



BILLET D'ETAT FOR 22-06-2011

Date: 9th June, 2011

STATES OF ALDERNEY

BILLET D'ETAT FOR WEDNESDAY 22ND JUNE 2011

Members of the States:

I have the honour to inform you that the Meeting of the States will be held at 5:30 pm on Wednesday 22nd June 2011. This will be preceded by the People's Meeting, which will be held on Wednesday 15th June 2011 at 7:00 p.m. in the Island Hall.

Ian Tugby
Vice President

Item I Statement by the President, Sir Norman Browse

Item II Swearing in of New President

The newly elected President of the States of Alderney will take the oath of office.

Item III Proposed Increase in Water Rates

The following letter has been received from Mr Walden, Chairman of the General Services Committee

In September 2006, the States agreed to increase rates by 10% and advised that further annual increases of a similar amount would be necessary for at least the next 5 years in order to eliminate the deficit on revenue account. This policy has continued over the intervening years resulting in a small operating profit being achieved in 2009 & 2010.

At the Water Board meeting held on 11th May the Board considered the issue, and agreed that, due to the current financial climate and the difficulties being faced by many small businesses and families, that it would be in the public interest to minimise any increase to water rates for 2011 to 5%, and to try to address this balance by reducing expenditure where ever possible. However the Board noted that a 5% increase would only be sustainable this year, and future increases may need to revert back to 10% with effect from the next review, in order to cover operating costs, particularly with the increased fuel & electricity costs due to the new plant and equipment.

As the Water Board is already showing a £75,000 deficit in the 2011 budget, which will be exacerbated by a lower than predicted increase in rates, it is proposed to reduce the Mains and Machinery budget by £65,000. This budget had been significantly increased for 2011 to fund general maintenance and improvement to the infrastructure, which due to time restraints (staff being deployed to capital projects etc) may not now be achieved during the year.

In addition to the above, the Water Board has carried out a review of the sundry charges, which apply to non-metered supplies, and therefore recommend the following changes, mainly resulting from public request:-

*freezing the charges to hotels, guesthouses and self catering properties (rounded)
reducing the amount charged for supplies to fields
including an additional category in respect of building charges, as a result of queries regarding timber frame buildings
including an additional category to provide a minimum charge for internal and external meters*

I am pleased to report that the substantial capital investment program continues to be carried out in order to improve the Boards infrastructure and to ensure that the islands water supply can be maintained at an acceptable standard.

Phase 1, relating to the installation of the raw water rising main, and stream collection chambers is complete, and Phase 2, relating to improvements to the water filtration has been completed this year under budget. Phase 3, relating to improved storage facilities by replacing the Trigale tank, is currently being planned and the matter will be placed before the States later this year. Phase 4, relating to replacement of the islands ageing water distribution network will follow over the next few years, with the aim of safely providing a plentiful supply of consistently good-quality water to meet the islands needs.

However it should be noted that although we now have adequate water supplies to service the Island that this resource should not be wasted. As mentioned earlier the cost of collecting and treating the supply continues to rise, with the consequential effect that the increased operating costs need to be met by the income from rates.

A draft Ordinance entitled The States Water Supply (Rates of Charge)(Alderney) Ordinance 2011 is attached, which if approved will bring the revised rates into effect from the quarter commencing 25th June 2011, and will be reflected in the September Water Rate accounts, as rates are charged in arrears.

I would be grateful if you would place this matter before the States of Alderney with appropriate propositions.

*W Walden
Chairman, General Services Committee*

**The States is asked to approve The States Water Supply (Rates of Charge)
(Alderney) Ordinance, 2011**

Item IV Questions and Reports

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