recycling schemes. We think there's a huge amount more that can be done, not just in terms of building environmentally efficient homes, but also in terms of that recycling. As well as these incentives, we're also working with Government and relevant charities to ensure that legislation is changed. It's really important as the homes we're building now are going to still be here in a 100 to 150 years' time.

If we are recycling water, we can prevent it from entering the sewer in the first place and causing the problems we have in relation to Combined Sewer Overflows and what's ending up in our rivers. We're working really closely with a lot of local authorities across the region, but in particular with Greater Manchester, to see how we can manage water much more sustainably at a catchment level. In partnership with the Great Manchester Combined Authority and the Environment Agency, we can look at all the opportunities we have within the public realm in terms of how water drains differently off roads, how we can create new sustainable drainage and pocket parks to be able to manage that water.

If we know where development is going to happen, we can think differently about water management and sustainable drainage in terms of those developments. So the model that we've created with Greater Manchester is one that we want to roll out across the region. We're starting to have conversations with Cheshire East and Cheshire West to be able to start thinking differently about water management and working much more closely with those local authorities.

Q6. You've talked about housing, are you working with businesses as well?

We're participating in interesting schemes at the moment. It's not in Cheshire yet but, to give you an example, in Lancashire schools we've been installing huge industrial size water butts, linking them to our control room in Warrington. Schools tend to have very big surface areas where we can collect water and water butts are great, but unless you are emptying them on a regular basis, they just become vessels which overflow as well. So, two days before a big storm comes, we can send the butts in Lancashire a message and they can release the water.

We're working with businesses, in particular schools, libraries, and leisure centres, which have bigger surface water areas, so we can put some schemes in place that will make a difference. £250 million pounds has been allocated in the plan for this as we recognise that local authorities haven't necessarily got the funding to be able to do this. We want to be able to fund it, so we can get the water out of the system and then we're not having to deal with it at the treatment works.

If you go on our website now, you can see a recent press release about how we've been working with Atkinson Homes to minimise the consumption of water and how we're using grey water. On average, those new homes now use 100 litres of water per person, per day, compared to the average of 140 litres. So we're already putting into practice what we're talking about in the plan. Please see <u>link on our website</u>. We want to do things in a different way. It's worth mentioning smart meters too. We talked about smart meter roll out as part of non-household consumption. By the end of next 5 year period, over 90% of all businesses will have a smart meter to so we can track usage and help them with their water efficiency.

Q7. I'm very interested in SuDS (Sustainable Urban Drainage). It sounds like a really excellent idea. Now I know the current government has back-pedalled on the building standards regulations for things like solar panels and decent insulation, but eventually they will become law. Is SuDS part of that? Because it sounds like a simple but effective way of saving water.

There is a recommendation, as part of a review that was undertaken about 10 years ago, that SuDS should become law, and that was enshrined in something called the Floods and Water Management Act. It has been largely implemented, but the elements around sustainable drainage have yet to be made law.

The government has pledged that it will be made law, and we do expect that to happen over the next few years, but putting that to one side, this is where the value of us working very closely with local authorities is apparent because we can try and make this happen now. We want to encourage local authorities to push, as part of their planning requirements, that all surface water needs to go into sustainable drainage. By this, we mean ponds, swales, and areas that can be naturally flooded to manage surface water, which can then drain naturally into water courses. This would mean we're not mixing it with sewage, it's not escaping through CSOs, and, consequently, we're not paying money and using electricity to pump wastewater to treatment works when it's just not necessary.

Our strategy is all about keeping rainwater out of our sewage systems going forward. This is why the team has been out there working with local authorities to talk to them about why we think it is an important part of planning. When you drive past new housing developments, if you see what looks like a pond, it is usually a SuDS scheme for rainwater and, actually, it can quite often create a green space and a habitat where wildlife can thrive and where you can see great birds. We've all got to be advocating for these changes because they're going to make a huge difference.

Q8. Can a SuDS system be retrofitted?

It absolutely can be. However, retrofit is very expensive because a lot of the time it requires drainage to be dug up. That's why we are really advocating for SuDS to be designed in at the start. That is something we're doing in this plan, as part of the allocated £250 million, which is about retrofit, particularly regarding drives. If we think about the North West, there are areas where we really struggle with surface water – even in parts of Cheshire. If we think about how things have changed over the last 50 years, we've all got 2 cars, front gardens have been paved over and we're now parking cars on them. This means that the water's got to go somewhere. It's no longer naturally soaking into the environment. It's either flooding our roads, our highways and our homes, or finding its way into sewers. Yet our sewers are no more than 15% full when it is dry, so it's the rainfall that causes the problem. What we're doing is creating a scheme looking at building sustainable urban driveways whereby we can help put in sustainable driveways where we know there are flood risks. We've been planting trees and putting in sustainable drainage on some streets to see if that makes a difference. We've been taking learnings from Copenhagen where they've been doing big schemes like this. So rather than retrofit, it's looking at alternative ways to make a difference.

Q9. I'd love more information. Is it on your website or is it a pilot scheme?

At the moment, these are all pilot schemes that we've got running. We're trying to get them going at scale so we can then look at a particular area and see whether it has made a difference, because we really think it will. At the same time, such schemes improve a lot of these spaces visually and from a community perspective too.

Q10. My question is regarding the funding and what's being done to safeguard the taxpayer's money that's going to be paid out in the future. What if the situation becomes like the HS2 debacle and plans change over the next few years? How will taxpayers be protected?

There needs to be safeguards in place if we don't deliver the things that we say we're going to do. The price review is effectively a process whereby we put forward very detailed and comprehensive plans and costs to regulators to deliver a certain level of outputs such as how far we're going to improve leakage, how much sewer floods we can remove, how much environmental improvement we can deliver.

We've talked about a £7 billion environmental enhancement programme, for example, which will enhance and improve the way in which we interact with the environment. We put all of those proposals forward and then each of the regulators will scrutinise them from their specific point of view.

For example, the Environment Agency will review the investment plan and question whether it will deliver the standard of environmental improvement that it requires. The Drinking Water Inspector will look at the plans to see whether we are delivering enough in terms of improving and safeguarding the quality of drinking water supplies. Ofwat will review and ask, are these costs efficient? Are the plans appropriate? Has the impact on customers and customer bills been fully considered?

At the end of that process, regulators may make some changes to what we've proposed. That will fix what's believed to be a good and efficient level of bills for the next 5 years. It doesn't stop there though, because at the end of those 5 years, the regulators will look back and analyse whether we delivered all the things that were promised. For example, has leakage reduced by 13%? Has that £7 billion enhancement programme been delivered? If these things have not been delivered, then there is claw back for customers in terms of reductions in future bills.

We're putting forward what we think is a very ambitious and very efficient plan. However, it is the regulators that will do a lot of interrogation and decide whether they agree with the assumptions that we make. They are acting on behalf of customers, and the environment, to make sure that what's being delivered is appropriate and offers value for money. I think those are the key safeguards that exist in terms of the bill level.

Q11. Billions have been wasted on the HS2 project on feasibility studies etc. If people change their mind in the future, will taxpayers get their money back? I don't see any of the money that was wasted on the HS2 project coming back to the taxpayer.

We think it's very important that customers don't pay twice for the same thing and also that we minimise any inefficiency or waste investment. And frankly, that's not what we're about as a company. We are looking to deliver as effectively and efficiently as we possibly can.

One innovation that's around this time in the price review, which I think helps in this area, is the long term delivery strategy referred to earlier in the presentation. As well as our targets for the next 5 years, we've also had to set

ambitions and programmes up until 2050. This isn't a five-year plan. It's a five-year staging post in a 25-year plan and we are always looking to make sure that the investments that we make now are 'no regrets' or 'low regrets' with regards to that 25-year long-term picture. This is something that people are very aware of, which is why we want to ensure that we make no investment that would turn out to be a waste of money.

Q12. I hope the monitoring process is better than the monitoring of our rivers at the moment. You need to get systems in place that monitor sewers discharges into our rivers rather than covering this over.

Just so you're aware, as of this month, 100% of all of our discharges are monitored. We've worked really hard to make sure that those monitors are in place. Every combined sewer overflow that belongs to us (and there are others out there that aren't ours because lots of people can discharge, it's not just water companies) are all monitored. So that information, and that visibility, is there. We're also going to step up and deliver a change in terms of spill performance as well - the biggest in the UK, a 60% reduction.

It's also about getting rainwater out of the system so we can make sure that all that's coming in is sewage. Just to give you those assurances, we've worked really hard to ensure that 100% of our overflows are monitored in terms of those outfalls that belong to us.

Q13. Is it true that UU doesn't possess a map of all the different sewer outlets and pipes that they have?

No. We have asset maps. To reiterate, anybody can connect into a sewer network. We have no laws that stop that. If somebody decides to come and put something in, they can do that, but we do have maps of all of our pipe work.

Q14. Is every outlet accountable?

Yes. Just to give you some new information, not only is every outlet available, we are launching a new platform in January 2024 that is going to show not just the maps, but it's going to give you live data as well. You'll be able to see how each and every one of those is performing, because transparency is critical. You will be able to see, in your local region, where those CSOs are, and more importantly if they're operating right now.

Q15. I belong to an angling club. We monitor water quality, alongside quite a few other organisations that also do this, and the information on discharges provided by United Utilities is useful. Now and again, you do get some quite heavy pollutions in the rivers. One of the big ones was on the river Bollin. There was a discharge in Macclesfield due to the crossover of the sewage systems that caused 6 foot high soap suds to float down the river for about 4 miles, killing off the invertebrates, and of course the fish. I don't know whether it's still being pursued by the Environment Agency, but obviously somebody has done something that they shouldn't have done and discharged something that caused massive pollution.

We were part of that investigation, because their soap suds were meters and metres high. We have been working with the relevant agencies in terms of identifying where that came from, and we do want to say that it wasn't our processing. It was something that somebody put down the sewer that they shouldn't have done, and we've been helping that investigation because we've got a role to play when people put things down the drain, or discharge things they shouldn't, in helping to ensure that it doesn't happen again. We hope that the live monitoring that we're putting in place will give you even more information.

GREENER

Q16. We're in a small rural area and live on an aquifer. Over the years, the farming practice has put huge amounts of nitrogen and phostrogen on this area. It's a closed area, so all the water that drains from the houses and the fields ends up in a small pool. I know you've said that UU doesn't own the pumping stations, but whoever owns the pumping stations owns the fields around them. When are they going to put trees on that land instead of allowing the farmers to put in unlimited quantities of manure and chemical fertilizer on those fields? And does the nitrogen and phostrogen filter down to the aquifer reservoir because a lot of the houses here are still discharging fairly raw sewage through the wastewater system down into the aquifer.

We'll come back to you on exactly who owns those pumping stations and the land around it. More generally, for every drinking water source we have, there is something called a Drinking Water Protection Zone that surrounds it. That's set in law by the Environment Agency.

We have to be careful about all of the environmental practices that take place within that, particularly what happens in terms of agriculture. This includes the type of animals that are grazed, the density of those animals, the use of any phosphates, pesticides, or any other chemicals. It's all very controlled because the most important thing is that we protect those water sources that sit underneath, so that they can't ever become contaminated by anything leaching through the system. So please be assured that any drinking water source is really carefully protected from that perspective.

In Cheshire more generally, we have got a number of schemes working with charities and organisations where we look at how we can advise farmers to ensure that best farm practice is delivered. We have The Cheshire Hub where we work with Natural England and the Environment Agency and the Mersey Rivers Trust, which is the Rivers Trust that covers your area.

We offer farm advice and best practice to farmers so that we reduce any risk of nitrates or phosphates running off into the land. We also provide farmers with farm machinery to enable best practice and to restore soil structure in order to prevent those issues happening as well. As part of our plans for Cheshire , we're going to build on the success of that work and have more farm advisors in Cheshire, making sure that we limit any risk of farm runoff causing impact to water quality.

We will reach out to you this afternoon so that we can have a really specific conversation about that land, and about that aquifer, and give you all the details on who's abstracting what and where.

Q17. You mentioned that you're now putting in your own system of monitoring sewage outflows. At the Women's Institute, we use the Rivers Trust map to see which are near us, and what sort of levels of sewage they are operating at. Some of them in Runcorn are at 4 figures which is distressing, but I appreciate you have a plan. You're now watching and saying, for example, this particular outlet did 1,200 hours last year, but what's missing is that there's nowhere to go to find out what you're going to do about it.

Currently, we report on sewer discharges once a year. We've put a map out there that says these are all the discharges, but actually that doesn't help you if you want to do something now. For example, if you want to go river swimming or you're angling. That's the reason why we've built a web portal. We want to make sure that people have all that information in real time, and more importantly that there's absolute transparency.

So, we start with, here's where that CSO is, this is whether it's discharging right now. Then, what we're also adding on to that is the disclosure of the plan for future discharges. At the moment, these are provisional plans. We know what we're doing in the next 5 years, and this has been agreed with the Environment Agency. Then there are subsequent plans. That's not easy to manage, but we follow a criterion as to why we're doing things in a certain order.

To give you an indication of how much it's going to cost to get combined sewer overflows down to no more than 10 spills a day, the Government did an independent study and the cost for the North west is £20 billion. It is huge. That's why we're actively looking at what we can do to reduce the time and cost of delivering that step change by reducing storm water, by putting in sustainable urban drainage, by making sure we're building new houses with systems to recycle water instead of putting it down into the sewers.

Q18. So, you have identified 63 sewage outlets for Cheshire that you're going to do something about?

Yes. We can give you a map of Cheshire that identifies those 63 and it'll give you a high-level view of what year we expect to deliver change. This will depend on lots of things. We've got to get through planning departments in Cheshire East, Cheshire West & Chester and Warrington.

We're going quicker than any other water company in the country, it's a seven-times increase compared with the current investment programme. Some people may still say we're not moving quickly enough, however, the biggest challenge we have is to continue to deliver a service. It's not like we're building a new road, not like the bypass

through Congleton or around Sandbach, where we could shut a road while we construct. We have to continue to deliver our service alongside everything else we're doing because we can't ever switch off the wastewater treatment works while we do this upgrade. We have to make these improvements in tandem.

We will gladly share our provisional dates and timelines on the proviso that some of those things may move. One of the key jobs that our community engagement leads are doing now is working with local authorities and communities. They go out to talk to parish councils and we can come to any interest group meetings you'd like us to attend. We need supporters. We want to move heaven and earth, but we can't do this on our own, so any support is hugely welcome.

Q19. I do a lot of kayaking and one of the places that's a great kayak is down the river Dee, which is fantastic and clean until you get to the sewage outflows. There's one just under the A55 on the right hand side as you go downstream, and there's one further down as you get towards Chester. Downstream of the A55, the water quality is absolutely terrible. The discharges are really bad. I know from speaking to people at the rowing clubs there, how ill they get from those sewage discharges. I just wanted to ask from a river user's point of view, how bad it is.

That area is not our responsibility, it belongs to Welsh Water. We will put you in touch with our colleagues at Welsh Water who I know also care and have plans regarding this.

Cheshire Live is particularly good in terms of alerting people in terms of anything that's going on like this. I do know that there's been quite a lot of focus, particularly in Chester, on that stretch of water.

Q20. I'm part of an angling club and we have an involvement with the Mersey Rivers Trust and an offshoot called Beacon, which looks after the river Bollin. When we have a meeting, a representative from UU comes to the meetings and updates us on what's going on. It's very useful. UU is also now employing River Rangers whose job it is to go around and have a look at the rivers and join us on some of the work that we do on the rivers, such as monitoring the water quality, stabilising parts of the river and looking after invasive species like Hogweed and Himalayan Balsam. UU seems to be more proactive within the local communities and it seems like a lot of these improvement programmes will now actually happen.

Thank you so much for your feedback. It's great to hear that the River Rangers are having an impact. I know they're doing a huge amount of work on the river Bollin and they're not just working on the River Bollin, they've been working on the River Weaver, across Tatton Park, and elsewhere. They're hugely enthusiastic. We are trying. We aren't going to get this right all the time, but we are genuinely trying to drive a step change.

Q21. I've heard it mentioned how the different water companies operate in the different areas, and I just wondered if you could clarify how that works within Cheshire and also how the different water companies communicate with each other.

The infrastructure doesn't necessarily follow the local authority boundaries because it was there before the local authority boundaries were made, so it's a quite complex area to describe. If you think about Cheshire, in terms of where it borders onto, we have Severn Trent at the bottom. We've got Welsh Water, we've got what used to be called Dee water, which is now called Hafren Dyfrdwy. We've even got a bit of Yorkshire Water as well, as you get out to the Pennines. Sometimes, what you'll find is that we have a 'customer relationship' with you, where we might bill on the behalf of another water company, but the infrastructure isn't provided by us.

If you've got something specific to ask about, we can come back to you. In terms of activity, we share data and information and telemetry. We work with different local authorities but Cheshire, which falls at the bottom of the region, maps onto 4 of the other water companies. So, for example, you can stand on one side of a street, and you can be looked after by us, and you can turn onto the other side of that street and be looked after by Severn Trent.

HEALTHIER

Q22. Can pressure be put on local authorities to clear highway gullies? Water builds up on many roads, potentially resulting in flooding to local areas and properties. Lingley Green Avenue up to your headquarters is a good example of poorly draining roads.

Road drainage is not something that's our responsibility. However, we work with local authorities to identify areas where we are concerned about drainage. One of the things that we have been doing is investing in something called Dynamic Network Management. This has allowed us to put sensors into the sewer network to enable us to understand how the sewer network is working, and alert local authorities if we think there's an issue because of the data and telemetry that we can see. What we are finding is that highway flooding is becoming more frequent, partly due to the recent storms. We've had 2 yellow/red storms in the last 2 weeks alone, so we're working with local authorities to ensure they are clearing gullies, and we also have what we call 'gully traps' because one of the things that can cause a problem is the build-up of silt that comes off the road and into sewers.

We don't have any regulatory or legislative ability to force local authorities to do this because it's not under our jurisdiction. However, it's things like this that we're really looking at as part of all the work that we're doing in partnership with the local authorities. We want to provide combined solutions because it might not just be the maintenance that's the issue, it might be about the physical way in which that apparatus has been installed, for example. We also participate in something called the Regional Flood and Coastal Committee. This is a quarterly statutory meeting whereby we, alongside the Environment Agency and the local authorities, meet on a regular basis to review all those hot spots so that we can absolutely ensure that there are programmes in place to be able to deal with these issues.

Q23. Why, in 2023, do we still have a Victorian infrastructure?

If we look back over the past 15 years, water bills have been kept flat in terms of their increases. Although there have been some investments right across the UK, and across Europe more broadly, there is now a need to make that step change, and that's what I'm setting out today. We need to invest in the required infrastructure in the same way as we need to invest in energy. The Victorians did a great job in terms of the infrastructure that they left us, but it wasn't sized to cope with the population that we have, or with the impact of climate change. What we're trying to do is set out a plan that looks at now, the next 5 years, and up to 2050. A plan that sets out the investment that we're going to need to ensure our infrastructure is fit for purpose.

Q24. My question is regarding the rubber that comes off tyres from the roads. Nobody mentions where it actually goes. It must go down into the drains and into the sewer system. I was just wondering if there's any statistics on how much rubber goes down the drains.

This is related to something called PFAS - chemicals that are in lots of things like tyres, firefighting foam, on packaging, in pesticides and paints, and on non-stick pans as well. They are called 'forever chemicals' and the runoff that comes from the roads via tyres is a huge issue. If the road drainage goes into a sewerage system, then our wastewater treatment works are designed to remove that out of the system. The danger is that a lot of highway drainage doesn't go into the sewage system but we don't really want to have it because it's surface water runoff, so there is a risk that it could go directly into rivers. Part of the work we're trying to do with sustainable drainage is to look at how we can slow the flow of water that's coming off highways and trap and retain any pollutants that might exist. It's often referred to as a microplastic in terms of that overall approach that we would take trying to prevent it going into the environment.

Q25. Since 1994, storm overflows are only being allowed to be used in exceptional circumstances. How is UU defining exceptional circumstances?

Obviously, there's been the recent court case in relation to the operation of CSOs. We don't believe that CSOs should be activating to the level at which they are. We've talked about that, and this is why we've put forward the plan that we have. CSOs operate as a result of a number of factors. The first is rainfall, and excessive rainfall, or rainfall in the catchment. It's worth remembering that just because it's not raining in one area, it doesn't necessarily mean it's not raining in the broader catchment area. The second factor is, up until the legislation changed in 2021, there was a cost-benefit assessment that essentially looked at whether it was cost beneficial or not to remove CSO operation. That's the reason that the legislation changed in in 2021 to get rid of that cost benefit assessment. The new legislation says that by 2050, we need to make sure that no CSO is operating more than 10 times in a year. That's what we've absolutely signed up for. Finding a solution for each CSO will be slightly different because some of it will be rain, some will be a cost benefit assessment, and some of it will be aquifers. We heard before about aquifers.

We've got a couple of CSOs that are operating as a result of groundwater entering the sewer and the solution that we need to put in place for them is different. They're causing less harm because it's groundwater, but they are still operating CSOs.

You can see it's a different case for different things, but we are clear that we will be absolutely complying with the new legislation that was passed in 2021.

Q26. You still haven't defined exceptional circumstances.

We have defined exceptional circumstances for each and every one and we know why each of those CSOs is operating. More importantly, we've got a plan for each and every CSO regarding how we're going to make sure we comply with no more than 10 spills annually, as we go forward.

Q27. Any discharge that is not in 'exceptional circumstances', in my submission, is unlawful and UU monitoring them is rather like a shoplifter monitoring how often he steals.

I think what's really important is that we are now monitoring every single overflow so we can understand how they're operating. What we're doing is essentially making sure that we can deliver against those new requirements.

There will be people who ask why we haven't done this before. Up until the legislation was passed, that's not how the system worked. And that's not how the legislation worked. That doesn't mean that the moral imperative isn't there, it absolutely is, and that's what we're trying to drive for now. That's the reason that the legislation was changed, the reason it went through the regulatory system. And that's what we're responding to now.

Q28. Are you up to speed with the development of the Prestbury plant? Will it be commissioned on time?

Yes, it will be commissioned on time, it's on track, and they're making good progress. That will see us treat phosphates on the river Bollin down to the lowest technical achievable standard across Europe, so it's going to deliver a massive step change in terms of river quality levels.

Q29. What is UU offering vulnerable customers to keep them safe?

We have a scheme called Priority Services. At the moment, around 12% of all our customers are on this scheme which gives support to vulnerable customers. We have a target to increase this to 20%. For customers experiencing economic vulnerability, we've got a range of tariffs and support schemes to help people pay their water bills and to understand them. We're supporting roughly 200,000 customers on social tariffs at the moment, and we're committed to increasing this to 600,000. That equates to 1 in 6 customers in the next 5 year plan period. We know that bills are increasing and that can be difficult for those who are in vulnerable circumstances. We're committed to this industry leading, in-house support scheme which is based in the North West.

Between the Priority Services Register and the affordability schemes that we are introducing, we endeavour to help anyone who is vulnerable or seeking help in the area. We're accessible, 24 hours of the day, 7 days a week. Give us a call and we'll get back to you and your personal circumstances if there's anything you're specifically worried about. It's a free scheme and all customers can also set up a password to prevent them from worrying when strangers knock on the door. For customers with mobility issues, we can arrange for bottled water delivery if there's an incident. We also have a knock and wait service, to give customers time to answer the door. We won't just knock and disappear quickly. There are lots of different ways we can adapt our service if we know about the customer's needs. For example, we can offer Talking Bills, or different support if a customer is hard of hearing. We're really keen to get people signed up.

Q30. We had a massive water leak one Sunday morning and had no water. We are on the Priority Register, but nobody called to make sure we were okay for drinks or anything. We needed water because of our situation with somebody who is 92 and who has advanced dementia.

If you want to give us your details, we can look into that specifically because you absolutely should have had water delivered. Please provide your details so we can get in contact this afternoon and we can understand why that didn't

happen. Are you in the Hartford area and was it in December? We know the detail of that, and we will reach out to you personally and, if necessary, come to visit you and explain a bit further about what happened.

Q31. In the presentation, there was mention of reducing individual's daily water usage from 130 litres a day to 110. I just wondered what your approach is to that.

This is where the installation of smart meters is absolutely key. In the North West, we're not deemed as "water stressed" so we cannot compulsorily meter but we're installing over 900,000 smart meters to help provide visibility to customers. We also offer Lowest Bill Guarantee scheme to help give customers the confidence to move to a metered water supply as customers won't pay more with a meter. Smart metering will be at the heart of helping us.

As well as doing that, we've also put forward in the plan a whole series of water efficiency audits for people in their homes. This means we will be identifying and fixing leaks on dual flush toilets, making sure that people have water efficient shower heads etc. It's a big and comprehensive programme in terms of how we can help people to work to reduce their water consumption. We've got 75,000 water efficiency visits, and on top of that there's about 335,000 extra water efficiency devices in addition to those business interventions that we discussed earlier. We've got an 'always on' approach which means we're not going to wait to start this until the new business plan in 2025, we're already sending targeted messages so you'll see lots of information on water efficiency and how you can save water, today. Customers can ask for a free meter any time of the day; it's our commitment to provide a meter free of charge and it's always cheaper on a meter so we know it's more affordable for people as well.

Q32. Do you have a policy for replacing lead pipes from the street to the home?

Yes. We have a Lead Replacement Policy where we will provide financial support for customers in terms of doing that lead replacement. All the details are on our website. We have also put into the plan doing more lead replacements – we are targeting that specifically at older homes. We're keen to help customers. If you can't find the details, leave your name and we can come back to you.

Q33. I saw the details on your website, and I made an application which was successful. But you give a list of local contractors who are prepared to do the work. I went through the total list of local contractors and none of them were prepared to take on the job. What am I supposed to do under those circumstances?

Let's take that away. If what we're now finding is that people detailed on that list of approved plumbers won't take the work on, then that's something that we need to pick up, so we can come back to you on that this afternoon. The plumbers on the list are not employed by us because it's work you need to do on your home, but it's a concern to us if there are people on that list who are now picking and choosing what work they'll do.

Questions not answered during the session.

The following section includes our response to questions we received in advance of, during or after, the meeting, but did not have time to answer during the session. In some cases, we asked customers to provide contact details so we could follow up on their question outside of the session – where we have received these contact details, we have responded directly to customers to deal with their individual customer service queries or specific question about our service.

Q. Over the previous 10 years, how much money was invested in the region's infrastructure and repairs? Over the same 10-year period, how much money was returned to shareholders by means of a dividend or share buyback provision?

The water industry was privatised in 1990 and since then we have invested around 3 times as much as we have paid as dividends – investment in customer service and environmental improvements has been around £22.6bn with £7.3bn paid in dividends (or, on average £300m per year). The exact numbers can vary year to year.

Q. What will be the total figure raised by increasing the regions bills by £22 each year between 2025-30?

The average bill will increase by £22/year (+£110 over 2025-2030), relative to 2024-25 bills. This will raise around \pm 7billion of the total investment paid for by customers in 2025- 2030, with the rest being paid for over time and Copyright © United Utilities Water Limited 2021 14

financed by investors. More information on this can be found in our business plan. See link Our business plan submissions for 2025/26 – 2029/30 | United Utilities

Q. Will you commit to not return a dividend or share buyback to your shareholders over the above same period?

We need our shareholders and investors to provide the financing to deliver the investment programme we have set out. We rely on investors to help fund our investment programmes now. For this equity investment we pay a dividend to those shareholders in return for them making the investment possible. We are a long-term business, and we have a long-term and sustainable financing policy to attract and retain investors to enable us to invest in services for customers. You can read more about the approach we take to making decisions on dividends in our Annual Performance Report. For 2023, this is set out on pages 129 – 132 of our report, available here: https://www.unitedutilities.com/globalassets/documents/pdf/united-utilities-annual-performance-report-2022-23

Debt finance and equity investors allow us to spend the money needed to deliver improvements right away, and then the cost of these improvements are reflected in customer bills, spread over a long period of time, across the lifetime of the asset. This means that we can deliver improvements now and spread the costs of doing so across all the generations of customers that will benefit from these investments. Regulated returns for investors are around 4% or so, which is roughly the same interest rate charged for mortgage repayments. This means that shareholders and debt investors provide the funding for new investments and then this is recovered from customer bills over an extended period of time.

Q. I understand that under heavy rainfall conditions it is sometimes necessary to allow excess combined flow into the rivers. I realise that to separate the CSOs into sewage and land drainage will take time, effort and money, but surely it should be possible to filter the output? After a flood the trees and riverbanks are heavily contaminated with various sanitary produces. Not too visible in Summer, being hidden by vegetation, but they are highly visible decorations by Christmas. Can these items not be filtered out? The Upper Mersey is particularly bad. Over the past 10 years, what has been the annual total storm overflow spills for the region?

We are unable to provide the data going back 10 years as overflow monitors have been installed over the past few years. We will monitor 100% of our storm overflows by the beginning of next year. We already publish Event Duration Monitoring (EDM) data each year <u>on our website</u>. This records spill numbers such as the duration of a spill. More information is available in on our website at:

https://www.unitedutilities.com/corporate/responsibility/environment/reducing-pollution/storm-overflows/

Filters are an important part of keeping our rivers clean. Part of our £3 billion investment in storm overflows includes the installation of filters, or screens as we call them. In addition, we've got £250 million in the plan to help us identify where surface water connects into our combined systems and where there might be opportunities to remove it. We can separate out surface water and look to put that through a sustainable, nature-based solution to treat it in a different way. These solutions also act as filters.

Q. What is defined as a 'pollution incident'?

More information on pollution can be found on our website: <u>https://www.unitedutilities.com/emergencies/got-a-problem/reporting-pollution/</u>

Q. Will you publish your real time sensor readings to the public in real time to maintain their safety?

We are planning to publish our data significantly ahead of the required deadline where it will be available on our website – the information we will provide will include the location of the overflow and the time at which the overflow began operating, published within an hour of the start of the spill. We already publish Event Duration Monitoring (EDM) data each year <u>on our website</u>. This records spill numbers such as the duration of a spill. More information is available in on our website at: <u>https://www.unitedutilities.com/corporate/responsibility/environment/reducing-pollution/storm-overflows</u>

Q. It seems that a lack of investment has meant our seas and rivers are taking a BIG hit with filth and other waste products. Share or stakeholders are receiving bonuses before investment is being done. Yet I and many other people are expected to pay more for said un-investment through bill increases. Why are you not asking for these bonuses to be refunded or returned?

Executive pay is linked to meeting customer service, operational and environmental targets, individual performance, and financial performance. It is set by an independent Board committee, taking into account the need to deliver for all stakeholders, including customers and the environment as well as investors. Executive directors informed the Board committee of their intention to voluntarily waive around 21% of their incentive outcomes in respect of 2022/23, in recognition of their personal commitment to a reset across the water sector in relation to environmental performance. This affected the Better Rivers component of the annual bonus and five of the measures in the customer basket component of the Long-Term Plan, reducing their performance-related pay outcomes by around 21 per cent. Furthermore, the performance-related pay outcomes that the executive directors received last year were not paid for by customers.

Going forward, we are committed to making sure that at least 30 per cent of performance-related pay outcomes are related to environmental performance, including reducing storm overflow activations to improve river health. In our Annual Report, there is a section dedicated to executive and board remuneration which provides a full disclosure about our approach. More information can be found from page 170 onwards at: <u>United Utilities 2023</u> <u>Annual Report - Governance section</u> The average annual bill today is £417, and this will increase to £556 by 2030 (these figures are before inflation). This means the average cost for water and wastewater services will be around £1.52 per day by 2030.

Q. I am most concerned about the dreadful state of many roadways caused by underground water leakage. It makes evident the enormous loss of water but also the cost of repair impacts cash strapped council departments. How do you plan to deal with and cure this constant problem?

We have already been working hard to reduce leakage by a third over the past 30 years and our target is to reduce by a further 15% by 2025 – so the 13% target between 2025 and 2030 is in addition to all of those improvements we've already made. By 2050, our target is a 50% reduction in leakage.

In terms of leakage, 70% comes from our pipes and 30% of leakage comes from customers' homes and gardens. That's why we're focusing on replacing our pipes and increasing our leakage activity and making sure that we're putting in new technology and new capability so we can understand proactively where those leaks are and fix them. To give you an indication, we fix about 660 leaks a week which is the equivalent of 17 Olympic size swimming pools!

Over the next five years, we propose to invest £975m to upgrade 950km of water main across our region. Metering and home audits will help us address 30% of leakage that comes from customer properties. As a water company, we recognise that customers sometimes need financial support, and therefore we do offer a free customer leak repair service.

Q. I live in a semi-rural area. There are many waterways here. Most of which are so choked with weed that their function is greatly impeded. When do you foresee regular maintenance being reinstated?

The Environment Agency are responsible for the health of waterways for the UK, but United Utilities have hired River Rangers to patrol the banks of rivers across the North West as part of its ambitious efforts to help improve river water quality across the region. A team of four rangers will be working across Cheshire and Greater Manchester as they look to forge closer links with community groups and organisations and work with them to improve the environment around the River Mersey catchment.

As well as engaging with local communities, the rangers will be proactively patrolling the banks of rivers to check the company's assets, organise maintenance and clean litter and debris. They will also be carrying out sampling to allow the company to better understand river water quality across the region. They're hugely enthusiastic and we aren't going to get this right all the time, but we are genuinely trying to drive a step change.

Q. How do you propose to tackle the pollution you have been causing by discharges into rivers etc and improve your systems which have been woefully neglected while you pay shareholders and senior management huge bonuses, without increasing charges to your normal customers. And if you do propose to raise charges, why do you think customers should pay for your neglect and mistakes of the company over the years.

This was covered in the session – see responses to <u>Q2</u>.

Q. I would like to ask why I am getting on a regular basis overloads of Chlorine through my water supply and also why I also get micro-shreds of plastic through my supply. Our water is supplied from the 'Hurleston' reservoir near Nantwich in Cheshire East. I am a cancer patient and having undergone two and a half years of chemotherapy my immune system is as good as none existent and in order to be able to drink water which does not make me ill I have had to purchase filter jugs which require a regular supply of new filters.

Chlorine is added to the water supply to make sure that any bacteria that are present in the raw water are inactivated and that the water is safe to drink. We are required to maintain a residual of chlorine in the water to ensure that the water remains in good condition as it travels through the network of pipes to our customers' taps. The chlorine concentration varies across our network and is dependent on the distance you are from the local water treatment works. To remove the taste and smell of chlorine, you can fill a jug with cold water and leave it in the fridge overnight and the chlorine taste and smell will disappear. The jug should be refreshed every day. You should not receive micro sheds of plastic through your supply. If you see plastic particles in your supply, please contact us so that we can take some samples and investigate the likely cause. https://www.unitedutilities.com/help-and-support/your-water-supply/your-water-guality/ We will contact you separately to get your address and phone number to arrange for some samples to be taken.

Q. I would like to know more about the flood defences that are going to be installed to protect an additional 1,000 properties.

We've worked, and are continuing to work, very hard to build partnerships with the lead local flood authorities and other local authorities and stakeholders across the North West to identify where it's opportune for us to take on the accountability for those maintenance activities, where others are responsible for those activities, and crucially where we can support each other to make sure that those activities are carried out.

We've got £250 million in the plan for this. It will help us to identify where surface water connects into our combined systems and where there might be opportunities to remove it. We can separate out surface water, put that through a sustainable, nature-based solution to treat it in a different way. That then limits the amount of flooding, but also the amount of water that discharges from overflows.

Q. My house flooded in January 2021 due to Storm Christoph. This was a very traumatic time for me, as everything from the whole of the ground floor of the house, plus the garage contents were ruined and the house wasn't fit to live in for 6 months. I now pay a very high premium to insure my property and so would be really interested to find out how the flood defences would help me personally.

If they are solely surface water drains, it's very likely that they are owned by either the highways authority or the local authority. If they are foul drains, or combined sewer overflows, it's likely they will be owned by us. What makes it more complex is that often these systems connect into each other, so there can be mixed ownership and collective responsibility. We've worked, and are continuing to work, very hard to build partnerships with the lead local flood authorities and other local authorities and stakeholders across the North West to identify where it's opportune for us to take on the accountability for those maintenance activities, where others are responsible for those activities, and crucially where we can support each other to make sure that those activities are carried out.

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Q. I have heard that there is to be a project involving the Environment Agency, United Utilities, Warrington Borough Council and Volker Stevin, but unsure when this work is due to now start, as from information I have received, the start and end date keep getting pushed back. Every winter is now a worry, especially with the amount of rain we get in the North West. The flooding came from Dallam Brook which is at least ½ a mile from my property.

This is a scheme led by the Environment Agency. The latest information can be found on: <u>https://urldefense.com/v3/__https://thefloodhub.co.uk/sankeybrookfrmswarrington/___;!!FvJKb9TgAvphWVQ!ZYtUF</u> <u>36dcuHlTjV9Hhtjdg1GlHDeoc0ONAzkSEcj_SB5hqi0e3Wvam5EOIISBNpMkn3UT0jhBygPyn8iSvSk937_XmjOpYAGdkO4k</u> <u>SswuvKf\$</u>

Q. What information is available for businesses to help with their sustainability for themselves and their clients?

We have information available on water efficiency and sustainable drainage on our website. Water retailers may also provide support and guidance on sustainable water use:

https://www.unitedutilities.com/Business-services/business-customers/ https://www.unitedutilities.com/help-and-support/save-water/Advice-for-businesses/ https://www.unitedutilities.com/Business-services/leakage-advice-for-business-customers/ https://www.unitedutilities.com/Business-services/business-customers/sustainable-drainage-systems/

Q. Engineers 170 years ago developed the combined sewer system. In 1913 at Withington Sewage works the activated sludge process was developed by the City's engineers in partnership with chemists. In the 1960's the Manchester Corporation Rivers Committee received a public report each month on the condition of the rivers and streams in the city and in September 1965 the final effluent from the Withington works was classified as ""bad"" and the decision was taken by the city on the advice of engineers that the Withington Sewage works be closed and the flow diverted to the expanded Davyhulme works with a Pumping station with SWO into the Mersey. It was the accepted solution of the day; I know as I was the young civil engineer who built the pumping station. I returned to live the city recently after 25 years and was amazed to discover the outdated pumping station and SWO appears still to be in use. My question. If engineers still ran United Utilities, do you think today's crisis might have been averted. Engineers get job satisfaction from solutions not money. PS My father was Engineer and Manager to MCWW from 1957 till his death in 1962.

Storm overflows are designed into the system. That's the way that they work, not just here in the North West, but across the UK and the world. What's different now though is that the level of rainfall is greater, and the population is bigger. We're going to need to invest and there are 3 things we're doing to reduce storm overflow activation.

The first is to reduce the amount of water that we're using because it's a lot more than we were ever using in the past and this ends up in the wastewater network. Second, we need separate drainage systems. Our sewers are never more than 15% full. What's actually causing the problem is the increased level of rainfall. We're not a statutory consultee for planning, so anyone can connect into our sewer system.

Thirdly, this plan sees us doing is tackling over 430 combined sewer overflows across the North West, and, in the main, we're going to rebuild treatment works and install storage. This involves 660,000 cubic metres of storage that we're going to be building predominantly underground, allowing us to hold this water when those big storms come, and treat them at the point that's subsided. All of those things together are going to drive that step change.

We are a company that's full of engineers and those 7,000 new jobs we're going to be creating are largely engineering jobs, involved in design and delivery. It's at the heart of what we do as a company. And its engineers that have really driven innovation for us.

At Davyhulme Wastewater Treatment Works, where activated sludge process was discovered 100 years ago by engineers Ardern and Lockett, we have one of Europe's biggest renewable energy plants producing enough renewable energy to power 30,000 homes across Greater Manchester. The industry is evolving all the time. Our wastewater is treated to higher and higher standards. At places like Macclesfield, and in The Lake District, we've got

some of the most state-of-the art treatment plants that remove phosphorus to a level that is the lowest technical achievable standard across europe it can possibly be.

Q. As part of your plan to reduce river pollution do you intend to replace any dual/combined sewers and replace them with dedicated foul and surface water, and if yes, how much, where and when?

In our plan, we have proposed £250 million specifically at working with partners to try and identify opportunities to separate out surface water. We've currently got more combined systems than the rest of the UK so we're looking at opportunities to separate surface water and a foul water systems. That said, it will be very expensive and disruptive to build separate systems so we are looking at sustainable, nature-based solutions as well, which can treat water in a different way.

Q. The quality of drinking water in my area (CW6) has deteriorated in recent months. There is now evidence of salts in the water whilst previously our water was very soft and salt free. Is this a temporary situation and if so, for how long?

Water quality is something that is set and regulated by the Drinking Water Inspectorate, which has very strict and clear guidance and rules. What we're doing is improving the quality of the water that we provide by strengthening two specific aqueducts - one that comes from Cumbria down into Manchester and another that takes water from Lake Vyrnwy in Wales up into Merseyside.

Specifically, we're strengthening the pipework and the treatment processes with a particular focus on water discoloration, as customers in those areas can sometimes experience this issue. These improvements will also allow us to safeguard water supplies for the future in the face of climate change. Importantly, we also need to move water around. Water from separate areas have different tastes and are blended differently. We're ensuring that we have the right water with the correct blend and quality for years going forward.

We want to assure everybody that water quality is something that's very heavily regulated and very heavily sampled. We pride ourselves on the quality of water that we deliver in the North West. Customers can view the quality of the drinking water in their local area at <u>https://www.unitedutilities.com/help-and-support/your-water-supply/your-water/water-quality/</u>.

Q. What is the impact on Shareholder returns alongside Customer bills and who decides whether dividends are paid to Shareholders or customer bills are increased?

We need our shareholders and investors to provide the financing to deliver the investment programme we have set out. We rely on investors to help fund our investment programmes now. For this equity investment we pay a dividend to those shareholders in return for them making the investment possible. We are a long-term business, and we have a long-term and sustainable financing policy to attract and retain investors to enable us to invest in services for customers. You can read more about the approach we take to making decisions on dividends in our Annual Performance Report. For 2023, this is set out on pages 129 – 132 of our report, available here: https://www.unitedutilities.com/globalassets/documents/pdf/united-utilities-annual-performance-report-2022-23

Q. Are your bill increases linear at c£22 year on year for the next 7 years? Or are they skewed and aligned to your annual investment plans?

The average annual bill today is £417, and under our proposals this will increase to £556 by 2030 (these figures are before inflation). This means the average cost for water and wastewater services will be around £1.52 per day by 2030.

Q. Have the reservoirs degraded and do they need repair or replacement?

United Utilities operate the largest fleet of reservoirs in England and Wales. These reservoirs are key to the continued supply of great quality water to our customers now, and for the future. Our reservoirs are subject to a very comprehensive maintenance and safety regime, backed by safety inspections by government appointed independent

engineers. We also pro-actively assess the condition of all of our dams and reservoirs on a regular basis, to ensure that our reservoirs meet the latest safety standards.

In summary, our reservoirs have not degraded, and they do not require replacement. Repair and routine maintenance is an ongoing process that we fully resource. We plan to continue to operate reservoirs as the main source of water for the North West into the foreseeable future. Our most recent business plan, submitted to our regulators, included plans to fully maintain our reservoirs, and to ensure that they are compliant with evolving regulations.

Q. Why is it so hard to apply for a reduction for rainwater removal, when it doesn't go into a drain? You have to download a form fill it in and send it off, some people like myself don't have a printer, surely this would be a lot easier to apply for with an email, I read it in the small print, people are struggling with the cost of living and anything that can reduce their bills would be of great help for them, so why make it so hard to do? And surely there should be a back pay for those who have been paying for it.

Thank you for your feedback & we are sorry you have had some difficulty with the form. We will ensure your feedback gets passed to the right team. Each claim is assessed on an individual basis, but to clarify we do provide back dated to date of occupation or 6 years. We will only go back further if we should have reasonably known that the customer was not connected for SW. For further information please visit our website <u>Surface water drainage |</u> <u>United Utilities</u>

Q. Can pressure be put on LAs to clear highway gulley's as water builds up on many roads, potentially resulting in flooding to local areas / properties. Lingley Green Ave up to your headquarters is a good example of poorly draining roads.

We've worked, and are continuing to work, very hard to build partnerships with the lead local flood authorities and other local authorities and stakeholders across the North West to identify where it's opportune for us to take on the accountability for those maintenance activities, where others are responsible for those activities, and crucially where we can support each other to make sure that those activities are carried out. We've got £250 million in the plan for this. It will help us identify where surface water connects into our combined systems and where there might be opportunities to remove it. We can separate out surface water, put that through a sustainable, nature-based solution to treat it in a different way. That then limits the amount of flooding, but also the amount of water that discharges from overflows

Q. I have a water meter but it is installed underground in the street, so I have no sight of actual readings. When will we have smart meters?

Smart meter installation will be free of charge when we roll that out in 2025 – we plan to install 900,000 by 2030. We will have a rolling period of upgrades of the existing meters as part of the smart meter plan. It is free to have the smart meter installed and we commit that we won't charge customers more than they are currently paying as they get used to having the meter. Our overarching aim is to help customers feel more confident about smart meters as they hopefully witness a reduction in their bills as well as a reduction in their water usage.

Q. Will the Executive team volunteer a reduction in remuneration to help pay for the proposed investment? After all it will be in their long term interest.

What we're very clear about is that executive pay needs to be linked to outcomes for customers. One of the things that we've done is changed the balance of those payments so over 60% of payments are linked to outcomes for customers and for the environment.

The weighting is very much placed in that direction, as opposed to just on things like profit or shareholder return. This is really, really important. The other really key element is transparency. As a listed business, we are very transparent in what people are paid, the targets that are set out, and also when we are doing the right thing.

Executive pay is set by an independent Board committee, taking into account the need to deliver for all stakeholders, including customers and the environment as well as investors. Executive directors informed the

Board committee of their intention to voluntarily waive around 21% of their incentive outcomes in respect of 2022/23, in recognition of their personal commitment to a reset across the water sector in relation to environmental performance. This affected the Better Rivers component of the annual bonus and five of the measures in the customer basket component of the Long-Term Plan, reducing their performance-related pay outcomes by around 21 per cent. Furthermore, the performance-related pay outcomes that the executive directors received last year will not be paid for by customers.

We have been very clear as we go forward what we want our remuneration to be based on and that's on the things that customers have told us is important – because we went out and asked them. So that's leakage, sewage, bills, it's on environmental performance, and it's on service.

Q. Is there a proactive approach to replacing pipes, rather than waiting till it gets very cold, and pipes burst and you that fix that section? What are you doing to stop your own leaks.

Over recent years we have prioritised finding and fixing leaks and whilst doing so have further developed our learning on how leaks occur. Our water pipes are pressurised, and when a pipe is repaired to fix a leak, the risk is that a leak may then occur at the next weakest part of the water pipe. The challenge is that we have over 40,000 km of pipes, which means inevitably we will have issues from time to time. Our learning has informed our proposed plan for 2025 to 2030 to lead us to focus on upgrading sections of water mains to help address this problem.

We are proposing a significant increase in the number of poor condition mains that we replace. We also intend to trial replacing longer sections of pipe as part of our repair process, when we believe that the pipe is at risk of failing again in the near future.

Q. Can you please put details of your public engagement and educational programs to help households reduce their water consumption in the minutes as I understand there are physical interventions that you can make.

In on-going research with customers, we know that communicating to them about their water and wastewater services and saving water is important to them. We use different channels to try to reach people and always assess which medium offers best value for money, depending on the purpose of the information. In the past, we have run TV ads that speak to the quality and value of water.

In parallel to media based interventions, we run a schools education programme engaging with over 15,000 school children and as part of our on-going water efficiency programme we've carried out over 8,000 home visits, installing water savings devices and encouraging over 200,000 customers to sign-up to our <u>get water fit programme</u>. At the time of writing, we are running idents as part of the ITV Weather sponsorship – these raise awareness of how checking for leaks can save water, how shorter showers can save you money and energy as well as our Stop the Block campaign which is run across a variety of online and offline channels. When the weather is cold, we send winter readiness advice to customers and priority services customers who have opted into email, as well as sharing winter ready messages across radio and social. Over the past 3 years we have seen awareness of these messages increase to over 75% - or three out of four - of all adults living in the North West, demonstrating the messages are getting out there.

Q. Can you post a link into soakaway driveways, and could pressure be put on government to make this mandatory, as I think we need to get back to nature, and not covering massive areas with development works without thinking of the consequences.

When a property is purchased, the drainage plans are shared as part of the search's requests for the property. This identifies whether a property is served by a separate system, foul and surface water, or a combined system which takes both surface water and foul drainage away in one pipe.

We've got some great information on our website informing people about misconnections - <u>Making the right</u> <u>connection | United Utilities.</u> We work jointly with the Environment Agency to combat the issue of misconnected household drains. Once a contaminated watercourse has been discovered, where the waste or foul water is going where it shouldn't, the pollution can be traced back to the property where the waste pipes are misconnected. The owner of the property is responsible for making sure the misconnection is put right. General permitted development rules state that the paving over of any front garden's permeable area with an impermeable surface requires planning permission if over 5 meters squared. We're actively involved in a joint project with the North West Regional Flood and Coastal Committee over the next two years to review the effectiveness of the current legislation with the aim of providing recommendations on how we can make more sustainably draining features standardised. For more information on current legislation, please see <u>Permeable surfacing of front gardens:</u> <u>guidance - GOV.UK (www.gov.uk)</u> There is also a helpful blog on the Flood Hub, a North West Regional Flood and Coastal Committee funded website that covers information for people in the North West on this topic. <u>Blog:</u> <u>Driveways, Raingardens and Soakaways | The Flood Hub</u>