

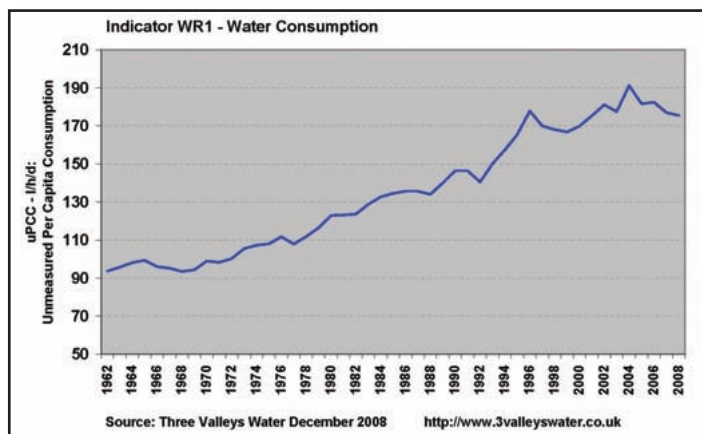


Saving water still important in heavy rainfall

2007 results provide a forewarning. Whilst there is a growing awareness of the need to conserve water, to cope with climate change and Hertfordshire's forecast population growth, we have begun to become complacent again. During a wet summer, when consumption ought to fall, rises were seen amongst metered customers.

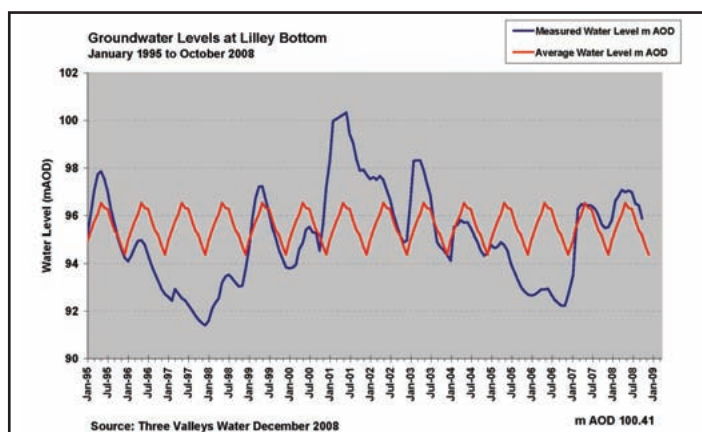
Indicator WR1 - Water consumption

Three Valleys Water's customers without meters reduced their water usage further from 177 litres of water per person per day in 2007 to 175 litres in 2008. Interestingly, metered customers increased their use from 143 to 153 litres.



Groundwater Levels

Water supplies for most of Hertfordshire is obtained from groundwater sources (aquifers). Water is then extracted through boreholes from these aquifers which are located deep below ground level. The level of groundwater varies throughout the year as a result of the amount of rainfall recharge penetrating through the layers and reaching the aquifer.



The winters of 2004/05 and 2005/06 were extremely dry resulting in low aquifer recharge and water levels fell close to their historic minimum. Good winter recharge in 2006/07 and the following very wet summer allowed groundwater levels to rise and remain above average. This trend continued with the average recharge in the winter of 2007/08. Water level rises for the 2008/09 recharge period were anticipated towards the end of November. Prospects for next summer should be close to average, unless the remaining winter period rainfall is well below average.

Three Valleys Water¹ Activities in 2008

- The water company's Education Team taught 20,000 children throughout the year about water and the need to conserve it. Many of the children visiting the Education and Environment Centre in Bushey were from Hertfordshire schools. The team also teaches children in their own schools through the Outreach Team.
- Work continued with Local Authorities and businesses to promote water efficiency.
- The company has invested £140 million to replace 640 km of water pipes across its supply area between 2005-2010.
- The percentage of metered customers increased to 39% (October 2008) with the aim of reaching 43% by 2010.
- The leakage target set by OFWAT², was achieved for the fourth consecutive year.
- Three Valleys Water's draft Water Resources Management Plan was published in April 2008 and was put out for public consultation until the end of August 2008. The Plan sets out the processes it intends to undertake to meet anticipated water demands. The Plan is now being revised, following consultation responses from Local Authorities, DEFRA, the Environment Agency, OFWAT, The Consumer Council for Water, Natural England and members of the public.
- The company submitted its draft Business Plan (2010-2015) in August 2008, outlining the approach and costs it considers necessary to implement the Water Resources Management Plan and other aspects of its business to OFWAT. The final Business Plan will be published in April 2009.

¹ Three Valleys Water website: www.3valleys.co.uk

² The Water Services Regulation Authority is the economic regulator of the water and sewerage companies in England and Wales. Their website is www.ofwat.gov.uk



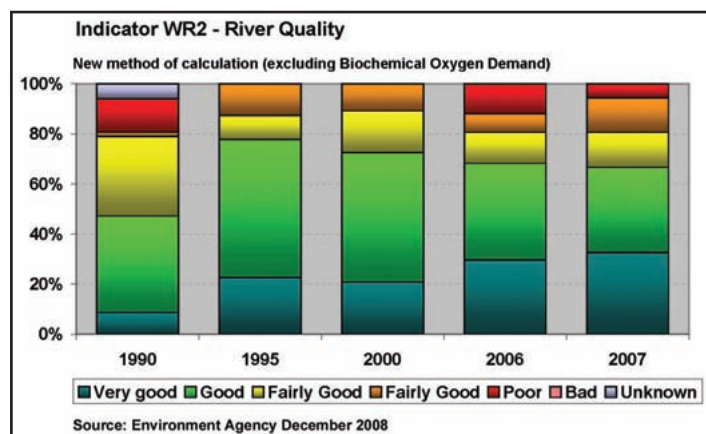
The quality of Hertfordshire's water

The method for measuring water quality changed in 2008. This means that previous year's results will not be directly comparable. In addition, some of the data is no longer available to report, such as WR3.

From 2008, the new European Water Framework Directive replaced the General Quality Assessment. This was the old way of classifying water quality in rivers and canals. In turn, this has changed the way water utilities companies are measured. In addition, the Environment Agency, who supply monitoring and analysis for this section of this report, have ceased monitoring Biochemical Oxygen Demand² (BOD). BOD was measured under test conditions - usually over five days - and provided one of the standard tests of effluent quality. BOD was the data used to produce WR3 – River Quality Objective.

Indicator WR2 - River Quality

General Quality Assessment figures for 2007 showed that 76% cent of all UK rivers achieved a 'good' or better status for chemical water quality. At the same time the Environment Agency reduced the size of their monitoring network. Both changes have had an impact on indicator WR2 and this is the reason that these figures cannot be compared with ones published in previous issues of this report. However, to some provide comparability over the past 17 years we have incorporated these changes into data shown in the graph below.



Using this data, we can see that in 2007, the chemical quality of Hertfordshire's rivers deteriorated from 68.22% to 66.63% in the 'very good or good' (A or B) category. Looking at older data, we can see the decline has been even greater as it has worsened from 72.44% in 2000 and 77.72% in 1995.

27.75% of river length achieved a 'fairly good' or 'fair' quality status, which is an improvement on the last year's value of 19.87%. A total of 94.38% of river length in Hertfordshire was of good or fair quality. Compared to previous years this is an increase from 88.08% of last year, but a decrease compared to the 100% in 2000. Whilst 5.62% of river length was classified as 'poor', less than last year's 6.3%, still no river lengths were classified as 'bad'.

Water Directive Framework Update

In addition to rivers, which were the focus of the General Quality Assessment, the Water Directive Framework encompasses groundwater, estuaries, coastal waters and lakes, which were not previously monitored. In the Water Framework Directive, the Environment Agency also considers a far wider range of indicators of the water environment, such as the health of river insects and plants. The grading of each water body is then set by the lowest result.

The Water Framework Directive will provide new measures leading to a better understanding of the water environment, the health of animals and plants. The draft plan was published on 22 December 2008 for a six month public consultation. The Environment Agency is encouraging all interested parties to get involved in the process. For more information visit: <http://www.environment-agency.gov.uk/wfd>



Opened in 2008, Hartham's new weir improves the quality of life for Hertfordshire's fish, canoeists and residents and is a jointly run scheme between the Environment Agency and East Herts Council.

- 1 Three Valleys Water supplies most of Hertfordshire's water. It works with the 8 other water companies in the South East of England; Water UK, the Environment Agency, Waterwise and the Consumer Council for Water under the banner of Water in the South East. More details on the company can be obtained via links on our website.
- 2 BOD is the amount of oxygen dissolved in water and consumed via microbiological oxidation of biodegradable organic matter in waters.