

# WATERCARE SERVICES LIMITED

## AGENDA | Board meeting | 20/04/2017

<b>Venue</b>	Watercare Services Limited, 73 Remuera Road, Newmarket
<b>Time</b>	11:30am

### Open Public Meeting

Item	Spokesperson	Action sought at governance meeting	Supporting Material
1. Apologies	Chair	<ul style="list-style-type: none"> <li>Record Apologies</li> </ul>	
2. Minutes of Meeting	Chair	<ul style="list-style-type: none"> <li>Approve Board Meeting Minutes 27 March 2017</li> </ul>	Minutes 27 March 2017
3. Directors' Corporate Governance Items	Chair	<ul style="list-style-type: none"> <li>Review Board Planner</li> <li>Review Disclosure of Interests (Directors &amp; Executive Management)</li> </ul>	Board Planner Disclosure of Interests
4. Chief Executive's Report and Scorecard	R Jaduram	<ul style="list-style-type: none"> <li>Receive report</li> </ul>	Chief Executive's Report
5. General Business	Chair		

Date of next Meeting – 30 May 2017

Location – Watercare Newmarket, 73 Remuera Road, Newmarket

## MINUTES

DRAFT

SUBJECT	WATERCARE SERVICES BOARD MEETING
VENUE	Watercare Services Limited, 73 Remuera Road, Remuera, Auckland
DATE	27 March 2017
TIME	11:00
STATUS	Open Session

	<b>Present:</b>	<b>In Attendance:</b>	<b>Public in Attendance:</b>
	M Devlin (Chair) J Hoare (Deputy Chair) N Crauford C Harland T Lanigan B Green D Thomas  I Cronin-Knight (Board Observer)	R Jaduram R Fisher J Simperingham	Two Members of the Public Kania Sugandi, Media Analyst of Isentia (attended in part)
1.	<b>Apologies:</b>		
	<ul style="list-style-type: none"> <li>There were no apologies.</li> </ul>		
2.	<b>Minutes of Previous Meeting</b>		
	<ul style="list-style-type: none"> <li>The Board <b>resolved</b> that the Minutes of the public section of the Board meeting held on 1 March 2017 be confirmed as correct.</li> </ul>		
3.	<p><b>Directors Corporate Governance Items</b></p> <ul style="list-style-type: none"> <li>Board Planner 2017 The Board requested consideration be given to meeting dates for 2018.</li> <li>Disclosure of Interests The reports on the disclosure of interests were noted. No additional conflicts of interest were declared.</li> <li>The Board received a presentation by Kania Sugandi of Isentia, a company which evaluates the effectiveness of Watercare's messaging through the two week period between 9 and 27 March. She described the results of the Coverage by Favourability as "remarkable" demonstrating that the Watercare media engagement had been proactive and really effective. Likewise, the results for Coverage by Origin, she said, were really remarkable and, from her experience, she had not seen comparable figures for other entities dealing with a crisis. The usual figures for favourability for media coverage are in the range of 49 – 52% whereas in this case, the figures are 63.8%. The Watercare communications team had been able to control the messaging and generally contain negativity. The proactive nature of the communication had limited hearsay and conspiracy theories. There was some unfavourable criticism largely relating to a lack of presence in social media including Facebook and Twitter. Watercare needed to take ownership in this area and not rely on the Civil Defence social media. This was the main learning for Watercare. Ms Sugandi said the dashboard results were a very, very good result and a credit to Rachel Hughes and her communications team.</li> </ul>		

<p>4.</p>	<p><b>Chief Executive’s Report and Scorecard</b></p> <ul style="list-style-type: none"> <li>• Health &amp; Safety The Board noted the report.</li> <li>• Customer Focus The Board noted the report.</li> <li>• Infrastructure Programme The Board noted the report.</li> <li>• Service Delivery The Board noted the report.</li> <li>• Huia Water Treatment Plant Replacement The Board noted the report.</li> <li>• Water Authority Fiji The Board noted the report.</li> <li>• Auckland Unitary Plan The Board noted the report.</li> <li>• Finance  The Board noted that the March weather event “The Tasman Tempest” and the call to the public for savings in water use will be reflected in a reduction in revenue for the month of March.</li> <li>• Communications  The Board discussed issues of traffic management at Fanshawe Street relating to development at the Wynyard Quarter.  Auckland Transport is the lead agency and Watercare is dovetailing its work to fit in with the Auckland Transport programme.</li> <li>• Working with Local Boards  The Board noted the report.</li> </ul>
<p>5.</p>	<p><b>Update on Weather Events</b></p> <ul style="list-style-type: none"> <li>• Shayne Cunis presented the report on the extreme weather event “The Tasman Tempest” between 7 – 12 March 2017.  The accumulated rainfall totals at the Trig rain gauge in the Hunua Ranges shows cumulative figures of 368mm compared to Cyclone Wilma of 163mm and Cyclone Bola of 268mm.  The extreme rainfall washed sediment into the four water storage reservoirs in the Hunua Ranges. The sediment is of a type that does not readily settle, but stays in the water column and has to be extracted to enable Aa grade water to be supplied to Aucklanders. This takes time and resulted in reduced production from the Ardmore Water Treatment Plant and the call for voluntary savings of 20 litres per day per person to reduce the daily total usage to 400 MLD.  It is considered unlikely that the situation will require the issuing of a boil water notice because there are escalating steps which can be taken including requiring mandatory reductions in supply and use. In the meantime, the voluntary reductions have worked very well.  The Ardmore plant is operating at 215 MLD and management were expecting production to achieve 230 MLD at the end of the week which would give total production across all sources of 500 MLD.</li> </ul>

	<p>Mr Cunis noted the pleasing aspect of the company working together as a team to ensure constant supplies of Aa graded water to the public.</p> <p>He said having headroom in the water storage facilities prior to the weather event meant less flooding occurred in the Clevedon Valley as a result.</p> <p>Enhancements are being considered for the Hunua Water Treatment Plant including the introduction of UV treatment and use of membranes.</p> <p>A paper will be presented to the Board at the April meeting on the planned improvements and the associated costs</p> <p>The Waikato WTP had had to deal with a large increase in organic matter in the Waikato River and the plant was running well.</p> <p>The Huia WTP had been able to produce 126 MLD as a result of the new solids handling plant recently installed.</p> <p>Management will be monitoring demand constantly along with increases in production from Ardmore Water Treatment Plant.</p> <p>The Chief Executive and the Chair will review the situation on Friday 31 March 2017 to decide whether there should be any relaxation in the current voluntary savings target.</p> <p>A robust, whole of Watercare review will be undertaken as to the lessons learnt; what worked well and what improvements could be made. It is expected the review will be completed by the end of April 2017.</p> <p>The Chair asked that the thanks of the Board be passed to all staff for the absolutely tremendous efforts made to keep Auckland supplied at all times with Aa grade water.</p>
<p>6.</p>	<p><b>General Business</b></p> <ul style="list-style-type: none"> <li>• There was no general business.</li> <li>• The meeting was closed at 12 noon.</li> </ul>

CERTIFIED AS A TRUE AND CORRECT RECORD

M Devlin  
**Chair**

Board planner 2017

		January	February	March	April	May	June	July	August	September	October	November	December
Meetings	Board	26 Jan <sup>^</sup>	1 Mar Newmarket	27 Mar Newmarket	20 Apr Newmarket	30 May* Newmarket	28 Jun Newmarket	31 Jul <sup>^</sup> Newmarket	29 Aug Newmarket	21 Sep Newmarket	26 Oct* Newmarket	28 Nov Newmarket	20 Dec Newmarket
	Audit and risk committee	26 Jan (Before board meeting)			26 Apr Newmarket			31 Jul (Before board meeting)	18 Aug Newmarket		26 Oct (Before Board meeting)		
	Capital projects working group			6 Mar Newmarket		10 May Newmarket			9 Aug Newmarket			1 Nov Newmarket	
	Remuneration and appointments committee	26 Jan (After board meeting)			20 Apr (After board meeting)	30 May (After board meeting)			29 Aug (Before board meeting)		26 Oct (After board meeting)		
	Management Health & Safety Workshops			7 Mar Newmarket			29 Jun Newmarket			22 Sep Newmarket			21 Dec Newmarket
Governance	Charter reviews										Annual review of charters		
	Policy reviews					Treasury policy review (via A&R)							
	Delegations											Annual review of board delegations to CE	
	Quarterly risk				Risk report			Risk report			Risk report		
	Compliance	Statutory compliance			Statutory compliance			Statutory compliance			Statutory compliance		
	Shareholder interaction		27 Feb - CCO Q2 quarterly report due	21 Mar - Q2 briefing to F&P Committee		12 May - CCO Q3 quarterly report due			CCO Q4 quarterly report (due date to be advised)	5 Sept - Quarterly briefing to F&P Committee, Auckland Council's A&R Committee			
	H&S Quarterly report	Oct-Dec 16 Report			Jan-Mar 17 Report			Apr-Jun 17 Report			Jul-Sept 17 Report		
Board Training	Board training & development				H&S Due diligence refresher: 27 Apr								
Business strategy	Strategic planning			Strategy Workshop 7-8 March									
	Strategic programme updates					Customer focus	Non-revenue water	Business excellence / People & capability		Financial responsibility		Customer focus	
Business planning	Key finance and business decisions	Approve half year accounts	a) approve financials for Draft SOI including projected 17/18 price increases, b) approve long term financials for Auckland Council modelling				28 June Approval of 2017/18 Budget		a) approve 2016/17 accounts, b) delegate final sign off of 2016/17 Annual Report			Auckland Council LTP - review Watercare input <sup>&gt;</sup>	Auckland Council LTP - approve Watercare input <sup>&gt;</sup>
	Statement of intent		Approval of Draft 2017-2020 SOI			Present shareholder SOI feedback at public meeting	Final 2017-2020 SOI issued to shareholder						2018/19 Letter of Expectation to be received

\* Statutory public Board meeting - deputations invited

<sup>^</sup> Extraordinary Audit & Risk and Board Meeting to meet shareholder half year and annual report timeline

<sup>></sup> Timetable/Plan not yet available

## Report to the Board of Watercare Services Limited

**Subject:** Disclosure of Interests

**Date:** 13 April 2017

Section 140 of the Companies Act 1993 requires disclosure of interests of a director to the Board.

Set out below are the disclosures of interests received as at the date of this report.

<b>Director</b>	<b>Interest</b>
Margaret Devlin	<ul style="list-style-type: none"> <li>– Chairman, Harrison Grierson Limited</li> <li>– Chairman, WEL Networks</li> <li>– Director, City Care Limited</li> <li>– Director, Meteorological Services of NZ</li> <li>– Director, Waikato Regional Airport</li> <li>– Director, IT Partners Group</li> <li>– Independent Chair of Audit and Risk Committee, Waikato District Council</li> <li>– Chairman, Women in Infrastructure Network</li> </ul>
Catherine Harland	<ul style="list-style-type: none"> <li>– Director, McHar Investments Ltd</li> <li>– Director, Interface Partners Ltd</li> <li>– Trustee, One Tree Hill Jubilee Educational Trust</li> <li>– Member, Auckland Regional Amenities Funding Board</li> <li>– Member, Water Allocation Technical Advisory Group</li> </ul>
Tony Lanigan	<ul style="list-style-type: none"> <li>– Director and Shareholder, A G Lanigan &amp; Associates (2007) Limited</li> <li>– Director, Habitat for Humanity New Zealand Limited</li> <li>– Director and Shareholder, Lanigan Trustee Limited</li> <li>– Director and Chair, New Zealand Housing Foundation Limited</li> <li>– Director, Tamaki Makaurau Community Housing Limited</li> <li>– Member, Ministry of Health Hospital Redevelopment Partnership Group for Canterbury</li> <li>– Member, Ministry of Health Southern Partnership</li> </ul>
Julia Hoare	<ul style="list-style-type: none"> <li>– Director, AWF Madison Group Limited</li> <li>– Director, New Zealand Post Limited</li> <li>– Deputy Chairman, The A2 Milk Company Limited</li> <li>– Director, Port of Tauranga Limited</li> <li>– Member, Auckland Committee, Institute of Directors</li> <li>– Member, Advisory Panel to External Reporting Board</li> <li>– Member, Institute of Directors National Council</li> </ul>
Nicola Crauford	<ul style="list-style-type: none"> <li>– Director, Environmental Protection Authority</li> <li>– Member of Electoral Authority - Cooperative Bank Limited</li> <li>– Senior Consultant - WorleyParsons New Zealand Ltd</li> <li>– Director and Shareholder - Riposte Consulting Limited</li> <li>– Director, Wellington Water Limited</li> <li>– Director, Orion New Zealand Limited</li> <li>– Chairman, GNS Science Limited</li> <li>– Deputy Chairman, Fire Services Commission</li> </ul>

David Thomas	<ul style="list-style-type: none"> <li>- Chairman, Ngati Whakaue Tribal Lands Inc</li> <li>- Chairman, Gypsum Board Manufacturers of Australasia</li> <li>- Shareholder / Employee, Fletcher Building Limited</li> <li>- Director, New Zealand Ceiling &amp; Drywall Supplies Limited</li> <li>- Director, Altus NZ Limited</li> </ul>
Brendon Green	<ul style="list-style-type: none"> <li>- Director, Kaitiaki Advisory Limited</li> <li>- Director, Tainui Kawhia Incorporation</li> <li>- Executive Director, Bay Dairy Limited</li> <li>- Executive Director, Advanced Biotech NZ</li> <li>- Executive, Te Runanganui o Ngati Hikairo</li> <li>- Contract with Mercury for stakeholder management of greenfield geothermal developments</li> </ul>

### RECOMMENDATION

That the report be received.

Approved by:



R Jaduram  
**Chief Executive**

## Report to the Board of Watercare Services Limited

**Subject:** Disclosure of Interests – Executive Management

**Date:** 13 April 2017

<b>Executive</b>	<b>Interest</b>
Raveen Jaduram	Trustee - Te Motu a Hiaroa (Puketutu Island) Governance Trust Steering Committee Member – Business Leaders' Health and Safety Forum Chair - Centre for Infrastructure Research at University of Auckland
Rob Fisher	Deputy Chairman - Middlemore Foundation President - Auckland University Rugby Football Club Trustee - Watercare Harbour Clean Up Trust Trustee - Te Motu a Hiaroa (Puketutu Island) Governance Trust Director – Hunua Forests Ltd
Brian Monk	Deputy Chairman - MIT Chairman Audit and Compliance Committee - MIT Trustee - Watercare Harbour Clean Up Trust Trustee - Te Motu a Hiaroa (Puketutu Island) Governance Trust Director – EnterpriseMIT Ltd Director – Hunua Forests Ltd
Steve Webster	Director – Howick Swimgym Limited
Marlon Bridge	Trustee - Te Motu a Hiaroa (Puketutu Island) Governance Trust
Martin Smith	Director – Heatley Smith Limited
Shayne Cunis	Board Member – Water New Zealand
Adrienne Miller	Advisory Board Member – Women In Infrastructure Health & Safety Committee Member – Water New Zealand
David Hawkins	Nil
David Sellars	Nil
Rebecca Chenery	Nil

### RECOMMENDATION

That the report be received.

Approved by:



R Jaduram  
Chief Executive



Board - Public Session - Chief Executive's Report and Scorecard

WATERCARE SCORECARD 2016/17																						
On budget, on time, within parameters		Unfavourable but within parameters		Major issue, needs attention		SO1	2016/17 Target	Amber Threshold	Red Threshold	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
<b>1 Safe and Reliable Water</b>																						
1a	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	☑	100%	n/a	<100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
1b	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	☑	100%	n/a	<100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
1c	Percentage compliance with MoH drinking water standards		100%	n/a	<100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
1d	Percentage of metropolitan water treatment plants achieving Grade A (annual measure)		100%	n/a	<100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
1e	Percentage of metropolitan water supply reticulation achieving Grade A (annual measure)		100%	n/a	<100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
1f	Percentage of non-metropolitan water treatment plants achieving Grade A (annual measure)		50%	n/a	<45%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
1g	Percentage of non-metropolitan water supply reticulation achieving Grade A (annual measure)		50%	n/a	<25%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
1h	Percentage of unplanned water shutdowns restored within five hours (12 mth rolling average)		≥95%	93% to <95%	<93%		95%	95%	95%	95%	95%	95%	95%	95%	94%	94%	94%	94%	95%	95%	96%	96%
1i	Number of unplanned water interruptions per 1000 connected properties (12 mth rolling average)		≤10	>10 to 12	>12		4.9	4.8	4.7	4.6	4.5	4.6	4.7	4.8	5.0	5.1	5.3	5.4	5.7			
1j	Unrestricted demand - metropolitan		Unrestricted	Subjective	Restrictions apply		Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Subjective
1k	Unrestricted demand - non-metropolitan		Unrestricted	Subjective	Restrictions apply		Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted
<b>2 Healthy Waterways</b>																						
2a	Number of dry weather sewer overflows per 100km of wastewater pipe length per year (12 mth rolling average)		≤5	>5 to 7	>7		2.16	2.16	2.20	2.29	2.26	2.26	2.26	2.26	2.26	1.99	1.86	1.78	1.60	1.60	1.60	1.86
2b	Average number of wet weather overflows per discharge location (transmission system)	☑	≤ 2 overflows per year per engineered overflow point	Low risk non-compliance	High risk non-compliance					0.69	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
2c	The number of dry weather overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system	☑	≤10	>10 - ≤15	>15		0.03	0.03	0.03	0.04	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
2d	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents	☑	a) ≤2 b) ≤2 c) ≤2 d) 0	n/a	>2 (for any)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2e	Number of sewer bursts and chokes per 1000 properties (12 mth rolling average)		≤10	>10 to ≤12	>12		6.40	6.40	6.00	5.80	6.10	6.40	6.60	6.80	6.90	7.20	7.60	8.00	8.40			
2f	Percentage of wastewater discharged that is compliant with consent discharge requirements for metropolitan areas		100%	98 to <100%	<98%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	97%	100%	99%	100%	
2g	Percentage of wastewater discharged that is compliant with consent discharge requirements for non-metropolitan areas		35%	n/a	<35%		88%	88%	88%	88%	89%	94%	90%	87%	85%	86%	85%	85%	85%	87%		
<b>3 Customer Satisfaction</b>																						
3a	Median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site.	☑	≤ 60 mins	>60 - ≤90 mins	>90 mins		41 mins	42 mins	43 mins	44 mins	44 mins	43 mins	43 mins	43 mins	43 mins	42 mins	42 mins	42 mins	41 mins	41 mins	41 mins	41 mins
3b	Median response time for resolution of urgent calls-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	☑	≤ 5 hours	>5 - ≤8 hours	>8 hours		2.4 hours	2.7 hours	2.8 hours	3.0 hours	3.0 hours	3.2 hours	3.2 hours	3.2 hours	3.2 hours	3.2 hours	3.2 hours	3.2 hours	3.0 hours	2.9 hours		
3c	Median response time for attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site	☑	≤ 3 days	>3 - ≤5 days	>5 days		2.6 days	2.8 days	2.9 days	3.0 days	3.0 days	2.9 days	2.9 days	2.7 days	2.1 days	1.9 days	1.4 days	1.2 days	1.1 days			
3d	Median response time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	☑	≤ 6 days	>6 - ≤8 days	>8 days		3.6 days	3.9 days	4.1 days	4.8 days	4.3 days	4.3 days	4.4 days	4.2 days	4.0 days	3.6 days	3.1 days	2.9 days	2.3 days			
3e	Percentage of customers surveyed satisfied with Watercare's delivery of water and wastewater services (12 mth rolling average)	☑	≥80%	≥75% to <80%	<75%		84.9%	84.4%	84.4%	84.2%	84.3%	80.8%	80.9%	81.4%	81.4%	81.4%	81.8%	82.1%	82.2%			
3f	The total number of complaints received by the local authority about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system	☑	≤ 10	>10 - ≤15	>15		5.7	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.8	5.9	6.1	6.0	5.8			
3g	Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance - from the time that the territorial authority receives notification to the time that service personnel reach the site	☑	≤ 60 mins	>60 - ≤90 mins	>90 mins		44 mins	44 mins	45 mins	46 mins	47 mins	47 mins	48 mins	48 mins	48 mins	49 mins	49 mins	49 mins	49 mins	49 mins	49 mins	49 mins
3h	Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution - from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault	☑	≤ 5 hours	>5 - ≤8 hours	>8 hours		2.7 hours	2.7 hours	2.8 hours	2.9 hours	2.9 hours	2.9 hours	3.0 hours	3.0 hours	3.0 hours	3.0 hours	3.0 hours	3.0 hours	3.0 hours	3.0 hours	3.1 hours	
3i	The total number of complaints received by the territorial authority about any of the following: a) sewerage odour b) sewerage system faults c) sewerage system blockages d) the territorial authority's response to issues with its sewerage system expressed per 1000 connections to the territorial authority's sewerage system	☑	≤ 50	>50 - ≤75	>75		20.8	20.9	21.1	20.8	21.3	21.7	21.7	21.8	22.0	22.1	22.1	22.1	22.1	22.1	22.1	23.2
3j	Number of water quality complaints (taste, odour, appearance) per 1,000 water supply connections (12 mth rolling average)		≤5	>5 to ≤5.5	>5.5		3.80	3.80	3.70	3.70	3.60	3.64	3.32	3.31	3.42	3.51	3.70	3.50	3.37			
3k	Percentage of complaints being 'closed and resolved' within 10 working days (12 mth rolling average)	☑	≥95%	≥90% to <95%	<90%		96.2%	95.6%	95.1%	93.50%	92.80%	92.20%	92.90%	92.90%	93.90%	94.10%	94.60%	95.9%	96.9%			
3l	Percentage of the 19 Iwi groups throughout Auckland that Watercare have entered into a Memorandum of Understanding with (target for end of FY16/17)	☑	≥60%							15.70%	15.70%	15.70%	15.70%	15.70%	15.70%	15.70%	15.70%	15.70%	15.70%	15.70%	15.70%	15.70%

4

Board - Public Session - Chief Executive's Report and Scorecard

WATERCARE SCORECARD 2016/17																							
On budget, on time, within parameters		Unfavourable but within parameters		Major issue, needs attention		SO1	2016/17 Target	Amber Threshold	Red Threshold	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	
<b>4 Health, Safety and Wellbeing</b>																							
4a	Lost-time injury frequency rate per million hours worked (12 month rolling average)	☑	≤5	5 - 7	>7				3.73	3.75	2.51	1.92	1.9	1.25	1.25	1.25	1.26	1.24	1.87	2.47	1.82		
4b	Percentage of total hours absent due to illness (12 mth rolling average)		≤2.5%	>2.5 to 3.5%	>3.5%				2.12%	2.11%	2.14%	2.18%	2.19%	2.15%	2.18%	2.19%	1.97%	2.08%	2.21%	2.19%	2.23%		
4c	Percentage of voluntary leavers relative to number of permanent staff (12 mth rolling average)	☑	≤12%	>12 to 14%	>14%				11.92%	12.32%	12.74%	12.92%	12.15%	12.54%	12.18%	11.19%	10.66%	10.70%	11.31%	10.67%	10.04%		
4d	Total recordable injury frequency rate per million hours worked (12 month rolling average)	☑	<20	>20 to <23	>23				18.02	16.90	14.42	23.02	23.48	22.85	18.35	16.94	14.45	14.3	14.31	12.95	10.93		
<b>5 Financial Responsibility</b>																							
5a	Minimum funds flow from operations to interest cover (FFO) before any price adjustment	☑	≥2.5	2.4 to <2.5	<2.4				3.69	3.69	3.71	3.71	3.89	3.94	3.92	3.91	3.98	3.92	3.95	4.02	3.99		
5b	Percentage of household expenditure on water supply services relative to the average household income	☑	≤1.5%	1.2 to <1.5	>1.5				0.85%	0.85%	0.86%	0.86%	0.86%	0.87%	0.87%	0.87%	0.87%	0.88%	0.88%	0.89%	0.89%		
5c	Water & wastewater revenue against budget YTD %		≥100%	≥98% to <100%	<98%				102%	102%	102%	102%	101%	101%	101%	101%	100%	101%	101%	101%	100%		
5d	Infrastructure growth charge revenue against budget YTD %		≥100%	≥95% to <100%	<95%				104%	102%	105%	108%	115%	125%	113%	110%	116%	122%	121%	127%	120%		
5e	Controllable costs against budget YTD %		≤100%	>100 to ≤102%	>102%				95%	95%	97%	99%	94%	97%	95%	95%	94%	95%	95%	94%	96%		
5f	Total contribution against budget YTD (\$ millions)		+	-\$0.1m to -\$2m	> -\$2m				31.35	33.40	35.65	37.55	4.80	6.84	7.88	11.86	15.86	17.5	23.34	32.39	31.39		
5g	Net surplus / deficit before tax against budget YTD (\$ millions)		+	-\$0.1m to -\$2m	> -\$2m				-73.74	-73.92	-77.60	-108.02	-21.05	-23.37	-15.53	36.58	92.07	118.33	134.22	131.4	129.31		
5h	Total net borrowing against budget YTD (\$ millions)		Negative	\$0.1m to \$10m	> \$10m				-89.10	-92.70	-105.30	-92.00	10.60	14.70	9.80	6.70	4.10	1.60	14.20	0.70	-11.30		
<b>6 Fully Sustainable</b>																							
6a	The average consumption of drinking water per day per resident (gross PCC) (12 month rolling average)	☑	270 + / - 2.5%						272	272	273	272	272	273	273	273	272	272	272	271	271		
6b	Per capita consumption (litres / person / day) - Residential Monthly PCC		Information only						164	158	155	153	151	152	152	157	162	168	171				
6c	Non-Domestic Monthly Water Volume		Information only						3,305,826	3,081,359	3,137,157	2,970,236	2,910,688	2,911,727	2,906,628	2,984,463	3,044,237	3,152,566	3,267,842				
6d	Non-Revenue Water Percentage		Information only						16.7%	16.6%	16.6%	16.6%	16.6%	16.6%	16.7%	16.8%	16.8%	16.7%	16.8%				
6e	The percentage of real water loss from the local authority's networked reticulation system (rolling 12 mth average)	☑	≤13%	>13 to 13.2%	>13.2				12.8%	12.9%	13.0%	13.0%	12.9% *	13.0% *	13.1% *	13.2% *	13.2%	13.1%	13.2%				
6f	Percentage of annual potable water transmission system losses (12 month rolling average)		No specific target - information only						1.8%	1.9%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%		
6g	Percentage of annual potable water network losses (12 mth rolling average) - Urban as a percentage of total volume		No specific target - information only						10.6%	10.7%	10.6%	10.6%	10.6%	10.7%	10.8%	10.9%	10.9%	10.8%	10.9%				
6h	Percentage of annual potable water network losses (12 mth rolling average) - Rural as a percentage of total volume		No specific target - information only						0.40%	0.39%	0.38%	0.38%	0.37%	0.36%	0.35%	0.35%	0.34%	0.34%	0.34%				
6i	Percentage of annual potable water network losses (12 mth rolling average) - Rural as a percentage of rural volume		No specific target - information only						25.7%	25.0%	25.0%	24.9%	24.3%	24.0%	23.6%	23.3%	22.8%	22.6%	22.8%				
<b>7 Policy Compliance</b>																							
7a	Compliance with Treasury Policy		Within policy	Planned outside policy	Unplanned outside policy				Within policy	Within policy	Within policy	Within policy	Within policy	Within policy	Within policy	Within policy	Within policy	Within policy	Within policy	Within policy	Within policy	Within policy	Within policy

\* Transmission system losses corrected to 2%

4

## Watercare Services Limited

**Subject:** Chief Executive Report – March 2017

**Date:** 13 April 2017

### 1. HEALTH AND SAFETY

There was one lost-time injury related to Watercare employees during March. The rolling 12 month lost-time injury frequency rate (LTIFR) is 1.82 per million hours, below the Statement of Intent target maximum of 5.

The total recordable injury frequency rate (TRIFR) is 10.93 per million hours.

### 2. CUSTOMER FOCUS

Performance against Statement of Intent measures for March was good with performance against all customer service metrics above target for the month, despite the extreme weather and resulting water incident. The customer satisfaction score in March was 82.6%. The rolling 12 month average is 82.2%, against a target of 80%.

Complaint resolution was 100% for the seventh consecutive month, notwithstanding the increase in complaints due to the water incident (81 in March, as compared to a monthly average of 59). The rolling 12 month average is 96.9%.

### 3. INFRASTRUCTURE PROGRAMME

The infrastructure capital programme has delivered year to date \$210m against a budget of \$230m. The forecast to year end is to deliver \$280m against a budget of \$302m.

A Capital Expenditure Dashboard Report of all capital expenditure projects over \$15million is shown in Appendix C.

### 4. SERVICE DELIVERY

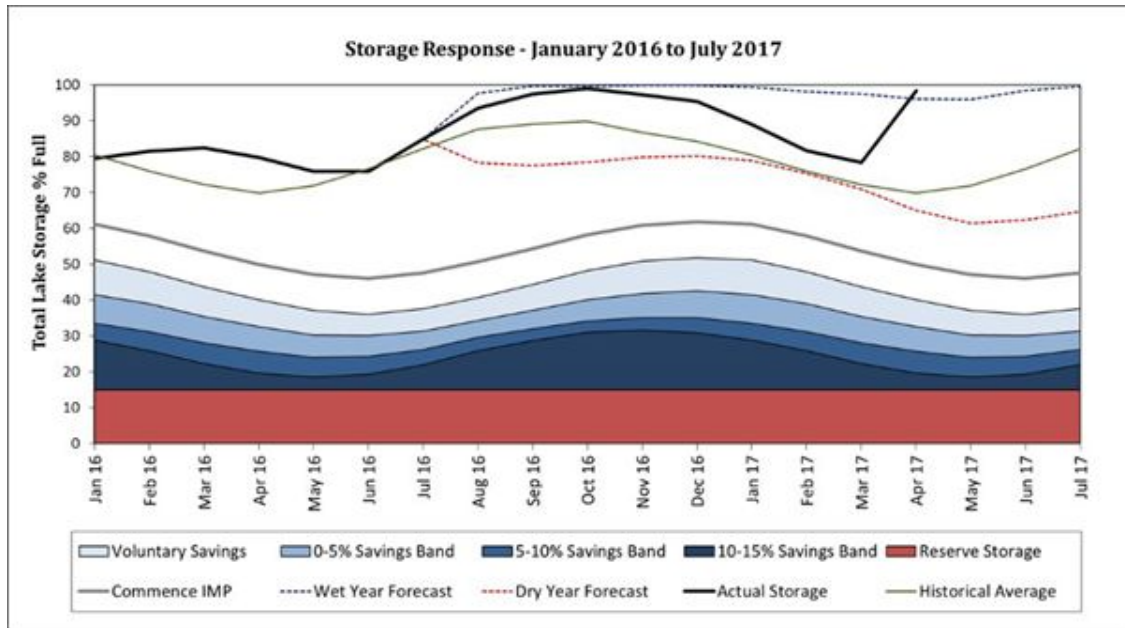
#### Rainfall and Water Resources

Rainfall in March across the Auckland region was as follows:

Waitakere Ranges	284% of average
Hunua Ranges	417% of average
Northern Non-metropolitan	295% of average
Southern Non-metropolitan	363% of average

Metropolitan Total System Storage at month end was 98.5%, which is well above the historical average storage for this time of year (70.9%), and represents an increase of 20.1% during the month. The majority of this increase occurred over in a 5 day period and is the quickest

increase in storage recorded since Mangatangi Reservoir was brought into service in the 1970s.



The average water demand during March was 420MLD, which was 20MLD below budgeted levels. This is attributable to the Watercare campaign for voluntary demand reductions following the issues experienced at the Water Treatment Plants post the Tasman Tempest. Further high rainfall events are forecast for April, with potential tropical cyclone activity that may affect New Zealand.

### Recovery from Tasman Tempest

The impact of the Tasman Tempest on Watercare's operation was detailed at the Board meeting on the 27<sup>th</sup> of March 2017. The request for voluntary water savings was lifted on the 3<sup>rd</sup> of April 2017, as the sustainable water treatment production had been progressively increased to 500MLD, which provided sufficient buffer to meet typical demands for this time of year (400MLD). Immediately after this, a further weather bomb hit the region. The impacts of this event were primarily limited to the wastewater system, with a significant number of wet weather overflows recorded, which placed significant workload on Watercare employees.

## 5. HUIA WATER TREATMENT PLANT TOURS

Watercare held public open days at the Huia Water Treatment Plant on 8 and 9 April as part of its community consultation process in relation to the Huia Water Treatment Plant replacement.

More than 320 people took the chance for a close-up look at Watercare's ageing Huia Water Treatment Plant and to talk to staff about options to replace the facility.

Tours left every 30 minutes and went non-stop both days over seven hours. Guides passed on historical information, explained how the plant operated and talked about the water treatment process itself.

Most people had never seen a water treatment facility before, so it was important for people to see how quiet the plant is and how little impact the operation has on the environment and surrounding neighbours.

Feedback forms from the event were overwhelmingly positive. Visitors from Oratia (about 15% of those attending) were considerate and thanked Watercare staff for providing the opportunity.

A few quotes from the feedback include:

- “Outstanding! Something NZ has to be very proud of. Thank you to all your staff for all their expertise and hard work.”
- “Fantastic and informative tour. Big thank-you, it really helped us understand the Watercare strategy”
- “Thank you for your time, really informative, personnel were amazing. Really interested in the end visual design”
- “Enjoyable, informative tour – Thank you. Priyan was clear and personable. He Managed the tour group and those with particular questions and ideas”
- “Very interesting and informative. Spoilt with a sausage and biscuit at the end.”

## **6. COMPLIANCE WITH THE HOLIDAYS ACT 2003**

### **Current employees**

All arrears due to current employees were paid in February and early March following recalculations of Watercare’s obligations under the Holidays Act 2003.

### **Former employees**

37 former employees who were made aware of our Holidays Act process by current employees have already registered and received the payments owing to them.

The Mayor’s Office, Stephen Town and the Chief Executives of all of the CCO’s were advised on 31 March 2017 of Watercare’s intention to contact former employees and place an advertisement in the New Zealand Herald concerning monies due to former employees as a result of recalculations of leave entitlements under the Holidays Act.

410 letters to last known addresses of former employees (employed during the period 1 November 2010 to 31 January 2017) advising them of the possibility they may be due moneys were sent out on Thursday 6 April 2017.

An advertisement was also placed in the New Zealand Herald on Saturday 8 April 2017.

At the time of writing, 38 contacts by former employees have been received and are being processed as a result of our letters and advertising.

## **7. CENTRAL AUCKLAND NETWORK OPTIMISATION PROGRAMME**

As reported previously, there are three main objectives of the Central Auckland Network Optimisation Programme (CANOPy), summarised as follows:

- Develop integrated strategies for the provision of stormwater and wastewater services in the Central Auckland area for the draft 2018 Long Term Plan (LTP);
- Jointly support consultation on this strategy with the wider community, and;
- Demonstrate exemplar behaviour of collaboration within the Council family.

The project operates under four key principles, summarised below.

1. Each organisations governance arrangements will not be compromised;
2. The value capture of benefits and/or services will be fairly and equitably distributed between Auckland Council and Watercare, particularly around inflow and infiltration, the Watercare network discharge consent and the combined sewer network and flood mitigation;
3. The parties will work collaboratively together to develop the integrated strategy, and;
4. Any technical solutions will be supported by robust evidence for inclusion in a business case to the respective governing bodies.

The CANOPy team is a joint group of technical specialists from Watercare and Auckland Council's stormwater department, Healthy Waters, using a toolbox of solution options to provide capacity for growth whilst reducing the frequency of overflows from the combined network overflow structures.

The toolbox of solutions for each individual catchment includes combined network separation, storage tanks, wastewater and stormwater conveyance pipes and operational controls to improve the quality of urban streams and the Waitemata Harbour. Costs of the options will be evaluated and assessed to inform Watercare and Healthy Waters inputs to Council's LTP.

A draft report will be presented to Watercare and Council Chief Executives in June 2017 for internal discussion. Watercare will then reconvene the International Review Panel (IRP) to

consider the recommendations in the context of the IRP's September 2016 report "Review of the Central Interceptor and Combined Sewerage Areas". Thereafter the final CANOPY recommendations will be presented to the Watercare CPWG and Board at the August 2017 meetings. The agreed programmes of work will be included within the Auckland Council 2018 Long Term Plan; external consultation material is being formalised towards the end of 2017. Progress will be reported through the Chief Executive's monthly reports to the Board. A status review of the documents will be undertaken at the May 2017 CPWG meeting.

## 8. OFFICE OF THE AUDITOR GENERAL'S DRAFT 2017/18 ANNUAL PLAN

The leadership team of the Office of the Auditor General (OAG) has advised that the water theme for the draft 2017/18 Annual Plan with a focus on stormwater management. The proposed programme topics that the OAG intend to focus on will be included in the draft Annual Plan and include:

- Security of drinking water supply sources
- Optimising demand and supply for drinking water
- Progress on freshwater quality management since 2011
- Management of stormwater networks to reduce the effect of flooding.

## 9. FINANCE

### Financial Performance

Figures (\$millions)	Current Month			Year to Date			Full Year		
	Actual	Budget	Var	Actual	Budget	Var	Forecast	Budget	Var
Revenue	54.6	53.0	1.5	457.0	431.1	25.9	595.2	578.5	16.7
Operating Expenses	20.7	18.2	(2.5)	156.1	162.1	6.0	211.0	215.5	4.5
Depreciation	19.1	19.2	0.1	170.8	170.0	(0.8)	227.3	226.9	(0.4)
Interest expense	6.9	6.8	(0.1)	60.6	60.9	0.3	81.3	80.7	(0.6)
<b>Total Contribution</b>	<b>7.9</b>	<b>8.9</b>	<b>(1.0)</b>	<b>69.5</b>	<b>38.1</b>	<b>31.4</b>	<b>75.7</b>	<b>55.5</b>	<b>20.2</b>
Non-operating costs/(income)	0.4	0.6	0.2	6.9	6.1	(0.8)	12.0	8.0	(4.0)
Financial instruments revaluation - loss/(gain)	1.2	-	(1.2)	(97.2)	-	97.2	(97.2)	-	97.2
<b>Operating Surplus / (Deficit) Before Tax</b>	<b>6.3</b>	<b>8.2</b>	<b>(2.0)</b>	<b>159.8</b>	<b>32.1</b>	<b>127.7</b>	<b>160.9</b>	<b>47.5</b>	<b>113.3</b>
Deferred Tax - Expense/(Credit)	5.4	4.4	(1.1)	47.4	15.3	(32.0)	51.5	21.7	(29.8)
<b>Net Surplus / (De)ficit After Tax</b>	<b>0.8</b>	<b>3.9</b>	<b>(3.0)</b>	<b>112.4</b>	<b>16.7</b>	<b>95.7</b>	<b>109.4</b>	<b>25.8</b>	<b>83.6</b>
<b>FFO Ratio</b>				3.99	3.66		3.86	3.69	
<b>EBITDA</b>	28.8	33.1	(4.4)	269.1	253.9	15.1	347.4	343.0	4.4
<b>EBIT</b>	13.1	15.0	(1.8)	220.3	92.9	127.4	242.1	128.2	113.9
Leakage Allowance Granted	0.5	0.7	0.1	3.9	3.7	(0.2)	5.5	5.3	(0.2)

### Month – Total Contribution of \$7.9m - unfavourable variance to budget of \$1.0m

Total revenue was favourable \$1.5m to budget due to; vested asset revenue favourable \$3.4m. This was offset by IGC and new developments revenue unfavourable \$1.1m and water and wastewater revenue unfavourable \$1.4m. The lower volumes due to the Save 20 campaign impacted revenues, with water volumes at an average of 410mld, 7.0% lower than February and 4.7% lower than budget. This caused an unfavourable variance of \$2.0m which was partially offset by higher wholesale wastewater revenue.

Operating expenses were unfavourable to budget \$2.5m due to the costs of the Ardmore water crisis, \$0.5m, including higher chemical costs, overtime and communications costs and higher asset operating costs due to an unprecedented level of weather events in March with unplanned maintenance unfavourable \$1.6m.

Depreciation was \$0.1m favourable to budget and interest expense was \$0.1m unfavourable to budget.

Net surplus after tax was unfavourable \$3.0m due to; the unfavourable revaluation of financial instruments of \$1.2m resulting from the decrease in medium to long term swap rates in March, the unfavourable operating contribution variance of \$1.0m, and unfavourable tax expense of \$1.1m.

**Year to date – Total Contribution of \$69.5m - favourable variance to budget of \$31.4m**

Year to date revenue is \$25.9m favourable to budget with IGC revenue favourable \$9.7m. The IGC charges paid year to date are higher than budget by 20% driven primarily by large subdivisions at Hobsonville, Millwater and Flatbush and by retirement village and apartment developments particularly in Albany, Pukekohe and the CBD. Vested asset income is favourable \$16.8m; new developments revenue favourable \$1.2m. Water and wastewater revenue is favourable \$0.6m, with water volumes 0.1% lower than budget. Other revenue is unfavourable \$2.3m due to the reduction in FY16 subvention revenue from Auckland Council. Operating expenses are \$6.0m favourable to budget with favourable variances for asset operating costs, professional services and general overheads partially offset by unfavourable net labour due to beneath budget labour capitalisation/recoveries.

Depreciation is unfavourable \$0.8m and interest expense is favourable \$0.3m.

Net surplus after tax year to date is \$112.4m a favourable variance to budget of \$95.7m primarily due to; the favourable revaluation of financial instruments of \$97.2m resulting from the increase in medium to long term swap rates between September 2016 and January 2017 and the favourable total contribution variance of \$31.4m partly offset by higher tax expense of \$32.0m.

**Full year Forecast – Total Contribution of \$75.7m – favourable variance of \$20.2m**

Full year revenue is forecast at \$595.2m, favourable by \$16.7m largely due to higher than budgeted vested asset revenue favourable \$16.8m. New development revenues are expected to be favourable \$1.2m and water and wastewater revenue favourable \$1.8m partly offset by other revenue which is unfavourable \$3.1m.



Operating expenses are expected to be favourable to budget \$4.5m with favourable variances for asset operating costs, professional services and general overheads partially offset by higher net labour due to lower labour capitalisation. The full year forecast includes \$1.7m of additional cost due to the extreme weather events in March.

Depreciation costs are forecast to be unfavourable to budget by \$0.4m at year end.

Interest expense is expected to be unfavourable to budget at year end by \$0.6m due to lower capitalised interest than budgeted. Gross interest is expected to be \$1.9m beneath budget.

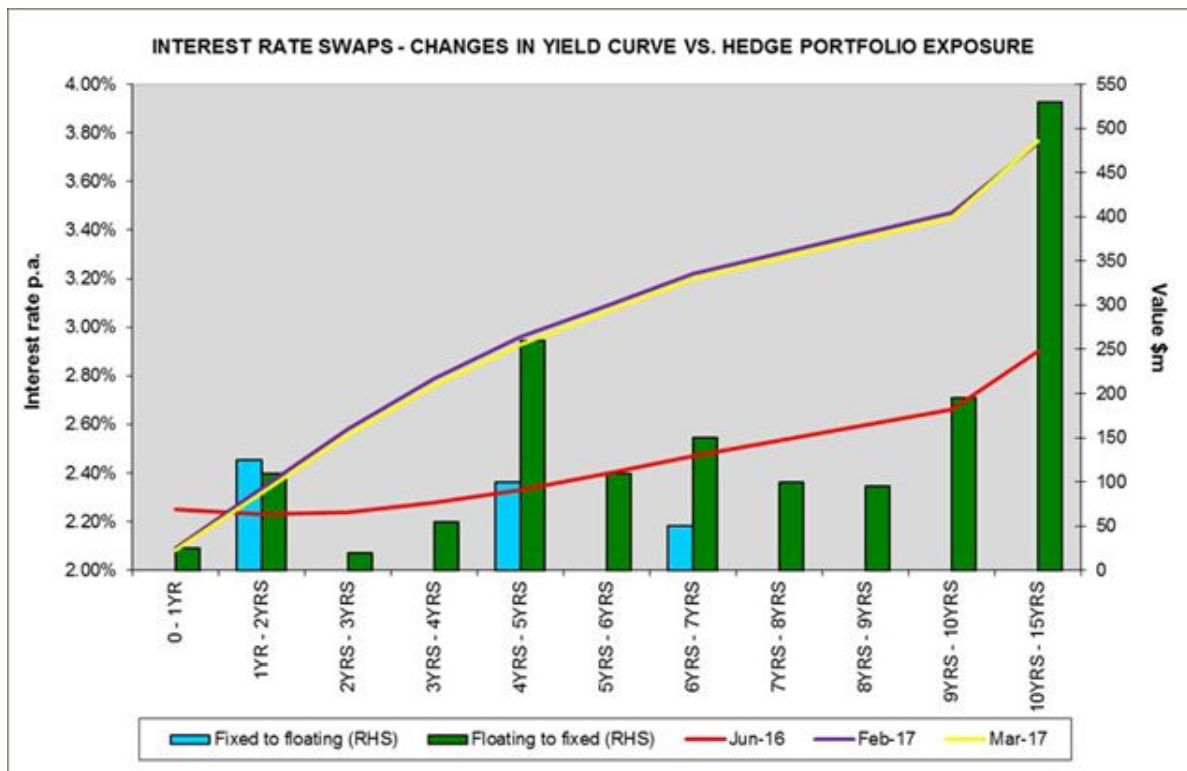
### Financial Position

\$million	Actual Feb-17	Actual Mar-17	Monthly Movement	Budget Mar-17	Var from Budget
Non Current Assets	8,818.9	8,834.0	15.0	8,831.6	2.4
Current Assets	83.9	76.6	(7.3)	84.4	(7.8)
<b>Total Assets</b>	8,902.8	8,910.6	7.7	8,916.0	(5.5)
Other Liabilities	296.9	304.5	7.6	388.7	(84.2)
Deferred Tax Liability	1,040.1	1,045.6	5.4	1,023.1	22.4
Borrowings - Short Term	286.0	285.5	(0.5)	242.7	42.8
Borrowings - Long Term	1,334.7	1,329.0	(5.6)	1,382.3	(53.3)
Shareholders Funds	5,945.2	5,946.0	0.8	5,879.2	66.8
<b>Total Liabilities and Shareholders Funds</b>	8,902.8	8,910.6	7.7	8,916.0	(5.5)

The major movements in the Statement of Financial Position as at 31st March 2017 compared with 28th February 2017 were the reduction in trade receivables and inventory, the increase in non-current assets due to capital spend net of depreciation of \$15.0m, the decrease in net debt of \$6.1m, and the upward movement on other liabilities due to an increase in payables and the revaluation of derivative financial instruments.

Compared with budget the material variances are largely in respect of, derivative financial instrument revaluations since July 2016, higher retained earnings and a different opening position on 1 July 2016 than that assumed when the budget was set. Net debt at \$1,613.7m is \$11.3m below budget.

## Treasury



Interest Analysis Smillion	Current Month			Year to date			Full Year		
	Actual	Budget	Var	Actual	Budget	Var	Forecast	Budget	Var
Interest as per Statement of Financial Performance	6.9	6.8	(0.1)	60.6	60.9	0.3	81.3	80.7	(0.6)
Capitalised Interest	0.9	1.2	0.3	6.9	8.6	1.7	9.7	12.2	2.6
Gross Interest	7.7	7.9	0.2	67.5	69.5	1.9	91.0	92.9	1.9
Less Interest Income	0.0	-	(0.0)	0.0	-	(0.0)	0.0	-	(0.0)
<b>Net Interest</b>	<b>7.7</b>	<b>7.9</b>	<b>0.2</b>	<b>67.5</b>	<b>69.5</b>	<b>2.0</b>	<b>90.9</b>	<b>92.9</b>	<b>2.0</b>

For the month of March, gross interest was \$0.2m favourable to budget and capitalised interest was unfavourable \$0.3m, resulting in interest charged to the Statement of Financial Performance being \$0.1m unfavourable to budget. Capitalised interest has been forecast at \$2.6m unfavourable to budget for the year, due to a combination of lower interest rates and lower capital spend.

## Capital Expenditure

Summary Capital Expenditure (Millions)	Mar-17			Year to Date			Full Year			Prior Month Forecast
	Actual	Budget	Var	Actual	Budget	Var	Forecast	Budget	Var	
Wastewater Projects										
Strategy & Planning	0.4	1.1	0.7	2.2	6.6	4.4	4.1	9.5	5.4	4.0
Infrastructure Delivery (excl Labs/MS)	17.4	15.8	(1.7)	136.3	140.7	4.4	176.2	183.7	7.5	178.4
Water Projects										
Strategy & Planning	0.1	1.5	1.3	4.1	5.4	1.3	8.1	8.2	0.1	8.1
Infrastructure Delivery (excl Labs/MS)	2.0	2.4	0.4	21.1	25.2	4.1	27.8	31.4	3.6	28.7
Service Delivery	5.0	5.5	0.5	42.8	49.1	6.4	59.5	63.9	4.4	59.6
Retail	1.2	1.1	(0.1)	8.9	9.1	0.2	12.5	11.8	(0.7)	13.2
Information Services	0.2	0.6	0.4	1.6	5.8	4.1	4.2	7.9	3.7	4.0
Other Projects	0.6	0.7	0.1	5.9	10.2	4.2	9.6	12.3	2.7	10.3
<b>TOTAL</b>	<b>26.9</b>	<b>28.5</b>	<b>1.6</b>	<b>223.0</b>	<b>252.1</b>	<b>29.1</b>	<b>302.0</b>	<b>328.8</b>	<b>26.8</b>	<b>306.4</b>
Includes Capitalised Interest of:										
Water Projects Capitalised Interest	0.1	0.2	0.1	1.2	2.0	0.7	1.7	2.7	1.0	1.7
Wastewater Projects Capitalised Interest	0.7	0.9	0.2	5.6	6.6	1.0	8.0	9.6	1.6	8.1
<b>Total Capitalised Interest</b>	<b>0.8</b>	<b>1.2</b>	<b>0.3</b>	<b>6.9</b>	<b>8.6</b>	<b>1.7</b>	<b>9.6</b>	<b>12.2</b>	<b>2.6</b>	<b>9.8</b>

Capital expenditure for the month was \$26.9m against a budget of \$28.5m. The full year forecast expenditure at \$302.0m is \$26.8m below budget primarily due to;

- Deferral or delayed start to projects including Massey and Swanson Siphon Replacement, Army Bay WWTP and Chelsea WW Pump Station.
- Programme delays to projects in construction including the Waikato Expansion, Puketutu Phase 2 construction, MSN vehicle and equipment purchases, the water pipe renewal and planned meter replacement programmes.
- Project efficiencies identified which will reduce forecast spend including the Rosedale Expansion project and,
- Reprioritisation of IS initiatives resulting in a deferral of budgeted projects.

### 10. BOARD CORRESPONDENCE

As reported at the last Board meeting, during March, the Board and members of the Executive of Watercare were in receipt of numerous emails from residents of Oratia. Responses were provided. Also, the Chair of the Board was in receipt of a letter from the Mayor which set out the details of the Section 17A Group Value for Money Review Programme.

During March, the Chair was also in receipt of a letter from Councillor Chris Darby (Chair of Planning Committee).

### 11. EXECUTION OF DOCUMENTS

There were 11 documents executed during March in accordance with the delegated authority provided to the Chief Executive by the Board for deeds, instruments and other documents.

These included one renewal of a lease to occupy a Watercare property, one agreement to sell Watercare land, one agreement to sell Watercare pipe, five easements in favour of

Watercare, one agreement for compensation to settle an outstanding claim, one deed of grant over KiwiRail land and one agreement for a land exchange with Auckland Transport.

There were five Capex approvals totaling \$5.849m signed in accordance with the delegated authority provided to the Chief Executive by the Board in relation to Capex approvals below a threshold of \$15m.

Summary of Capital Projects approved by Chief Executive – March 2017		
C-11715 CR1	Waikato Water Permits	\$1,110,000
C-12499 CR1	Health and Safety Tool DNV GL	\$35,500
C-12703-04	Weiti BSP	\$534,000
C-12733	DTMAN DeltaV Power Supply Replacements	\$730,000
C-12738	Warkworth WWTP Interim Upgrades	\$3,440,000

There was one contract over \$100,000 approved during March in accordance with the delegated authority provided to the Chief Executive by the Board in relation to Capex and Opex contract approvals.

Summary of Contract Awards – March 2017		
14/3/17	McConnell Dowell Constructors	Army Bay Wastewater Treatment plant Outfall Upgrade

## 12. COMMUNICATIONS

### Summary of communications related to the extreme weather event

Following the extreme weather event in early March, Watercare's external response was two-fold: prepare for the release of a boil water notice; and implement a wide-reaching Save 20 campaign. The objective of the campaign was to lower Auckland's total water use in order to reduce the likelihood of a boil water notice or mandatory water restrictions.

Watercare's Incident Management Plan has an accompanying Water Contamination Communications Plan. When the potential for a boil water notice was identified, this plan was reviewed by Professor Colin Fricker to confirm its appropriateness for the situation. Once Watercare received this confirmation, the team responsible for its implementation was briefed and the required materials were prepared and reviewed by the Medical Officer of Health, Dr David Sinclair, and Professor Colin Fricker.

The Save 20 campaign was delivered through multiple channels, including: daily media engagement; paid advertising in print, broadcast and social media; daily briefings to 200+ local and central government stakeholders; frequent briefings to key customers and suppliers; letters to customers with their bills (20,000 per day); outdoor messaging in high-

traffic areas; and tailored Save 20 collateral (digital/print/social) for schools, early childhood facilities, accommodation providers, businesses and Auckland Council facilities.

These activities are outlined in a document titled Communications record for the extreme weather event on 7-8 March 2017 which has been uploaded in the Resource Centre in Boardbooks.

### Media summary

In March and early April, the mainstream media played a key role in raising and maintaining awareness of Watercare's **Save 20** campaign. Over this period, Watercare issued daily media releases which were often accompanied by graphics, photos and videos. In addition, three press conferences were held and media were taken on tours of the Ardmore Water Treatment Plant as well as the dams in the Hunua Ranges. The Chief Executive gave numerous live and pre-recorded interviews, appearing on TVNZ and TV3 breakfast shows on a number of occasions. Environment and consents manager Mark Bourne and water supply manager Priyan Perera also gave numerous interviews.

Watercare received over 500 pieces of coverage in relation to the extreme weather event and **Save 20** campaign. This coverage was reviewed by ISentia and found to be highly favourable and on-message, despite the situation. For the most part, negative coverage focused on instances where Watercare took too long to respond to leaks and was perceived to be 'wasting' water while asking Aucklanders to reduce their use.

Most of the other media coverage during the period related to the Huia Water Treatment Plant replacement project and graffiti on Big King Reservoir of a dog following the death of Murray Ball.

### Customer communications

The table below outlines the indicative customer communications programme. This programme is dynamic and will be adapted as appropriate to align to the new strategic priorities and respond to current issues/areas of interest.

Month	Activity	Status
Early-March	Domestic and non-domestic customers received the autumn issue of <i>Tapped In</i> with their bills. This newsletter was infrastructure-focused, emphasising our ability to accommodate growth and deliver better environmental outcomes – with all projects timed and delivered in an affordable manner. The centre-spread focused on how we are responding to wet-weather overflows in central	Distributed up until 13 March

	Auckland. Its distribution was put on hold because of the extreme weather event.	
Mid-March	Letters were sent to customers from Raveen Jaduram regarding the <b>Save 20</b> campaign with their bills.	13-31 March
April	Domestic and non-domestic customers are receiving a flyer with their bills thanking them for their support during the <b>Save 20</b> campaign. In the final week of April, the autumn edition of <i>Tapped In</i> will replace the flyer.  Residents in Franklin will receive a Franklin Matters newsletter by direct mail about our investment in their area.	In distribution  In development
May	Domestic customers will receive a flyer with their bills on the ways in which landlords and property managers can manage their accounts more easily.	In development
June	Domestic and non-domestic customers will receive the winter edition of <i>Tapped In</i> . The primary focus will be on educating customers on how to avoid blockages in their pipes by correctly disposing of wet wipe products and fat, oil and grease. Also reminding people not to plant trees over sewer lines and the consequences of blockages on private property – cost to fix the issue, damage to property and risk to health.  This newsletter will complement a media campaign that will run at the same time.  Plumbosolvency adverts will run in the suburban newspapers and in Auckland Council's <i>Our Auckland</i> publication.	Planned
July	Domestic and non-domestic customers will receive a flyer on 'what not to flush down your toilet' to reinforce key messages from the <i>Tapped In</i> .	Planned
August	Domestic customers will receive a flyer regarding water efficient appliances (WEL star ratings).	Planned
September	Domestic and non-domestic customers will receive the spring issue of <i>Tapped In</i> outlining our energy efficiency	Planned

	strategy (Mangere and Rosedale plants to be energy neutral by 2025, gravity feeding for water network).	
October	Domestic customers will receive a flyer about the Watercare Coastal Walkway	Planned

## Stakeholder Communications

### Underway

- Education programme
  - The Watercare Education Programme continues to be popular with 57 lessons delivered in six schools in March. Many schools were taking an active interest in our **Save 20** campaign. TVNZ's Seven Sharp filmed pupils at Mt Carmel Primary participating in the Watercare Education Programme, with the subsequent news item communicating a waterwise message.
  - The first two months of term two are now fully booked.
- Franklin Road
  - Liaison and collaboration between Watercare, Auckland Transport (AT), Vector and Northpower continues. Work will enable AT to undertake future upgrades.
  - Weekly project and stakeholder team meetings and Community Liaison Group meetings continue to be productive.
  - Watermain construction on Franklin Road between Wellington Street and Victoria Street West is now complete. A letter will be drafted for the residents and businesses on this section of road thanking them for their cooperation and encouraging feedback.
- Glen Eden
  - Traffic management along Glendale Road will change in early April. A flyer detailing the change was given to local residents and the local board. VMS boards will be put up on the roadside to advise motorists.
  - Traffic management and diversions are working well with few complaints received.
- Huia Water Treatment Plant

- Tours of the treatment plant are being held on 8 and 9 April to show residents of Oratia and Titirangi the plant and give the community the chance to ask questions about the plant relocation
- Feedback on the options continues to be received via email, phone, website and social media.
- Watercare is continuing to update the website with new information as it becomes available.
- Wynyard Quarter
  - Watercare is working closely with Panuku and AT to create artwork to be displayed on the pump station construction fence.
  - Meetings are taking place with AT around traffic management for the next section of works along Halsey Street.
- Fred Thomas Drive
  - As the project progresses temporary road layout changes are being modified. Notification will be given to local residents.
  - Rising main works have now moved into Taharoto Road. The contractor will be working closely with affected residents to minimise disruption.
- Glendowie Wastewater Upgrades
  - Presented to the Maungakiekie-Tamaki Local Board on the project timeline.
- Mellons Bay
  - Inflow inspections will be undertaken in the Mellons Bay Beach catchment starting in April. The testing is to identify illegal stormwater connections into the wastewater network.
- Ponsonby Pipeline Upgrades
  - Investigation work is underway with work due to start mid-2017.
- Army Bay
  - Pre-construction meeting has been held and planning is underway to notify key stakeholders.
- Albany/Pinehill watermain and reservoir



- Meeting arranged with the NZTA communications team to put together a joint engagement strategy regarding the Spencer Road Bridge construction.
- Construction works are due to begin September 2017.

### Coming up

- Network Discharge consent – information has been sent to the local boards on the development of the wastewater network strategy and presentations are underway.
- Replacement of the Wairau Road wastewater pipeline due to commence mid-2017.
- Huia 1 Watermain Upgrades
  - Planning underway for the most suitable pipeline route, taking into account social impact and construction methodology.

### Other

- Hobsonville Road watermain replacement to begin in a few weeks. Residents and businesses notified.
- Two pipe bridges replaced in West Harbour using helicopter lifting without incident – residents notified.
- Watermain renewal works continue at various locations across the city - notification letters continue to be distributed.

### Internal communications

- Holidays Act information for former employees will be posted on website and in the Herald in early April.
- Staff received regular emails from the chief executive during the **Save 20** campaign. In addition, numerous stories on the campaign were published on OurPlace (intranet).

- Chief executive roadshows were held at Newmarket, Rosedale, Mangere, Penrose and the lab. The Ardmore and Huia sessions are on hold while the teams respond to the extreme weather event and Huia WTP open days.
- The Ask Your Team survey was distributed to all staff.
- A quarterly YourSource is being compiled and designed, and will be distributed mid-April.

### **13. WORKING WITH LOCAL BOARDS**

Over the past month a significant focus has been on keeping the Local Boards informed of the Auckland Water Situation and request to 'Save 20' in response to the Tasman Tempest weather event, which unleashed 2 months of rainfall onto the Hunua Ranges over a 12-hour period. Local Board members received daily stakeholder briefings including collateral for sharing on social media. A number of Local Boards were also kept up to date in response to isolated local issues such as wet weather overflows as a result of the heavy rainfall over the past month.

Landowner approvals were obtained for a number of Local Boards in response Watercare projects in local parks. These included Spencer Road Reserve where Watercare, NZTA, Auckland Transport and Parks are working on a joint pedestrian bridge that will also carry a watermain.

Conversations continued with a number of Local Boards including Henderson Massey and Otara Papatoetoe Local Boards regarding the regional wastewater network discharge consent.














A full schedule of Local Board interactions over the month is appended as Appendix D.





R Jaduram


**CHIEF EXECUTIVE**

**WATERCARE SERVICES LIMITED****Mar-17****4****Key Financial Indicators**



<b>Financial performance</b>	<b>YTD</b>	<b>Page Ref</b>
Total Revenue		A1
Operating Costs		A1
Interest expense		A1
Depreciation		A1
Net Contribution		A1
<b>Financial position</b>		
Net Borrowings		A4
<b>Cashflow</b>		
Operating cashflow		A2
Investing cashflow		A2
<b>Treasury policy</b>	<b>Compliance</b>	<b>Page Ref</b>
Committed facilities (liquidity risk)		A5
Fixed interest rate risk		A5
Credit risk		A6
Funding risk		A6, A7
Foreign exchange risk		A7

**Key to Financial performance, Financial position and cashflow measures**

-  Favourable variance - actual result on or above budget for total revenue, net contribution, operating cash flow and actual result below budget for operating expenses, interest, depreciation, net borrowings and operating and investing cash flow
-  Unfavourable variance - actual result below budget for total revenue, net contribution, operating cash flow and actual result above budget for operating expenses, interest, depreciation, net borrowings and operating and investing cash flow

-  **Depreciation** - depreciation is above budget due to higher accelerated depreciation on assets identified for disposal.

**Key to Treasury policy compliance**

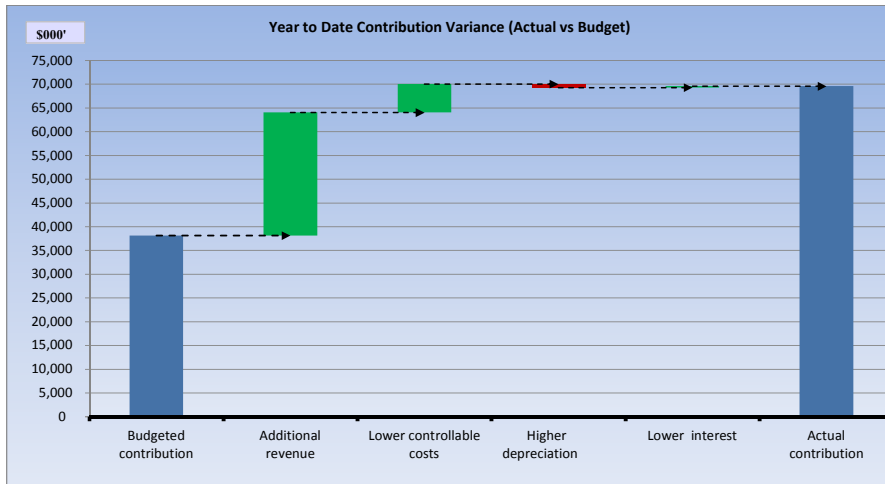
-  Full compliance
-  Non compliance

**WATERCARE SERVICES LIMITED**  
**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE** Mar-17  
(\$000's)

	Current Month				Year to Date				Full Year			
	Actual	Budget	Variance	Result	Actual	Budget	Variance	Result	Forecast	Budget	Variance	Result
Wastewater revenue	27,546	28,235	(689)	✗	239,117	238,933	183	✓	317,918	316,025	1,893	✓
Water revenue	12,724	13,447	(723)	✗	112,417	111,944	473	✓	147,682	147,682	0	✓
Infrastructure growth charge revenue	5,755	6,952	(1,197)	✗	56,999	47,341	9,658	✓	70,282	70,282	(0)	✗
Other revenue	3,444	2,734	709	✓	16,639	17,833	(1,194)	✗	22,524	24,543	(2,020)	✗
Revenue from exchange transactions	49,469	51,369	(1,900)	✗	425,173	416,052	9,121	✓	558,406	558,533	(127)	✗
Vested assets revenue	5,091	1,667	3,425	✓	31,785	15,000	16,785	✓	36,785	20,000	16,785	✓
Revenue from non-exchange transactions	5,091	1,667	3,425	✓	31,785	15,000	16,785	✓	36,785	20,000	16,785	✓
<b>Total revenue</b>	<b>54,560</b>	<b>53,035</b>	<b>1,524</b>	<b>✓</b>	<b>456,957</b>	<b>431,052</b>	<b>25,905</b>	<b>✓</b>	<b>595,191</b>	<b>578,533</b>	<b>16,658</b>	<b>✓</b>
Labour	7,373	7,071	(302)	✓	61,039	60,218	(821)	✗	82,245	81,489	(756)	✗
Contract labour	201	202	1	✓	1,394	2,137	(743)	✗	2,339	2,717	(379)	✓
Oncosts	292	311	19	✓	2,153	2,719	(566)	✗	3,083	3,653	(569)	✓
Labour recoveries	(3,748)	(3,508)	(240)	✓	(26,609)	(29,028)	(2,419)	✓	(36,131)	(39,186)	(3,055)	✗
Net labour	4,118	4,076	(42)	✗	37,976	36,045	(1,931)	✗	51,536	48,673	(2,863)	✗
Materials & cost of sales	214	184	(30)	✗	1,586	1,643	58	✓	2,123	2,196	(73)	✓
Planned maintenance	1,582	1,651	69	✓	12,039	13,807	1,768	✓	15,673	17,348	1,674	✓
Unplanned maintenance	4,213	2,632	(1,581)	✗	24,659	23,685	(974)	✗	33,237	31,505	(1,732)	✗
Asset operating costs - chemicals	1,162	994	(168)	✓	7,989	8,609	621	✓	10,603	11,202	599	✓
Asset operating costs - energy	1,538	1,552	14	✓	12,528	13,024	496	✓	17,348	18,175	826	✓
Operating costs - other	4,144	3,436	(707)	✓	28,581	31,763	3,182	✓	39,040	42,015	2,975	✓
Depreciation and amortisation	19,092	19,161	68	✓	170,763	169,964	(799)	✗	227,260	226,852	(408)	✗
Asset operating costs	31,731	29,426	(2,305)	✗	256,559	260,852	4,293	✓	343,161	347,096	3,935	✓
Communications	123	167	44	✓	1,354	1,583	229	✓	1,808	2,082	274	✓
Professional services	1,153	1,175	22	✓	8,856	9,901	1,044	✓	12,068	12,992	924	✓
Interest	6,871	6,756	(114)	✓	60,571	60,863	292	✓	81,269	80,663	(607)	✗
General overheads	2,471	2,370	(101)	✗	20,548	22,045	1,496	✓	27,535	29,311	1,776	✓
Overheads	10,618	10,469	(149)	✗	91,329	94,392	3,062	✓	122,680	125,048	2,368	✓
<b>Total expenses</b>	<b>46,681</b>	<b>44,154</b>	<b>(2,527)</b>	<b>✗</b>	<b>387,450</b>	<b>392,932</b>	<b>5,482</b>	<b>✓</b>	<b>519,499</b>	<b>523,013</b>	<b>3,513</b>	<b>✓</b>
<b>Total contribution/(loss)</b>	<b>7,879</b>	<b>8,881</b>	<b>(1,002)</b>	<b>✗</b>	<b>69,507</b>	<b>38,119</b>	<b>31,388</b>	<b>✓</b>	<b>75,691</b>	<b>55,520</b>	<b>20,171</b>	<b>✓</b>
Gain/loss on disposal of fixed assets and other costs	405	646	241	✓	6,902	6,061	(841)	✗	11,995	8,000	(3,995)	✗
Gain/loss on revaluation of financial instruments	1,203	-	(1,203)	✗	(97,168)	-	97,168	✓	(97,168)	-	97,168	✓
Non operating costs/(revenue)	1,608	646	(962)	✗	(90,266)	6,061	96,327	✓	(85,173)	8,000	93,173	✓
Net surplus/(deficit) before tax	6,271	8,235	(1,964)	✗	159,773	32,058	127,715	✓	160,864	47,520	113,344	✓
Income Tax Expense/(benefit)	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax	5,446	4,379	(1,067)	✗	47,371	15,333	(32,039)	✗	51,487	21,698	29,789	✓
Net surplus/(deficit) after tax	825	3,856	(3,031)	✗	112,402	16,725	95,677	✓	109,377	25,822	83,555	✓

**Key: Financial performance result**

- ✓ Favourable variance - actual income on or above budget and actual expenditure on or below budget
- ✗ Unfavourable variance - actual income below budget and actual expenditure above budget



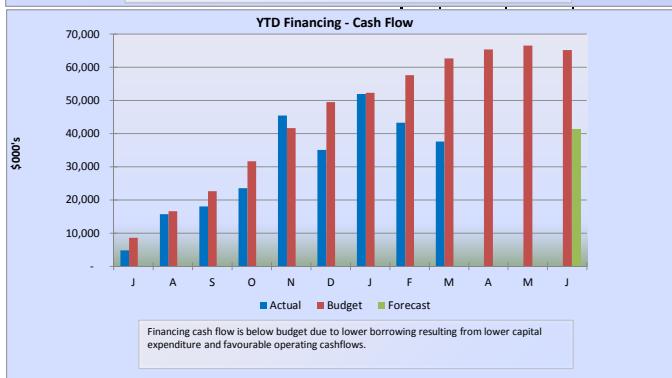
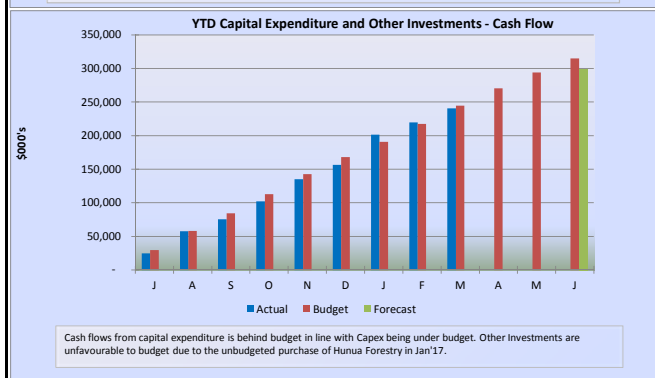
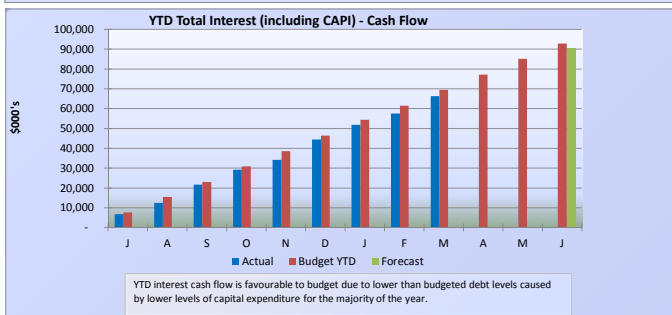
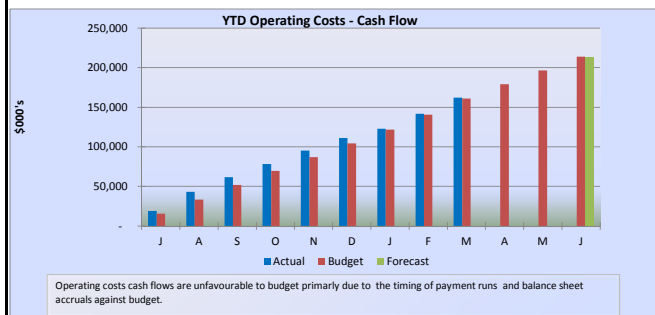
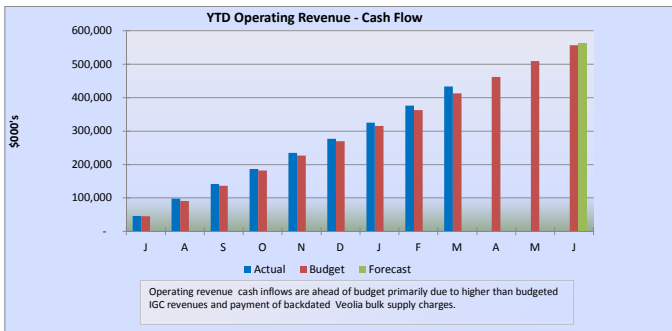
**WATERCARE SERVICES LIMITED**  
**STATEMENT OF CASH FLOWS**

**Mar-17**  
**(\$000's)**

NZ \$000s	Current Month				Year To Date				Full Year			
	Actual	Budget	Variance	Result	Actual	Budget	Variance	Result	Forecast	Budget	Variance	Result
<b>Operating Cash flow:</b>												
Operating Revenue	57,057	50,425	6,633	✓	433,080	412,736	20,344	✓	563,368	556,737	6,631	✓
Operating Costs	(20,200)	(20,491)	292	✓	(162,168)	(161,191)	(977)	✗	(212,557)	(213,925)	1,368	✓
Interest Paid	(7,944)	(6,756)	(1,188)	✗	(59,363)	(60,863)	1,500	✓	(80,881)	(80,663)	(218)	✗
<b>OPERATING CASH FLOW</b>	<b>28,913</b>	<b>23,177</b>	<b>5,736</b>	<b>✓</b>	<b>211,550</b>	<b>190,683</b>	<b>20,867</b>	<b>✓</b>	<b>269,929</b>	<b>262,149</b>	<b>7,780</b>	<b>✓</b>
<b>Investing Cash flow:</b>												
Capital Expenditure	(21,129)	(27,071)	5,942	✓	(222,791)	(244,690)	21,899	✓	(299,358)	(315,057)	15,699	✓
Other Investments	-	-	-	↔	(18,000)	-	(18,000)	✗	(1,500)	-	(1,500)	✗
Capitalised Interest	(878)	(1,162)	284	✓	(6,944)	(8,599)	1,655	✓	(9,689)	(12,243)	2,554	✓
<b>INVESTING CASH FLOW</b>	<b>(22,007)</b>	<b>(28,233)</b>	<b>6,227</b>	<b>✓</b>	<b>(247,735)</b>	<b>(253,289)</b>	<b>5,554</b>	<b>✓</b>	<b>(310,547)</b>	<b>(327,300)</b>	<b>16,753</b>	<b>✓</b>
<b>Financing Cash flow:</b>												
Bonds/Term Debt Issued/(Repaid)	-	-	-	✓	(150,000)	(150,000)	-	✓	(150,000)	(150,000)	-	✓
Short Term Advances/(Repaid)	(5,500)	(5,500)	-	✓	13,500	13,500	-	✓	13,500	13,500	-	✓
Commercial Paper Issued/(Repaid)	(6)	(6)	-	✓	185	185	-	✓	185	185	-	✓
Auckland Council Borrowings/(Repaid)	(165)	10,563	(10,728)	✓	173,888	198,922	(25,034)	✓	177,517	201,466	(23,949)	✓
<b>FINANCING CASH FLOW</b>	<b>(5,671)</b>	<b>5,057</b>	<b>(10,728)</b>	<b>✓</b>	<b>37,573</b>	<b>62,607</b>	<b>(25,034)</b>	<b>✓</b>	<b>41,202</b>	<b>65,151</b>	<b>(23,949)</b>	<b>✓</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,236</b>	<b>-</b>	<b>1,236</b>	<b>✓</b>	<b>1,388</b>	<b>-</b>	<b>1,388</b>	<b>✓</b>	<b>584</b>	<b>-</b>	<b>584</b>	<b>✓</b>
Opening Cash Balance/(Overdraft)	(433)	-	(433)	✗	(584)	-	(584)	✗	(584)	-	(584)	✗
<b>Ending Cash Balance/(Overdraft)</b>	<b>804</b>	<b>-</b>	<b>804</b>	<b>✓</b>	<b>804</b>	<b>-</b>	<b>804</b>	<b>✓</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>✓</b>

**Key: Financial performance result**  
 ✓ Favourable variance - actual income above budget or actual expenditure below budget  
 ✗ Unfavourable variance - actual income below budget or actual expenditure above budget

Reconciliation Operating Cashflow (\$000's)					
	Current Month		Year To Date		
	Actual	Budget	Actual	Budget	Variance
Net Surplus (Deficit) After Tax	825	3,856	112,402	16,725	95,677
Add back non cash items:					
Depreciation and amortisation	19,092	19,161	170,763	169,964	799
Financial instruments revaluation	1,203	-	(97,168)	-	(97,168)
Vested assets revenue	(5,091)	(1,667)	(31,657)	(15,000)	(16,657)
Other non-operating exp/(inc)	405	646	6,712	6,061	650
Income Tax Expense/(Benefit)	5,446	4,379	47,371	15,333	32,039
Movements in Working Capital	7,033	(3,198)	3,127	(2,401)	5,528
<b>OPERATING CASH FLOW</b>	<b>28,913</b>	<b>23,177</b>	<b>211,550</b>	<b>190,683</b>	<b>20,867</b>

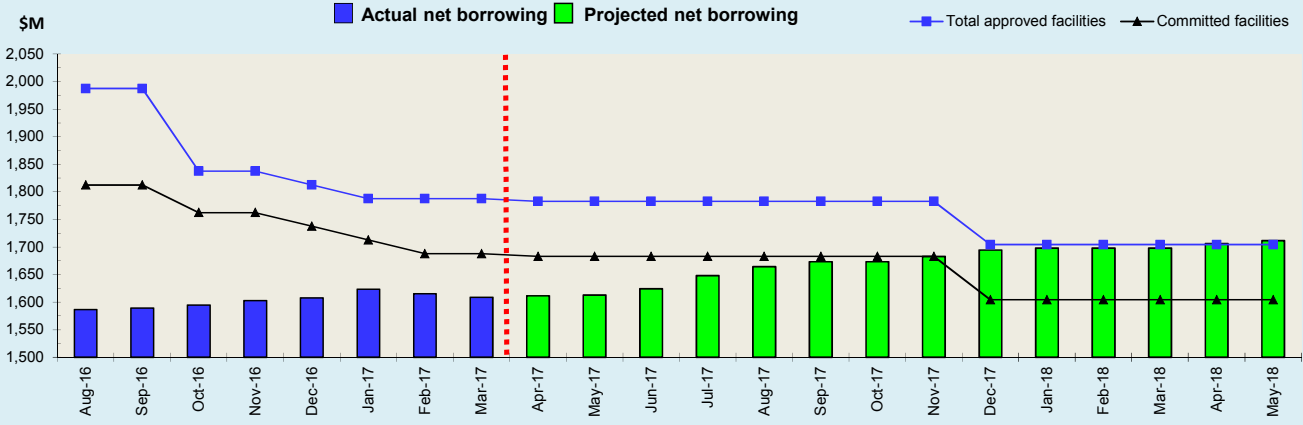


		<b>WATERCARE SERVICES LIMITED</b>						<b>Mar-17</b>	
		<b>STATEMENT OF FINANCIAL POSITION</b>						<b>(\$000's)</b>	
<b>June 2016 Actual</b>	<b>February 2017 Actual</b>		<b>March</b>			<b>June 2017</b>			
			<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Forecast</b>	<b>Budget</b>	<b>Variance</b>	
		<b>Current assets</b>							
-	-	Cash and cash equivalents	804	-	804	-	-	-	
47,137	47,871	Trade and other receivables from exchange transactions	42,426	48,500	(6,074)	44,137	49,500	(5,363)	
20,871	22,872	Unbilled revenue accrual	20,302	22,340	(2,038)	21,537	19,822	1,716	
3,332	3,217	Prepaid expenses	3,313	4,073	(760)	2,869	3,415	(546)	
5,895	7,418	Inventories	6,174	5,736	438	7,552	5,818	1,734	
3,206	2,525	Derivative financial instruments	3,595	3,793	(198)	3,595	3,793	(198)	
<b>80,440</b>	<b>83,903</b>	<b>Total current assets</b>	<b>76,614</b>	<b>84,443</b>	<b>(7,829)</b>	<b>79,691</b>	<b>82,348</b>	<b>(2,657)</b>	
		<b>Non-current assets</b>							
8,430,699	8,695,704	Property, plant and equipment	8,702,664	8,695,733	6,931	8,757,171	8,827,174	(70,002)	
454,247	421,285	Construction/work-in-progress	440,157	452,265	(12,107)	448,057	455,852	(7,794)	
(230,843)	(375,390)	Provision for depreciation	(393,632)	(401,119)	7,487	(448,383)	(60,603)	(387,780)	
<b>8,654,103</b>	<b>8,741,600</b>	<b>Total property, plant and equipment</b>	<b>8,749,190</b>	<b>8,746,878</b>	<b>2,312</b>	<b>8,756,845</b>	<b>9,222,422</b>	<b>(465,576)</b>	
42,714	38,149	Intangible assets	43,965	44,518	(553)	44,319	44,659	(340)	
23,244	22,946	Prepaid expenses	22,907	23,245	(338)	22,796	23,245	(449)	
4,373	6,013	Inventories	8,496	4,356	4,140	8,496	4,356	4,140	
15,138	10,232	Derivative financial instruments	9,407	12,590	(3,183)	9,407	12,590	(3,183)	
<b>8,739,572</b>	<b>8,818,939</b>	<b>Total non-current assets</b>	<b>8,833,965</b>	<b>8,831,587</b>	<b>2,378</b>	<b>8,841,863</b>	<b>9,307,272</b>	<b>(465,408)</b>	
<b>8,820,012</b>	<b>8,902,842</b>	<b>Total assets</b>	<b>8,910,579</b>	<b>8,916,030</b>	<b>(5,451)</b>	<b>8,921,554</b>	<b>9,389,620</b>	<b>(468,065)</b>	
		<b>Current liabilities</b>							
582	433	Bank Overdraft	-	-	-	-	-	-	
149,067	149,258	Commercial paper	149,252	149,071	181	149,252	149,071	181	
-	287	Bonds	288	279	9	288	279	9	
150,000	-	Term loan	-	-	-	-	-	-	
81,883	136,007	Auckland council loan	135,965	93,385	42,580	135,965	95,431	40,535	
<b>381,532</b>	<b>285,985</b>	<b>Total debt current</b>	<b>285,505</b>	<b>242,735</b>	<b>42,770</b>	<b>285,505</b>	<b>244,780</b>	<b>40,725</b>	
17,047	14,351	Trade and other payables for exchange transactions	15,025	17,698	(2,673)	17,450	20,398	(2,949)	
10,614	14,594	Interest accrued	12,874	11,255	1,619	12,054	11,337	717	
52,582	43,277	Other accrued expenses	49,764	59,747	(9,983)	54,386	59,747	(5,361)	
8,314	7,407	Provision for staff benefits	7,587	7,463	124	7,587	7,463	124	
906	166	Other provisions	166	545	(379)	166	545	(379)	
33,276	37,026	Derivative financial instruments	37,267	31,189	6,078	37,267	31,189	6,078	
<b>504,271</b>	<b>402,806</b>	<b>Total current liabilities</b>	<b>408,187</b>	<b>370,632</b>	<b>37,555</b>	<b>414,415</b>	<b>375,459</b>	<b>38,955</b>	
		<b>Non-current liabilities</b>							
75,000	75,000	Bonds (26/10/18)	75,000	75,000	-	75,000	75,075	(75)	
50,389	50,196	Bonds (26/10/18)	50,172	50,297	(125)	50,172	50,291	(119)	
19,000	38,000	Bank revolving credit facility	32,500	28,000	4,500	32,500	-	32,500	
1,051,816	1,171,468	Auckland council loan	1,171,345	1,229,010	(57,664)	1,174,914	1,257,442	(82,525)	
<b>1,196,205</b>	<b>1,334,665</b>	<b>Total debt non-current</b>	<b>1,329,017</b>	<b>1,382,307</b>	<b>(53,289)</b>	<b>1,332,586</b>	<b>1,382,807</b>	<b>(50,219)</b>	
14,301	14,213	Other accrued expenses	14,704	18,116	(3,412)	14,791	18,116	(3,325)	
3,470	3,569	Other Provisions	3,619	3,569	50	3,619	3,569	50	
1,291	1,321	Provision for staff benefits	1,304	1,532	(228)	1,304	1,532	(228)	
268,697	160,989	Derivative financial instruments	162,197	237,552	(75,355)	162,197	237,552	(75,355)	
998,200	1,040,123	Deferred tax liability	1,045,572	1,023,139	22,433	1,049,687	1,156,289	(106,601)	
<b>2,482,165</b>	<b>2,554,881</b>	<b>Total non-current liabilities</b>	<b>2,556,413</b>	<b>2,666,215</b>	<b>(109,802)</b>	<b>2,564,185</b>	<b>2,799,866</b>	<b>(235,678)</b>	
<b>2,986,436</b>	<b>2,957,687</b>	<b>Total liabilities</b>	<b>2,964,600</b>	<b>3,036,847</b>	<b>(72,247)</b>	<b>2,978,600</b>	<b>3,175,325</b>	<b>(196,723)</b>	
		<b>Equity</b>							
260,693	260,693	Issued capital	260,693	260,693	-	260,693	260,693	-	
1,839,927	1,837,400	Revaluation reserve	1,837,264	1,851,332	(14,068)	1,837,264	2,177,348	(340,084)	
3,800,122	3,735,483	Retained earnings	3,735,620	3,750,433	(14,813)	3,735,620	3,750,433	(14,813)	
(67,166)	111,578	Current year earnings after tax	112,402	16,725	95,677	109,377	25,822	83,555	
<b>5,833,576</b>	<b>5,945,155</b>	<b>Total equity</b>	<b>5,945,979</b>	<b>5,879,183</b>	<b>66,796</b>	<b>5,942,954</b>	<b>6,214,296</b>	<b>(271,342)</b>	
<b>8,820,012</b>	<b>8,902,842</b>	<b>Total equity and liabilities</b>	<b>8,910,579</b>	<b>8,916,030</b>	<b>(5,451)</b>	<b>8,921,554</b>	<b>9,389,620</b>	<b>(468,065)</b>	

**TREASURY RISKS AND INTEREST RATE PERFORMANCE**

Mar-17

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**Interest rates**

	Actual YTD	Benchmark YTD	Year end forecast
Weighted averages (excl. fees and margins)	4.79%	4.15%	4.78%
Weighted averages (incl. fees and margins)	5.79%	N/A	5.82%

**Debt (\$m)**

	Actual	Budget	Variance
Short-term borrowings	285.5	242.7	42.8
Long-term borrowings	1,329.0	1,382.3	(53.3)
<b>Total gross debt</b>	<b>1,614.5</b>	<b>1,625.0</b>	<b>(10.5)</b>
Bank overdraft / (cash & deposits)	(0.8)	-	(0.8)
<b>Total net borrowing</b>	<b>1,613.7</b>	<b>1,625.0</b>	<b>(11.3)</b>

**Committed facilities**

- Westpac Revolving Credit facility \$60 million
- Medium term notes \$125 million
- Auckland Council CP Standby facility \$150 million
- Auckland Council loans \$1,353 million

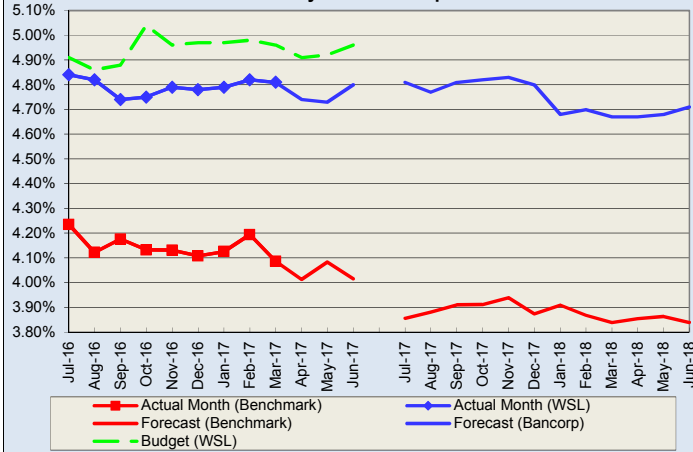
**Total committed facilities as at 31 March \$1,688 million**

**Additional approved facilities**

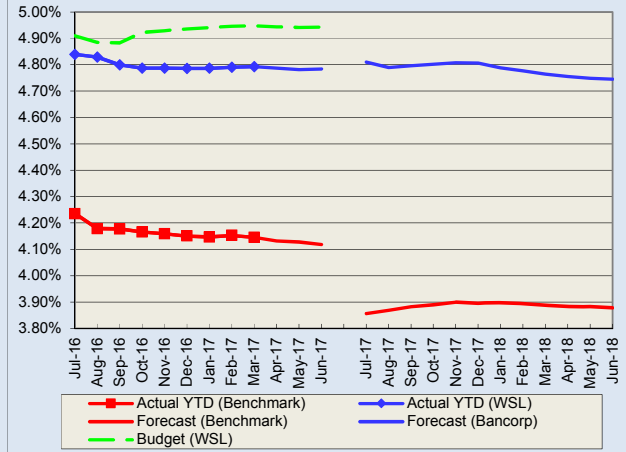
- Approved CP issuance, over and above CP Standby facility \$100 million

**Total approved facilities as at 31 March \$1,788 million**

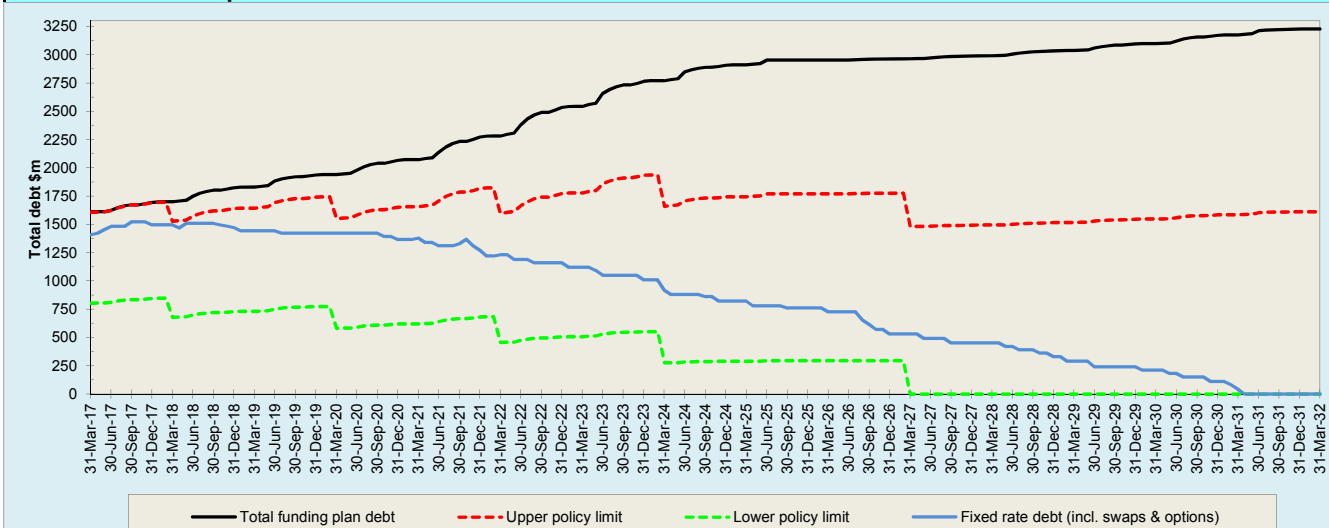
**Monthly interest rate performance**



**Year to date interest rate performance**



**Forecast total debt profile**



COUNTERPARTY EXPOSURES, DEBT CONCENTRATION & COVENANT COMPLIANCE						Mar-17		
<b>Counterparty exposures</b>	<b>S&amp;P credit rating Short / long term</b>	<b>Face value \$000</b>	<b>Credit exposures \$000</b>	<b>Limit \$000</b>	<b>Limit OK / exceeded</b>			
<b>Obligations of registered banks</b>								
ANZ Bank	A1+ / AA-	580,359	359	100,000	Limit OK	✓		
Bank of New Zealand	A1+ / AA-	615,560	17,307	100,000	Limit OK	✓		
Commonwealth Bank of Australia	A1+ / AA-	90,000	963	100,000	Limit OK	✓		
Kiwibank	A1 / A	75,000	776	50,000	Limit OK	✓		
Westpac Institutional Bank	A1+ / AA-	565,000	0	100,000	Limit OK	✓		
		<b>1,925,919</b>	<b>19,405</b>					
<i>Note: Credit exposures are the aggregate of direct exposures, 10% of the 'face' value of forward foreign exchange contracts, 15% of the 'face' value of electricity hedging contracts, and the sum of the MTM value of interest rate derivative contracts plus a 3% 'risk' factor (if this produces a positive value).</i>								
<b>Debt concentration \$000</b>								
<b>Committed debt facilities</b>	<b>Maturity</b>	<b>0-12 months</b>	<b>12-24 months</b>	<b>24-36 months</b>	<b>36-48 months</b>	<b>48-60 months</b>	<b>&gt; 60 months</b>	<b>Total</b>
Westpac Revolving Credit facility	30/11/18		60,000					60,000
Medium-term notes	26/10/18		125,000					125,000
Auckland Council CP Standby facility	30/06/20				150,000			150,000
Auckland Council loans	Various	133,368	62,243	170,000	52,243	130,000	805,000	1,352,854
<b>Total committed debt facilities</b>		<b>133,368</b>	<b>247,243</b>	<b>170,000</b>	<b>202,243</b>	<b>130,000</b>	<b>805,000</b>	<b>1,687,854</b>
<b>Treasury policy - total committed debt facilities</b>		<b>&lt;= 500,000</b>	<b>&lt;= 500,000</b>	<b>&lt;= 500,000</b>	<b>&lt;= 500,000</b>	<b>&lt;= 500,000</b>		
Treasury policy compliance		✓	✓	✓	✓	✓		
Approved CP issuance, over and above CP Standby							100,000	100,000
<b>Total committed and approved debt facilities</b>		<b>133,368</b>	<b>247,243</b>	<b>170,000</b>	<b>202,243</b>	<b>130,000</b>	<b>905,000</b>	<b>1,787,854</b>
<b>Drawn bank facilities</b>	<b>Maturity</b>	<b>0-6 months</b>	<b>6-12 months</b>	<b>12-18 months</b>	<b>18-24 months</b>	<b>24-30 months</b>	<b>&gt; 30 months</b>	<b>Total</b>
Westpac Revolving Credit facility (\$60m)	30/11/18				32,500			32,500
		0	0	0	32,500	0	0	32,500
<b>Treasury policy for drawn bank facilities</b>		<b>&lt;= 250,000</b>	<b>&lt;= 250,000</b>	<b>&lt;= 250,000</b>	<b>&lt;= 250,000</b>	<b>&lt;= 250,000</b>	<b>&lt;= 250,000</b>	
Treasury policy compliance		✓	✓	✓	✓	✓	✓	
<b>Other facilities</b>								
BNZ overdraft	On demand	2,000						2,000
		2,000	0	0	0	0	0	2,000
<b>Counterparty exposure in relation to borrowing facilities</b>		<b>Westpac</b>	<b>BNZ</b>	<b>ANZ</b>	<b>CBA</b>	<b>Kiwibank</b>		
Revolving credit facility		60,000						
		60,000	0	0	0	0		
<b>Treasury policy</b>		<b>&lt;= 500,000</b>	<b>&lt;= 500,000</b>	<b>&lt;= 500,000</b>	<b>&lt;= 500,000</b>	<b>&lt;= 500,000</b>		
Treasury policy compliance		✓	✓	✓	✓	✓		
<b>Compliance with financial covenants and ratios under the Negative Pledge Deed and Guarantee Facility Deed</b>								
<b>Covenant / ratio</b>		<b>Benchmark/target measure</b>			<b>Outcome</b>	<b>Compliance</b>		
Security interests / total tangible assets - maximum		5%			0.00%	✓		
Total liabilities / total tangible assets - maximum		60%			33.44%	✓		
Total liabilities (including contingent) / total tangible assets - maximum		65%			33.44%	✓		
Shareholders funds - minimum (\$000)		500,000			5,945,978	✓		
EBITDA : funding costs ratio - minimum		1.75			4.44	✓		
Funds from operations : interest cover ratio - minimum		2.00			3.99	✓		
Total tangible assets of borrowing group / total tangible assets - minimum		90%			100.00%	✓		
Loans, guarantees etc to related companies / total tangible assets - maximum		5%			0.00%	✓		
External debt maturing in less than 5 years - minimum		50%			100.00%	✓		
								Page A6



FOREIGN EXCHANGE, COMMERCIAL PAPER & ELECTRICITY HEDGING							Mar-17				
<b>Foreign currency exposures (NZ\$000) including hedging for chemical purchases</b>							<b>USD</b>	<b>Total</b>			
Total exposure to be hedged							120.5	120.5			
Foreign exchange hedging							120.5	120.5			
Percentage cover							100%	100%			
<b>Treasury policy</b>							<b>100%</b>	<b>100%</b>			
Treasury policy compliance							✓	✓			
<b>Hedging for chemical purchases (US\$000)</b>							<b>Sep-17</b>	<b>Mar-18</b>	<b>Sep-18</b>	<b>Mar-19</b>	<b>Total</b>
Chemicals forward foreign exchange hedging											0
Treasury policy											0
Treasury policy compliance											≤ 5,000
											✓
<b>Commercial paper maturities</b>											
<b>Issue #</b>	<b>\$000</b>	<b>BKBM</b>	<b>Interest rate</b>	<b>Bid cover (x)</b>	<b>Term (days)</b>	<b>Maturity date</b>	<b>CP maturities</b>				
300	50,000	1.990%	2.045%	2.91	87	28-Apr-17					
301	50,000	2.030%	2.090%	1.33	87	18-May-17					
302	50,000	1.960%	2.013%	2.94	94	12-Jun-17					
	<b>150,000</b>		<b>2.049%</b>								
<i>Note: BKBM is the banks' mid-rate for bank bills of a similar term on the CP issue date.</i>											
				<b>Apr-17</b>	<b>May-17</b>	<b>Jun-17</b>	<b>Jul-17</b>	<b>Aug-17</b>	<b>Sep-17</b>	<b>Total</b>	
Outstanding CP				50,000	50,000	50,000	0	0	0	150,000	
Uncommitted short-term debt							0	0	0	0	
				<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>150,000</b>	
<b>Treasury policy for maximum amount of CP outstanding</b>							<b>≤ 250,000</b>				
Treasury policy compliance							✓				
<b>Undrawn committed standby facilities</b>				<b>1 month</b>	<b>1-2 months</b>	<b>2-3 months</b>	<b>3-4 months</b>	<b>4-5 months</b>	<b>5-6 months</b>	<b>&gt; 6 months</b>	
Undrawn committed standby facility - CP facility				150,000	150,000	150,000	150,000	150,000	150,000	150,000	
50% of CP and other short-term debt repayable within 60 days				50,000	50,000	25,000	0	0	0		
<b>Treasury policy:</b> Undrawn standby facilities ≥ 50% of outstanding CP and other uncommitted short-term debt repayable within 60 days				✓	✓	✓	✓	✓	✓		
<b>Treasury policy compliance</b>				✓	✓	✓	✓	✓	✓		
<b>Electricity hedging (NZ\$000)</b>				<b>0-6 months</b>	<b>6-12 months</b>	<b>12-18 months</b>	<b>18-24 months</b>	<b>24-30 months</b>	<b>30-36 months</b>	<b>36-42 months</b>	<b>42-48 months</b>
Contract maturity											
Contract length											
<b>Total value of outstanding contracts</b>				<b>0</b>							
<b>Treasury policy for maximum value of outstanding contracts</b>				<b>≤ 10,000</b>							
Treasury policy compliance				✓							

# WATERCARE SERVICES LIMITED

## Management Report

Mar-17

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• Monthly Statistics Update	B9

*Confidential*

**Management Report**  
*Monthly Statistics Update*

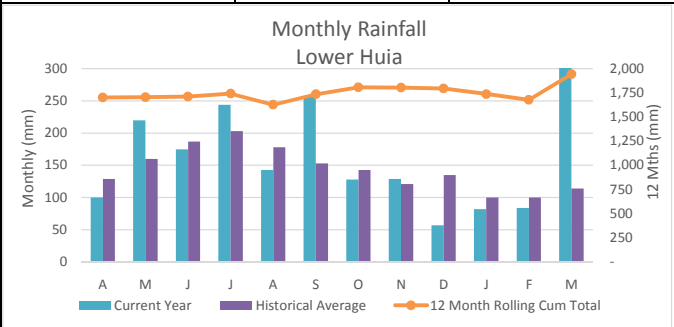
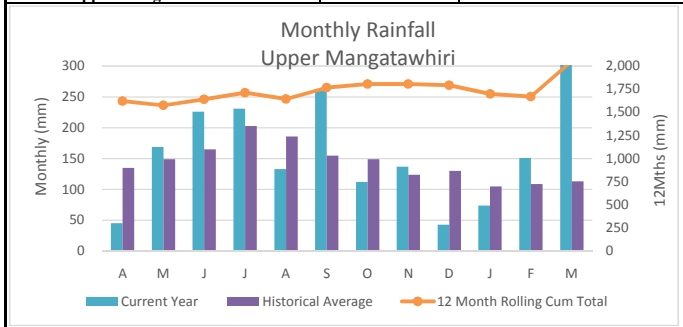
**WATERCARE SERVICES LIMITED**

**Mar-17**

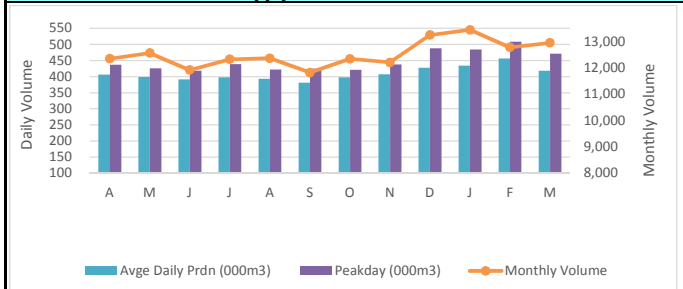
**4**

**Rainfall**

Rainfall	Current Month	12 Mth Cumulative Rolling	Rainfall	Current Month	12 Mth Cumulative Rolling
Actual - Upper Mangatawhiri	471 mm	2052 mm	Actual - Lower Huia	324 mm	1943 mm

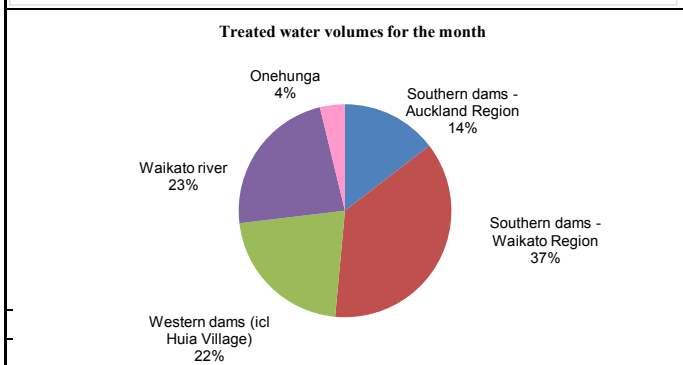


**Water Production - Total Supply**



Treated water volumes (000m <sup>3</sup> )	Current Month	12 Month Rolling Ave
<b>Monthly Volume</b>	12,953	12,527
- Metro	12,723	12,334
- Non-metro	230 <sup>1</sup>	193
<b>Average Daily Production</b>	418	411
<b>Peak Day</b>	471	508 <sup>2</sup>

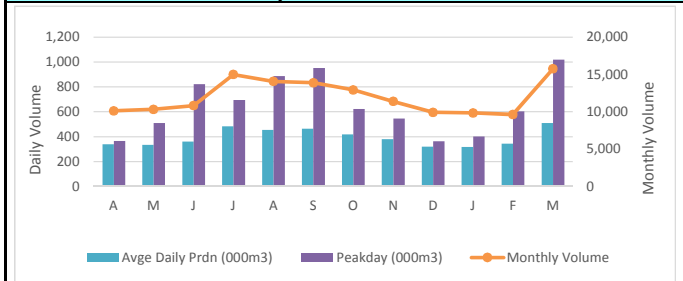
1. Non-metro plants are: Wellsford, Warkworth, Snells/Algies, Helensville, Muriwai, Huia Village, Cornwall Road, Victoria Road, Waiuku, Bombay.  
2. Max peak day in past 12 months



Treated water volumes (000m <sup>3</sup> )	Current Month		Year to Date			
	Actual	%	Budget	Actual	%	Budget
Southern dams - Auckland Region	1,885	15%	1,192	18,356	16%	12,366
Southern dams - Waikato Region	4,782	37%	5,390	53,184	46%	42,994
Western dams	2,804	22%	2,251	19,783	17%	19,777
Waikato river	2,986	23%	2,387	18,233	16%	31,060
Onehunga aquifer	491	4%	560	3,161	3%	4,970
Rodney	122	0.9%	103	1,060	0.9%	1,006
Franklin	79	0.6%	81	655	0.6%	782
<b>Total</b>	<b>13,150</b>	<b>102%</b>	<b>11,965</b>	<b>114,433</b>	<b>100%</b>	<b>112,955</b>

Lake levels at month end was 98.5%


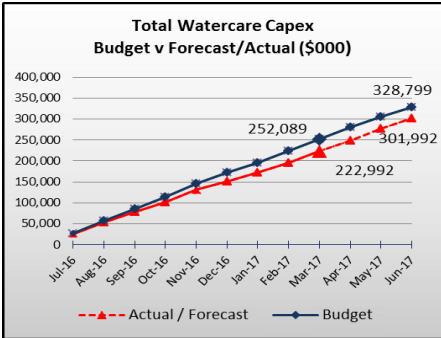
**Wastewater Treatment - Metropolitan Treatment**



	Current Month	12 Month Rolling Ave
<b>Monthly Volume (000m<sup>3</sup>)</b>	15,761	11,983
<b>Average Daily Production</b>	508	393
<b>Peak Day</b>	1,019	1,019 <sup>2</sup>

2. Max peak day in past 12 months

## Appendix C - Public Chief Executive's Report

<b>WATERCARE PUBLIC REPORT CAPITAL EXPENDITURE</b>					<b>Watercare</b> An Auckland Council Organisation 	
<b>TOTAL WATERCARE EXPENDITURE</b>	<b>Year to Date</b>		<b>Annual Performance</b>			
	Actual	Budget	Actual + Forecast	Budget		
Strategy & Planning	6,349	12,114	12,189	18,049		
Infrastructure Delivery	153,825	160,743	198,499	207,393		
Service Delivery	42,764	49,128	59,511	63,936		
Retail	8,928	9,146	12,535	11,808		
Information Services	1,642	5,768	4,211	7,943		
Other	2,605	6,591	5,422	7,428		
Capitalised Interest	6,880	8,599	9,625	12,243		
<b>Watercare Total</b>	<b>222,992</b>	<b>252,089</b>	<b>301,992</b>	<b>328,799</b>		
<b>Project / Programme</b> Infrastructure Related Projects (Phase: Design / Execution)	<b>Project</b>	<b>Annual Performance</b>		<b>Status</b>		
	Current Forecast	Forecast	Budget	Time	Cost	
<b>Water Projects &gt;\$15 Million</b>						
Ardmore WTP Treated Water Resilience	29,988	3,586	3,840			
North Harbour Watermain Duplication	54,300	2,169	4,651			
Albany Pinehill WM & PS	15,700	1,033	2,258			
Hunua No 4 Programme	371,000	13,494	12,427			
Waikato 175MLD Expansion Stage Ultimate	31,505	13,495	16,240			
<b>Wastewater Projects &gt;\$15 Million</b>						
Mangere WWTP BNR Capacity	141,040	47,707	48,000			
Mangere WWTP Solids Stream Upgrade	48,738	12,435	12,900			
Central Interceptor Feasibility Design	60,880	9,750	7,654			
Northern Interceptor - Stage 1	107,995	3,501	3,541			
Pukekohe WWTP Upgrade	66,000	1,177	2,040			
Pukekohe Trunk Sewer Upgrade	43,369	30,798	27,854			
Rosedale WWTP Expansion Project	62,294	(324)	3,966			
East Coast Bays Link Sewer Upgrade Prjct	27,200	2,293	0			
Army Bay WWTP Outfall Upgrade	38,850	542	3,824			
Wairau Wastewater Pump Station	21,397	065	480			
Fred Thomas Drive WW PS & Storage Tank	27,721	14,994	10,310			
Snells Algies WWTP Ocean Outfall	3,995	525	22			
Glendowie Branch Sewer Upgrade	28,764	1,227	805			
Glen Eden Storage & Pipe Upgrade	16,575	10,054	10,131			
<b>Shared Services &gt;\$15 Million</b>						
Networks Controls Upgrade	18,853	3,514	3,900			
<b>Capex Programme (Design / Execution)</b>						
>\$15 Million	1,216,163	172,036	174,843			
>\$2 Million <\$15 Million	141,430	32,717	39,673			
<\$2 Million	46,741	10,843	13,641			
<b>TOTAL</b>	<b>1,404,335</b>	<b>215,596</b>	<b>228,156</b>			
<b>Watercare Services Ltd</b>						
<b>Financial Summary</b> 2016-17						
<b>Report Period</b> March 2017						
<b>Infrastructure Related Projects:</b> Strategy & Planning / Infrastructure Delivery / Service Delivery						
<b>Traffic light Key:</b> On target / No adverse Service Delivery impact Short to medium term issues that may impact on outcomes or targets / Minor Service Delivery Impacts Medium to long term issues that are impacting on outcomes or targets / Risk of significant Service Delivery Impact Underspend on the project approval (-10%)						

## Appendix D: Local Board Interaction (As at 10 Mar 2016)

Local Board	Chair	Deputy Chair	Feb 17	Mar 17	Apr 17
Albert - Eden	Peter Haynes	Glenda Fryer	Responded to escalated complaint on service following water main break (13 Feb). Response to escalation regarding water outage (27 Feb).	Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April).	
Devonport - Takapuna	Grant Gillon (26 October 2016 to 22 April 2018) George Wood (23 April 2018 to the end of the 2016-2019 political term)	George Wood (26 October 2016 to 22 April 2018) Grant Gillon (23 April 2018 to the end of the 2016-2019 political term)	Coordination with Healthy Waters on Notice of Motion from Local Board on combined wastewater overflows (14 Feb). Update flyer for the Fred Thomas Drive Pump Station works (23 Feb).	Response to escalated water leak complaint at the Strand Takapuna (3 Mar). Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April). Update on works in Esmonde Road (28 Mar). Work with AC Healthy Waters to reline a broken wastewater pipe in Takapuna that may be contributing to beach contamination (30 Mar).	
Franklin	Angela Fulljames	Andy Baker	Information on servicing growth areas in Franklin (1 Feb). Information on dam water levels and the Waikato River water take (2 Feb). Information share on land at Hickies Bore Site (28 Feb)	Liaison with Local Board chair regarding extreme wet weather event including information on dam levels and problems with the plant at Kawakawa Bay (8 Mar). Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April). Respond to queries regarding TePuru pump station overflow and clean up (17 Mar).	Update on wastewater main break at Omana (3 Apr).
Great Barrier	Izzy Fordham	Luke Coles			
Henderson - Massey	Shane Henderson	Peter Chan	Responded to an escalated complaint regarding odours in Royal Rd. Coordinate response to build biofilter pending landowner approval from the Local Board (14 Feb). Local Board workshop and landowner approval for biofilter associated with Royal Rd Siphon (28 Feb).	Property owner notification regarding Local Boards landowner approval for a biofilter to control odours from the Royal Rd Siphon (3 Mar). Invite to Glen Eden Community Open Day (6 Mar). Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April). Local Board briefing water and Network Discharge Consent (14 Mar). Response to escalation on wet weather overflows on the Te Atatu Peninsula (21 Mar)	
Hibiscus and Bays	Julia Parfitt	Janet Fitzgerald		Local Board workshop regarding landowner approval for works in Hibiscus Heights reserve (2 Mar). Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April). Discussion re tanker filling during water shortage (15 Mar)	Local Board landowner approval granted for works in Hauraki Heights Park (3 Apr)

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<b>Howick</b>	David Collings	Katrina Bungard	Summary in response to media item on overflow at Melons Bay (3 Feb). Information sent to the local Board on the Melons Bay wastewater storage tanks operation (10 Feb)	Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April). response to question on Waikato Water take and Auckland's future water supply (23 Mar)	Update on wastewater main break flowing in Howick following storm event (6 Apr).
<b>Kaipatiki</b>	Danielle Grant (2 Nov 2016 to 28 Feb 2018) John Gillon (1 March 2018 to the end of the 2016-2019 political term)	John Gillon (2 Nov 2016 to 28 Feb 2018) Danielle Grant (1 March 2018 to the end of the 2016-2019 political term)		Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April).	
<b>Mangere - Otahuhu</b>	Lydia Sosene	Walter Togiama		Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April).	
<b>Manurewa</b>	Angela Dalton	Rangi McLean		Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April).	
<b>Maungakiekie - Tamaki</b>	Josephine Bartley - until 22 April 2018, to be replaced by Chris Makoare on 23 April 2018.	Don Allan - until 29 October 2017. Debbie Burrows - 30 October 2017 to 28 October 2018. Bernie Driver – 29 October 2018 until end of the term.	Liaison with the Chair regarding fat blockages and overflows in Glen Innes (8 Feb). Glen Innes Matters newsletter sent to local community with information on correct disposal of fats oils and grease to help protect local waterways (13 Feb). Responded to escalated complaint regarding wastewater overflows to Oamaru Creek, Tamaki (13 Feb). Positive public feedback shared on GI matters newsletter (21 Feb).	Local Board workshop consultation on the Network Discharge Consent (7 Mar). Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April).	
<b>Orakei</b>	Colin Davis - After 18 months Kit Parkinson will Chair.	Kit Parkinson - After 18 months Carmel Claridge will be Deputy Chair		Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April).	
<b>Otara - Papatoetoe</b>	Lotu Fuli	Ross Robertson		Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April). Workshop on the regional network discharge consent and update on the current water situation (28 Mar).	
<b>Papakura</b>	Brent Catchpole	Felicity Auva'a		Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April).	
<b>Puketapapa</b>	Harry Doig	Julie Fairey		Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April).	

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Rodney	Beth Houlbrooke	Phelan Pirrie	Notification of extremely low level herbicide detection in Warkworth water supply (2 Feb). Water and wastewater information provided for Local Board induction tour (3 Feb). Update on the Warkworth Snells Algies wastewater project (21 Feb).	Wellsford flyer and copy of "Tapped In" newsletter shared with the Local Board (1 Mar). Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April).	
Upper Harbour	Lisa Whyte (31 October 2016 to 1 June 2018) Margaret Miles (2 June 2018 to the end of the 2016-2019 political term)	Margaret Miles 31 October 2016 to 1 June 2018) Lisa Whyte (2 June to the end of the 2016-2019 political term)	Landowner approval workshop for Watercare, AT and NZTA works on combined walkway, cycleway and watermain bridge (9 Feb).	Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April).	
Waiheke	Paul Walden (26 October 2016 to Sunday, 22 April 2018) Cath Handley (23 April 2018 to the end of the 2016-2019 political term)	Cath Handley (26 October 2016 to Sunday, 22 April 2018) Paul Walden (23 April 2018 to the end of the 2016-2019 political term)		Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April).	
Waitakere Ranges	Greg Presland	Saffron Toms	Email update to Greg Presland on a range of issues in the Waitakere Ranges including invitations to public information sessions on the replacement of the Huia Water Treatment Plant (3 Feb). Information on Exhibition Drive provided to the Local Board (10 Feb). Huia Water Treatment Plant community meetings in Oratia and Titirangi (21, 22 Feb). Invitation to Glen Eden wastewater works public open day (28 Feb).	Debrief with the Local Board on the community meetings regarding the replacement of the Huia Water Treatment Plant (2 Mar). Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April).	
Waitemata	Pippa Coom	Shale Chambers	Local Board Workshop (7 Feb). Information on joint issues in the area of Hopetoun Street (24 Feb).	Response to Chair regarding weed control in Newmarket Gully (7 Mar). Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April).	
Whau	Tracey Mulholland	Susan Zhu	Information on timing of Hui no. 1 watermain works (2 Feb)	Invite to Glen Eden Community Open Day (6 Mar) – cancelled due to weather. Notice of water savings requirement in response to wet weather effects on Ardmore Water Treatment Plant (9 Mar to 3 April). Briefing on the Central interceptor and Network Discharge Consent (15 Mar). Letter to customer on behalf of Local Board re wastewater overflows in the Manukau Harbour (20 Mar)	