

# WATERCARE SERVICES LIMITED

## AGENDA | Board meeting | 21/8/2014

Venue Watercare Boardroom, Level 2, 73 Remuera Road, Newmarket  
 Time 09.00am

### Open Public Meeting

Item	Spokesperson	Action sought at governance meeting	Supporting Material	Section Page
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                             <ul style="list-style-type: none"> <li>31 July 2014</li> </ul> </li> </ul>	Minutes 31 July 2014	1 - 2
3. Directors' Corporate Governance Items	Chair	<ul style="list-style-type: none"> <li>Corporate Planner 2014</li> <li>Review Disclosure of Interests</li> <li>Organisational Chart</li> </ul>	Corporate Planner Disclosure of Interests Organisational Chart	1 2 - 3 4
4. Chief Executive's Report	R Jaduram	<ul style="list-style-type: none"> <li>Note the Chief Executive's report                             <ul style="list-style-type: none"> <li>Key Performance Scorecard</li> <li>Health and Safety</li> <li>Customer Services</li> <li>Infrastructure and Planning</li> <li>Operations</li> <li>Finance</li> <li>Board Correspondence</li> <li>Execution of Documents</li> <li>Working with Local Boards</li> <li>Statutory Planning</li> <li>Non Domestic Wastewater Tariff</li> </ul> </li> </ul>	Chief Executive's Report	1 - 48
5. Proposed Water Supply and Wastewater Bylaw	R Fisher	<ul style="list-style-type: none"> <li>For approval</li> </ul>	Paper	1 - 5
6. Rural Water and Wastewater Upgrade Programme	R Fisher	<ul style="list-style-type: none"> <li>Note paper</li> </ul>	Paper	1 - 5
7. AMDD Provisional Trade Waste Charges 2014/15	D Worsnop	<ul style="list-style-type: none"> <li>For approval</li> </ul>	Paper	1 - 2
8. General Business	Chair			-

Date of next Meeting – 19 September 2014

Location – Watercare Services, 73 Remuera Road, Newmarket

# MINUTES

SUBJECT	WATERCARE SERVICES BOARD MEETING
VENUE	Boardroom, Level 2, Watercare Services Limited, 73 Remuera Road, Remuera, Auckland
DATE	31 July 2014
TIME	09:00
STATUS	Open Session

	<b>Present:</b>	<b>In Attendance:</b>	<b>Public in Attendance:</b>
	M Allen D Clarke (Chairman) N Crauford P Drummond C Harland J Hoare S Huria  A Delany (Board Observer)	R Chenery R Fisher D Hawkins R Jaduram T Langridge B Monk D Worsnop	Two members of the public
1.	<b>Apologies</b> <ul style="list-style-type: none"> <li>M Ford</li> <li>T Lanigan</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 27 June 2014 at 09:00, be confirmed as correct.</li> </ul>		
3.	<b>Directors Corporate Governance Items</b> <ul style="list-style-type: none"> <li>Corporate Planner 2014  The Corporate Planner for 2014 was noted. A list of 2015 dates to be suggested at the next meeting.</li> <li>Disclosure of Interests  Nicola Crawford advised that she had been appointed to the Board of Orion New Zealand Limited.</li> </ul>		
4.	<b>Chief Executive's Report</b> <ul style="list-style-type: none"> <li>Operations  David Worsnop advised that the storage levels are now just under 80%. As such, storage is following the mean curve. He said even in a 1 in 100 year low rainfall situation, service requirements could be met.</li> <li>Finance  Brian Monk spoke to the report. He said there were no surprises for the full year results. There is a deficit for the year of \$9.41m; this largely results from the unfavourable movement in deferred tax expense of \$37.63m. It was agreed that media responses be prepared and available for the August board meeting.  It was noted that the net debt was \$28.3m beneath budget.  The board also noted that the average debt per customer is small, approximately one month's average billing.</li> </ul>		

	<ul style="list-style-type: none"> <li>• Board Correspondence  Trish Langridge advised that Watercare works to assist landlords by copying bills to tenants when requested to do so. She advised that there were restrictions with the legacy Hansen system which meant Watercare was unable to split the bill and charge the fixed component of the bill to the landlord and the volumetric charges to the tenant.</li> <li>• Working with Local Boards  The Chairman reported on a meeting he chaired with the members of the Franklin Local Board. The condition of the Manukau Harbour was discussed and a Study of the Harbour report tabled which said the causes of contamination of the harbour were not from discharges from the Mangere WWTP.  Raveen Jaduram reported on a recent hui attended by numerous iwi and the Mayor, which he and Garry Maskill attended. He said iwi raised the issue of the effects of stormwater on the Manukau Harbour.</li> <li>• Statutory Planning  Rob Fisher advised that the Mana Whenua Kaitiaki Forum continued to work well for both iwi and Watercare.  The Forum is considering whether it should widen its functions to include Auckland Council in addition to Watercare.</li> </ul>
5.	<p><b>Rural Water and Wastewater Upgrade Programme</b></p> <ul style="list-style-type: none"> <li>• Graham Wood spoke to the paper. He said the original spend was expected to be in the order of \$150m to bring inherited water and wastewater plants up to full compliance. That figure was now more likely to be \$175m of which about 41% had been spent to date on upgrades. Watercare remains broadly on track with the timetable for upgrades.</li> </ul>
6.	<p><b>General Business</b></p> <ul style="list-style-type: none"> <li>• The meeting closed at 10:10.</li> </ul>

CERTIFIED AS A TRUE AND CORRECT RECORD

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Chairman

## 2014 BOARD PLANNER

	2014											
	January	February	March	April	May	June	July	August	September	October	November	December
<b>Board Meeting</b>		^4 Feb New market  27 Feb Jubilee	13 March New market (Workshop)	(Easter See May)	1 May Jubilee (TBC)  29 May Jubilee*	27 June Jubilee	31 July New market (TBC)	21 Aug New market	19 Sept New market	22 Oct Jubilee*	21 Nov New market	19 Dec New market
<b>Audit + Risk Committee Meeting</b>		^4 Feb New market			6 May New market		^31 July New market	19 Aug New market			11 Nov New market	
<b>Capital Projects Working Group</b>		4 Feb New market			23 May New market				16 Sept New market			
<b>Remuneration Committee</b>		27 Feb Jubilee (follow s Board Meeting)			29 May Jubilee	30 June New market	30 July New market 5:30pm	21 August New market (follow s Board meeting) 1pm	19 Sept New market (follow s Board meeting) 1pm			
<b>Statement of Intent</b>		Approval of Draft 2014-2017 SOI	1 March Draft SOI to shareholder		Present shareholder SOI feedback at public meeting	Final 2014-2017 SOI issued to shareholder			Work on 2015-2018 Sol Key dates yet to be advised by Auckland Council			
<b>Shareholder Interaction**</b>		26 Feb LTP scene-setting session  27 Feb Quarterly report due to Council	4 March CCO Governance and Monitoring Committee		19 May Quarterly report due to Council	3 June Quarterly briefing to Council	9 July Joint w orkshop w with Councillors 7 July - LTP w orkshop 25 July LTP w orkshop	15 August Quarterly report due to Council	26 Sept Draft LTP financials due		17 Nov Quarterly report due to Council	
<b>Key Finance Decisions</b>		27 Feb Approval of 2014/15 input to Auckland Council Annual Plan			29 May Approval of 2014/15 Budget			21 Aug Approval of 2013/14 Annual Report	26 Sept Draft LTP financials	Work on 2015/25 LTP and AMP Key dates yet to be advised by Auckland Council		
<b>Other</b>	Qtr Statutory Compliance Reporting				Qtr Statutory Compliance Reporting		Qtr Statutory Compliance Reporting				Qtr Statutory Compliance Reporting	

\* Statutory public Board meeting - deputations invited

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

## Report to the Board of Watercare Services Limited

**Subject:** Disclosure of Interests

**Date:** 11 August 2014

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.

<i>Director</i>	<i>Interest</i>
David Clarke	<ul style="list-style-type: none"> <li>– Chairman, TRGG Ltd – Radiology Services</li> <li>– Chairman, NZ Institute of Rural Health</li> <li>– Chairman, Skin Institute</li> <li>– Director, Hawkins Watts Ltd</li> <li>– Director, Cranleigh Merchant Bankers</li> <li>– Director, FarmIQ Systems Ltd</li> <li>– Director, Ngai Tahu Tourism Ltd</li> <li>– Director, Hynds Group Ltd</li> <li>– Trustee, South Auckland Foundation (Middlemore/CMDHB)</li> <li>– Director, Health Alliance Limited</li> <li>– Chairman, Jucy Group Limited</li> </ul>
Peter Drummond	<ul style="list-style-type: none"> <li>– Chairman, Appliance Connection Ltd</li> <li>– Chairman, Watercare Harbour Clean Up Trust</li> <li>– Chairman, Variety Medical Missions South Pacific</li> <li>– Chairman, Ngati Whatua o Orakei Whai Maia</li> <li>– Chairman, Variety International Childrens Charity</li> <li>– Director, NARTA New Zealand Ltd</li> <li>– Director, NARTA International PTY Ltd</li> <li>– Panel member , Fire Review, Dept Internal Affairs</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>– Consultant, MartinJenkins &amp; Associates Ltd</li> </ul>
Susan Huria	<ul style="list-style-type: none"> <li>– Director, Ngai Tahu Property</li> <li>– Director, Northland Port Company Ltd</li> <li>– Director and Shareholder, Huria Anders Ltd</li> <li>– Director and Shareholder, Susan Huria (2003) Associates Ltd</li> <li>– Director and Shareholder, Te Ara Tika Properties Ltd</li> <li>– Director, Vermilion Design Ltd</li> <li>– Director, Airways Corporation of New Zealand Ltd</li> <li>– Chair, Veterinary Enterprises Group Limited</li> <li>– Trustee, First Foundation</li> <li>– Member, Maori Governance Centre, University of Waikato Advisory Board</li> </ul>
Tony Lanigan	<ul style="list-style-type: none"> <li>– Director and Shareholder, A G Lanigan &amp; Associates (2007) Limited</li> </ul>

	<ul style="list-style-type: none"> <li>- Shareholder, Fletcher Building</li> <li>- Director, Habitat for Humanity New Zealand Limited</li> <li>- Director and Shareholder, Lanigan Trustee Limited</li> <li>- Director and Shareholder, Lanison and Associates Limited</li> <li>- Director and Chair, NZ Housing Foundation Limited</li> <li>- Director, Tamaki Makaurau Community Housing Limited</li> <li>- Director, NZ Transport Agency (NZTA)</li> </ul>
Mike Allen	<ul style="list-style-type: none"> <li>- Director, Coats PLC</li> <li>- Director, Guinness Peat Group</li> <li>- Director, Godfrey Hirst Limited</li> <li>- Shareholder, Innoflow</li> <li>- Director, Tainui Group Holdings Limited</li> <li>- Director, Breakwater Consulting Limited</li> </ul>
Julia Hoare	<ul style="list-style-type: none"> <li>- Director, AWF Group Limited</li> <li>- Director, New Zealand Post Limited</li> <li>- Director, The A2 Milk Company Limited</li> <li>-</li> </ul>
Nicola Crauford	<ul style="list-style-type: none"> <li>- Chair, Wellington Rural Fire Authority</li> <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 and Shareholder - Crauford Robertson Consulting</li> <li>- Director and Shareholder - Martin Crauford Limited</li> <li>- Director – Capacity Infrastructure Services Limited</li> <li>- Director – Orion New Zealand Limited</li> </ul>

### Board Observer

Alex Delany	- Employee - BNZ
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### RECOMMENDATION

That the report be noted.

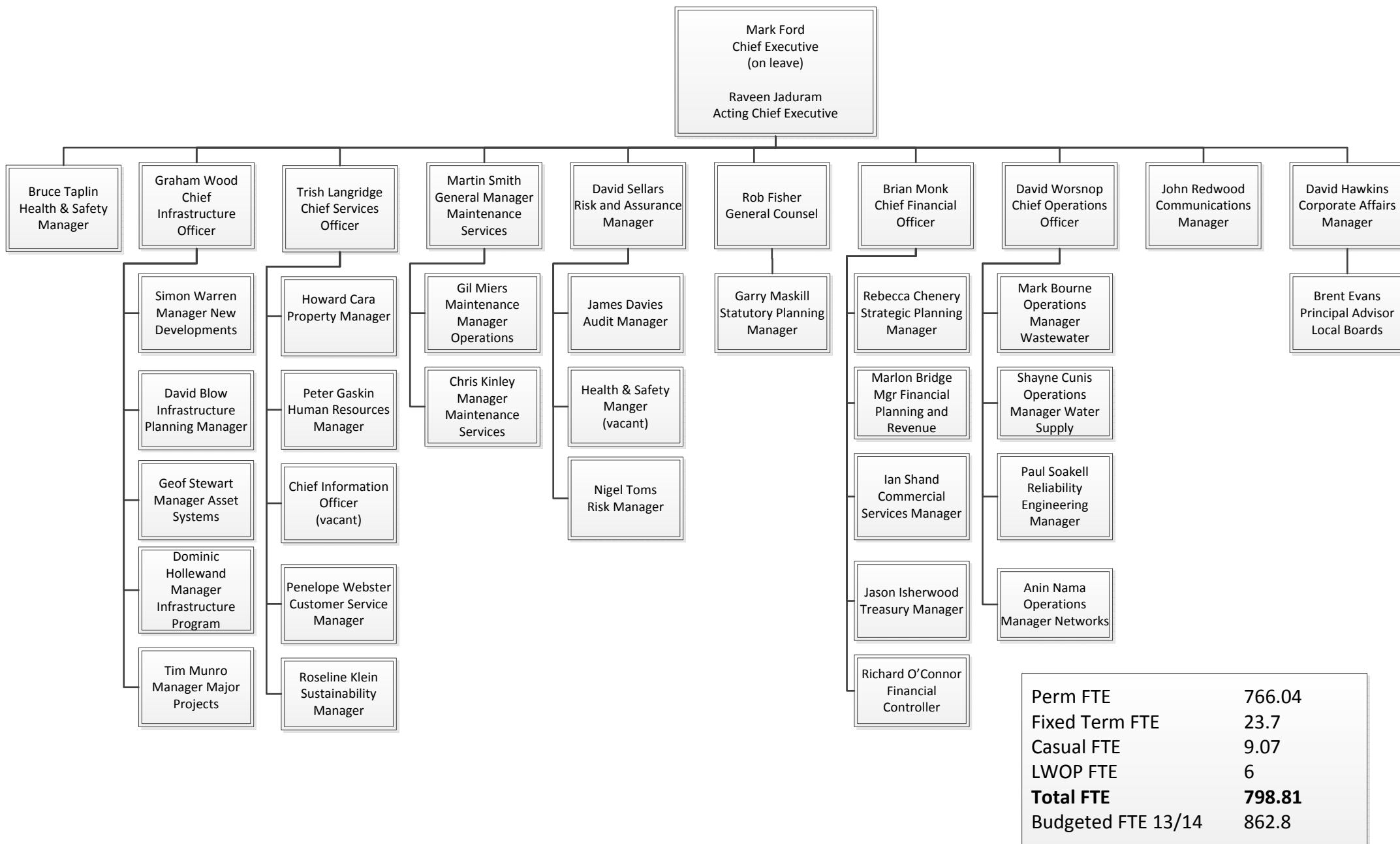
Report prepared by:

Approved by:

R Fisher  
General Counsel

R Jaduram  
Acting Chief Executive

# Watercare Organisational Chart to Tier 3 – July 2014



Perm FTE	766.04
Fixed Term FTE	23.7
Casual FTE	9.07
LWOP FTE	6
<b>Total FTE</b>	<b>798.81</b>
Budgeted FTE 13/14	862.8

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# Watercare Services Limited

**Subject: Chief Executive Report – July 2014**

**Date: 15 August 2014**

## 1. KEY PERFORMANCE SCORECARD

Environment		Financial	(MTD)	(YTD)
Water Treatment – graded plants Metro	✓	Revenue	✓	✓
Water treatment – graded plants Rural	✓	Net surplus / deficit after tax	x <sup>2</sup>	x <sup>2</sup>
Unaccounted for Water	x <sup>1</sup>	Total costs	✓	✓
Effluent quality Metro plants	✓	Labour costs	✓	✓
Effluent quality Rural plants	⇔			
Dry Weather Overflows	✓			
Prosecutions	✓			
		<b>Asset Management</b>	<b>(MTD)</b>	<b>(YTD)</b>
		Maintenance Expenditure	✓	✓
		Capital Expenditure	✓	✓
		<b>Staff Attendance (Rolling 12 months)</b>	<b>(MTD)</b>	<b>(YTD)</b>
		Attendance	✓	✓
		<b>Customer Service</b>	<b>(MTD)</b>	<b>(YTD)</b>
		Grade of Service	✓	✓

<sup>[1]</sup> The Statement of Intent target related to unaccounted for water has reduced from 14% to 13% for the 2014/15 year. A programme of work is underway to address leakage and the unaccounted for water result is trending towards the target of 13%.

<sup>[2]</sup> Net surplus after tax is unfavourable due to the non cash movement in financial instruments.

## **2. HEALTH AND SAFETY**

On a rolling 12 month basis:

- The lost-time injury frequency rate (LTIFR) was 1.88 against an SOI target of less than or equal to 5 for 12 months.
- Sick leave was 2.13%.
- Voluntary staff turnover was 12.48%, just outside the SOI maximum of 12%.
- The injury severity rate was 13.19 for the month of July against a target of less than 30 for 12 months.

## **3. CUSTOMER SERVICES**

Telephone service levels were high during the month with 85% of calls being answered within 20 seconds, against a target of 80%. The number of calls abandoned before being answered was 1.6%, against a KPI maximum of 3%.

The target for responding to complaints was exceeded with 100% resolved within 10 working days, against the target of 95%. The response time for correspondence was also achieved with 99.8% responded to in the timeframe against a 95% target.

Customer satisfaction with our faults response service exceeded the target this month with all three metrics exceeding 80%.

The average handling time for calls remained high in July. This is primarily due to the number of more complicated calls related to the non-domestic wastewater tariff, particularly those that require translation service. However, service levels are not being compromised by the longer average handling time.

A range of initiatives has been implemented to improve the customer experience. These continuous improvement initiatives include:

- Customers who set up a direct debit via self-service now receive confirmation by email only, rather than both a letter and email. This saves \$3000 per year for Watercare;
- The upgrade to the knowledge-base, H2Know, went live in mid-July with great feedback from the Contact Centre Team. The upgrade fixes a range of search issues and gives the Contact Centre a high quality knowledge tool;
- The processes and collateral for trade waste and rain tanks for non-domestic customers were updated; and
- The rebate process for leaks within customers' plumbing were refined.

#### **4. INFRASTRUCTURE AND PLANNING**

The infrastructure capital expenditure budget for 2014/15 is \$278 million and the new period commenced with a large portfolio of active projects. Spending in July was \$20m, slightly below budget.

In wastewater, the month included the announcement of the Principal Engineering Advisor for the Central Interceptor. The combined project team is now being established within the Watercare office in Newmarket and will focus on the resource consent appeals process and construction options. Puketutu Island rehabilitation continues ahead of programme and is ready to receive biosolids when required by Operations. The Northern Interceptor route option evaluation continues with initial client meetings and liaison with NZTA. Rosedale WWTP Expansion Project tender documents have been issued to three pre-qualified tenderers.

Highlights from the water project portfolio included the continued good progress on Hunua No. 4 where work continued in Massey Road and Victoria Street Onehunga. Crawford Avenue was completed to programme. The project team are also developing a procurement methodology for the Hunua No. 4 extension from Campbell Crescent to Khyber Pass reservoir. The Ardmore Rapid Restart Project, which was completed in March, was successfully utilised during a recent operational event. In North Franklin, the entire water main has been successfully pressure-tested and chlorinated. The whole system from Pukekohe to Clarks Beach will be fully operational in October effectively bringing the whole of the Franklin area supply up to Ministry of Health drinking water standards.

We continued to support the Auckland Council LTP 2015-2025 process.

Revenue from Infrastructure Growth Charges (IGC) has exceeded budget. The year end forecast is expected to be above budget.

A Capital Expenditure Dashboard Report of all capital expenditure projects over \$2 million is shown as Appendix C.

#### **5. OPERATIONS**

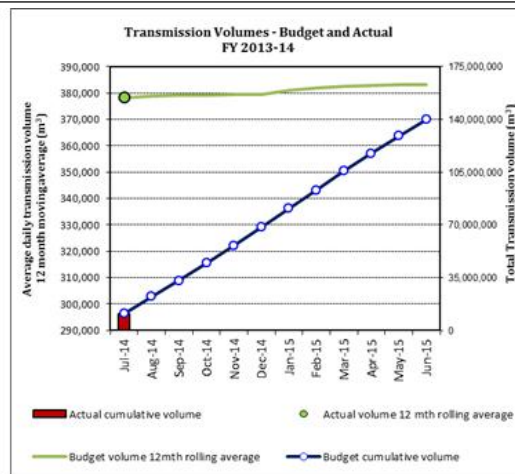
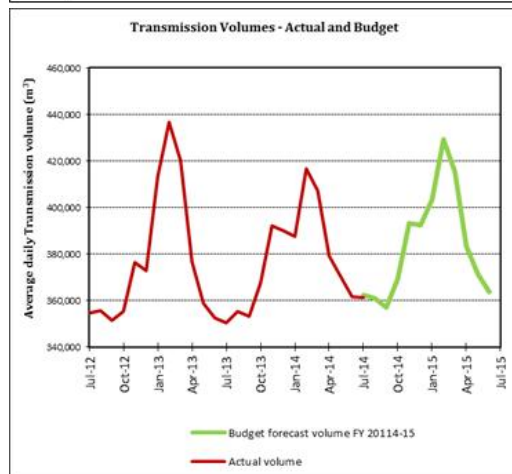
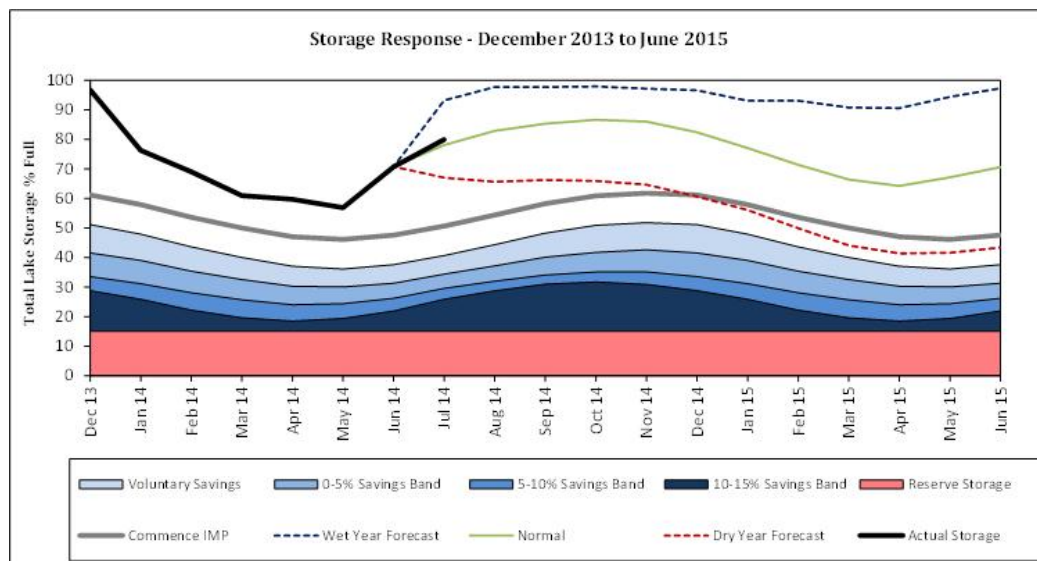
Rainfall for the month was as follows:

Waitakere Ranges	68% of average
Hunua Ranges	98% of average
Northern Non-metropolitan	105% of average
Southern Non-metropolitan	93% of average

Metropolitan total system storage increased in July from 70.7% to 80.0%. This is below the average storage for the end of July (84.1%). While tracking below the budgeted normal storage response, it is above the budget dry weather response.

The equatorial Pacific Ocean was ENSO-neutral at the end of July 2014. Atmospheric and oceanic conditions have not yet coupled to initiate El Niño. The chance of El Niño developing over spring appears to be lessening. International guidance still indicates El Niño is the most likely outcome (about 70% chance) over the coming three seasons through to the end of summer 2015.

August-October temperatures are forecast to be most likely average or above average for most regions of New Zealand, including Auckland. Cold snaps and frosts can still be expected in some parts of the country as winter advances into spring. August-October rainfall is likely to be normal or above normal in the north of the North Island, including the Auckland Isthmus.



Transmission system losses for the month, adjusted for operational use were 0.55%.

## 6. FINANCE

### Financial Performance

	Current Month			Year to Date			Full Year
	Actual	Budget	Var	Actual	Budget	Var	Budget
<b>Figures (\$millions)</b>							
Revenue	43.25	40.03	3.22	43.25	40.03	3.22	499.58
Operating Expenses	16.66	17.03	0.37	16.66	17.03	0.37	201.59
Depreciation	17.60	17.29	(0.31)	17.60	17.29	(0.31)	210.44
Interest expense	6.12	6.46	0.34	6.12	6.46	0.34	80.57
<b>Total Contribution</b>	<b>2.87</b>	<b>(0.75)</b>	<b>3.62</b>	<b>2.87</b>	<b>(0.75)</b>	<b>3.62</b>	<b>6.98</b>
Financial instruments revaluation - loss/(gain)	8.95	-	(8.95)	8.95	-	(8.95)	-
Non-operating costs/(income)	0.65	0.52	(0.13)	0.65	0.52	(0.13)	7.00
<b>Operating Surplus / (Deficit) Before Tax</b>	<b>(6.73)</b>	<b>(1.27)</b>	<b>(5.46)</b>	<b>(6.73)</b>	<b>(1.27)</b>	<b>(5.46)</b>	<b>(0.02)</b>
Deferred Tax - Expense/(Credit)	(5.22)	(1.16)	4.06	(5.22)	(1.16)	4.06	4.51
<b>Net Surplus / (Deficit) After Tax</b>	<b>(1.51)</b>	<b>(0.11)</b>	<b>(1.40)</b>	<b>(1.51)</b>	<b>(0.11)</b>	<b>(1.40)</b>	<b>(4.54)</b>
<b>FFO Ratio</b>				3.34	2.79		2.94
<b>Operating EBITDAF</b>	26.60	23.01	3.59	26.60	23.01	3.59	297.99
<b>EBITDA</b>	17.00	22.49	(5.49)	17.00	22.49	(5.49)	290.99
<b>EBIT</b>	(0.60)	5.19	(5.80)	(0.60)	5.19	(5.80)	80.55

#### Month – Total Contribution of \$2.87m - favourable variance to budget of \$3.62m

Total revenue was favourable \$3.22m to budget largely due to IGC revenue favourable \$1.85m at \$4.75m and vested asset income favourable \$0.81m. Water and wastewater revenue was consistent with budget.

Operating expenses were \$0.37m favourable to budget with favourable variances for net labour, unplanned maintenance, general overheads and professional services partially offset by unfavourable variances for energy costs.

Depreciation was unfavourable to budget \$0.31m due to higher than budgeted accelerated depreciation.

Interest expense was \$0.34m favourable to budget.

## Financial Position

\$million	Actual Jun-14	Actual Jul-14	Monthly Movement	Budget Jul-14	Var from Budget
Non Current Assets	8,305.7	8,312.9	7.3	8,299.4	13.5
Current Assets	76.3	76.4	0.1	71.2	5.2
<b>Total Assets</b>	8,381.9	8,389.3	7.5	8,370.6	18.7
Other Liabilities	182.3	181.4	(0.9)	175.9	5.5
Deferred Tax Liability	963.8	960.0	(3.9)	951.8	8.2
Borrowings - Short Term	420.5	431.3	10.8	405.6	25.7
Borrowings - Long Term	1,033.3	1,035.0	1.8	1,068.9	(33.8)
Shareholders Funds	5,782.1	5,781.6	(0.4)	5,768.4	13.2
<b>Total Liabilities and Shareholders Funds</b>	8,381.9	8,389.3	7.5	8,370.6	18.7

The major movements of the Statement of Financial Position as at 31 July 2014 compared with 30 June 2014 were the increase in non-current assets (\$7.3m) reflecting capital expenditure net of depreciation in the month; an increase in borrowings (\$12.6m) largely funding capital expenditure.

Compared with budget the material variances were in respect of non-current assets, net borrowings, deferred tax and shareholders' funds all of which largely reflect minor differences as at 30 June 2014 than was assumed for the budgeted opening balance sheet as at 1 July 2014. Net debt at \$1,466m was \$8.1m beneath budget.

## Receivables

Receivables before provision for doubtful debts totalled \$30.5m at July month end compared with \$34.6m at the end of June. The Auckland Council component of total debt was \$0.57m, compared with \$0.54m at June and disputed trade waste accounts at the end of July totalled \$0.97m compared with \$0.99m last month. Total 60+ day debt has decreased by \$378k during the month primarily due to an efficient month of debt collection activity.

### Total receivables – month-on-month comparison

	0-30 days <i>(previous month in italics)</i>	30-59 days <i>(previous month in italics)</i>	60 days + <i>(previous month in italics)</i>	Total <i>(previous month in italics)</i>
Receivables excluding Council and disputed trade waste	<b>\$24,546,256</b> <i>\$28,305,353</i>	<b>\$2,767,508</b> <i>\$2,733,769</i>	<b>\$1,673,802</b> <i>\$2,068,738</i>	<b>\$28,987,565</b> <i>\$33,107,860</i>
Auckland Council Group	<b>\$575,157</b> <i>\$526,141</i>	<b>\$13,090</b> <i>\$40,035</i>	<b>-\$17,550</b> <i>-\$27,844</i>	<b>\$570,697</b> <i>\$538,333</i>
Disputed trade waste accounts	<b>\$67,135</b> <i>\$81,879</i>	<b>\$81,879</b> <i>\$98,208</i>	<b>\$821,845</b> <i>\$815,278</i>	<b>\$970,859</b> <i>\$995,365</i>
<b>Total receivables</b>	<b>\$25,188,548</b> <i>\$28,913,373</i>	<b>\$2,862,477</b> <i>\$2,872,013</i>	<b>\$2,478,096</b> <i>\$2,856,172</i>	<b>\$30,529,121</b> <i>\$34,641,558</i>

Receivables excluding Auckland Council and disputed trade waste accounts totalled \$28.9m for July, compared with \$33.1m at June month end. The decrease in receivables primarily reflects the decrease in current amount owing. Total 60+ debt has also decreased by \$395k. The average debt per account decreased from \$99 to \$94.

#### Total receivables – excluding Auckland Council and disputed trade waste

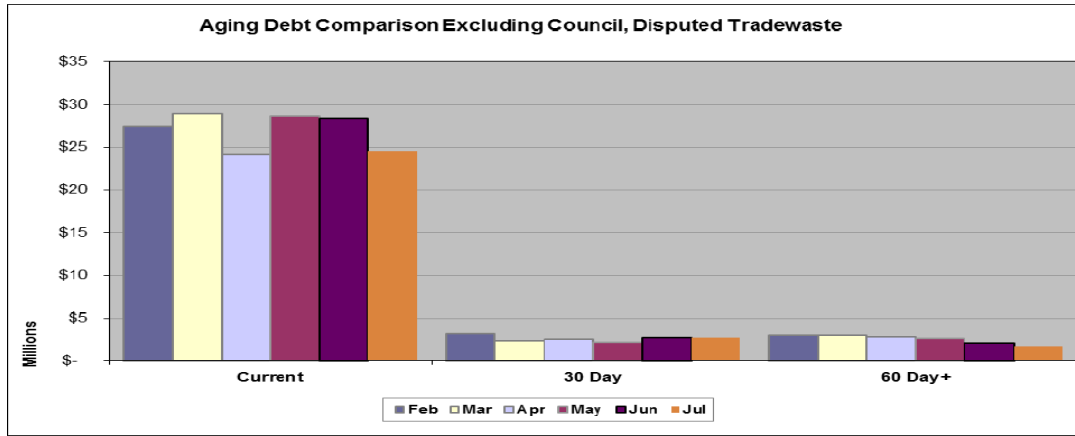
	<b>0-30 days</b> <i>(previous month in italics)</i>	<b>30-59 days</b> <i>(previous month in italics)</i>	<b>60 days +</b> <i>(previous month in italics)</i>	<b>Total</b> <i>(previous month in italics)</i>
Net Debt	<b>\$24,546,256</b> \$28,305,353	<b>\$2,767,508</b> \$2,733,769	<b>\$1,673,802</b> \$2,068,738	<b>\$28,987,565</b> \$33,107,860
# of accounts	<b>287,259</b> 314,260	<b>37,698</b> 37,495	<b>34,729</b> 35,548	<b>308,639</b> 335,826
Average Debt	<b>\$85</b> \$90	<b>\$73</b> \$73	<b>\$48</b> \$58	<b>\$94</b> \$99
Percentage	<b>84.7%</b> 85.5%	<b>9.5%</b> 8.3%	<b>5.8%</b> 6.2%	<b>100.0%</b> 100.0%

<b>Commercial</b>	<b>Current month</b> <i>(previous month in italics)</i>	<b>30-59 days</b> <i>(previous month in italics)</i>	<b>60 days +</b> <i>(previous month in italics)</i>	<b>Total</b> <i>(previous month in italics)</i>
Totals	<b>\$11,660,084</b> \$11,832,174	<b>\$1,724,822</b> \$1,577,094	<b>\$218,718</b> \$300,596	<b>\$13,603,625</b> \$13,709,864
# of accounts	<b>20,605</b> 21,989	<b>3,483</b> 3,434	<b>5,615</b> 5,581	<b>25,017</b> 26,477
Average Debt	<b>\$566</b> \$538	<b>\$495</b> \$459	<b>\$39</b> \$54	<b>\$544</b> \$518
Percentage	<b>85.7%</b> 86.3%	<b>12.7%</b> 11.5%	<b>1.6%</b> 2.2%	<b>100.0%</b> 100.0%

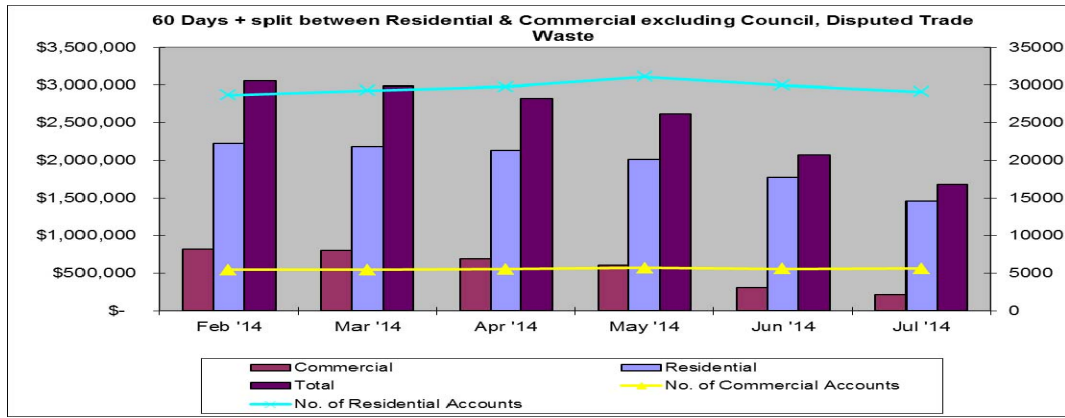
<b>Residential</b>	<b>Current month</b> <i>(previous month in italics)</i>	<b>30-59 days</b> <i>(previous month in italics)</i>	<b>60 days +</b> <i>(previous month in italics)</i>	<b>Total</b> <i>(previous month in italics)</i>
Totals	<b>\$12,886,172</b> \$16,473,179	<b>\$1,042,685</b> \$1,156,675	<b>\$1,455,084</b> \$1,768,142	<b>\$15,383,941</b> \$19,397,996
# of accounts	<b>266,654</b> 292,271	<b>34,215</b> 34,061	<b>29,114</b> 29,967	<b>283,622</b> 309,349
Average Debt	<b>\$48</b> \$56	<b>\$30</b> \$34	<b>\$50</b> \$59	<b>\$54</b> \$63
Percentage	<b>83.8%</b> 84.9%	<b>6.8%</b> 6.0%	<b>9.5%</b> 9.1%	<b>100.0%</b> 100.0%

The change in age of debt (excluding Council, disputed trade waste and disputed IGC) over the last six months is shown below.

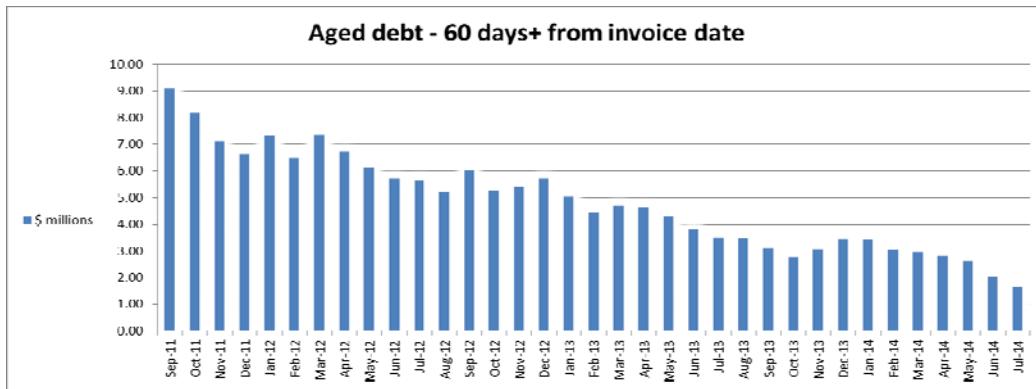
## Age of debt comparison – February 2014 to July 2014



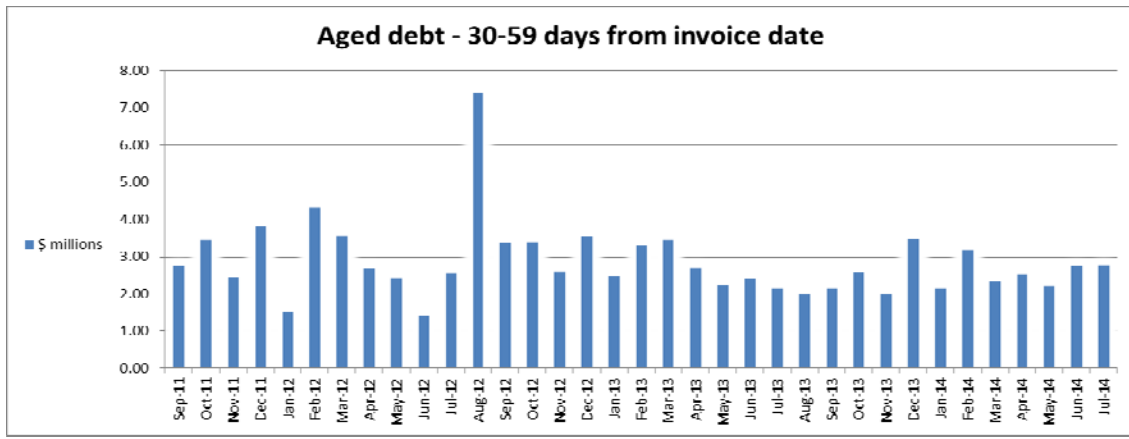
The split of 60 days+ receivables between residential and commercial is shown below:



The trends of 60 days +debt and 30-59 days debt are shown below:







The spike in 30-59 day debt in August 2012 reflects the change in billing cycles for all customers to monthly billing.

### Water Utility Consumer Assistance Trust (WUCAT)

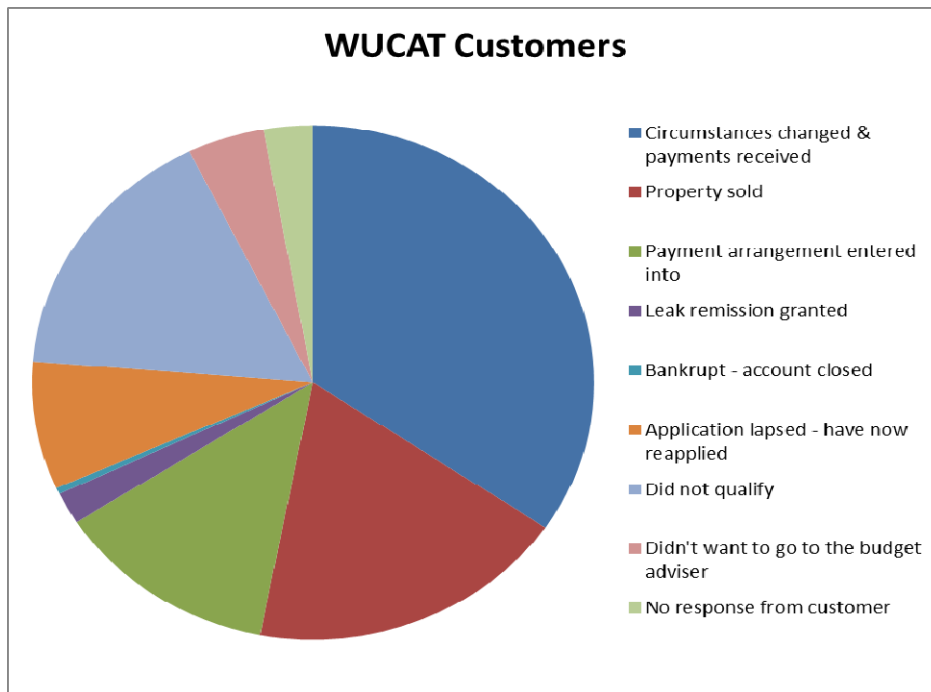
The following tables summarise the results of the Trust since its inception and over the last three months:

WUCAT Summary			WUCAT Summary last 3 meetings		
Financial year	Board approved applications	\$ Value	Month	Board approved applications	\$ Value
Jun-12	33	29	May-14	16	23
Jun-13	172	196	Jun-14	12	10
Jun-14	123	114	Jul-14	18	19
Jun-15	18	19			
<b>Total</b>	<b>346</b>	<b>358</b>	<b>Total</b>	<b>46</b>	<b>52</b>

A total of 346 applicants have successfully completed the budget adviser review process and these applicants have had \$358k of hardship relief approved by the Trust. This has resulted in \$264k actually being written-off as payment plans have been completed. For various reasons 38 applicants did not fully complete their agreed payment plans and they have foregone \$36k of approved hardship relief. A further 44 applicants continue with their payment arrangements with \$58k of approved hardship write-offs to be granted when they successfully complete their plan.

The results of the last 3 WUCAT meetings are that 46 applicants have successfully completed the budget process and had \$52k of hardship relief approved by the Trust.

Applicants must complete a two stepped process, firstly an application form to register with the trust and secondly more involved financial review with a budget advisor. The number of applicants that progress to the second stage is significantly fewer than the number that complete the initial application form. Analysis of reasons that applicants do not complete the second stage, based on a survey of 249 customers, is shown below.



### Restrictions

During July, 718 reminder notices were sent to customers warning that water restriction may be actioned if payment was not received and nine cards were sent to customers warning of possible restriction of their water supply in 48 hours. As a result 5 new water restrictions were applied during July and 6 meters were unrestricted as a result of payment being received.

The table below summarises the restrictions carried out by Watercare Services Limited.

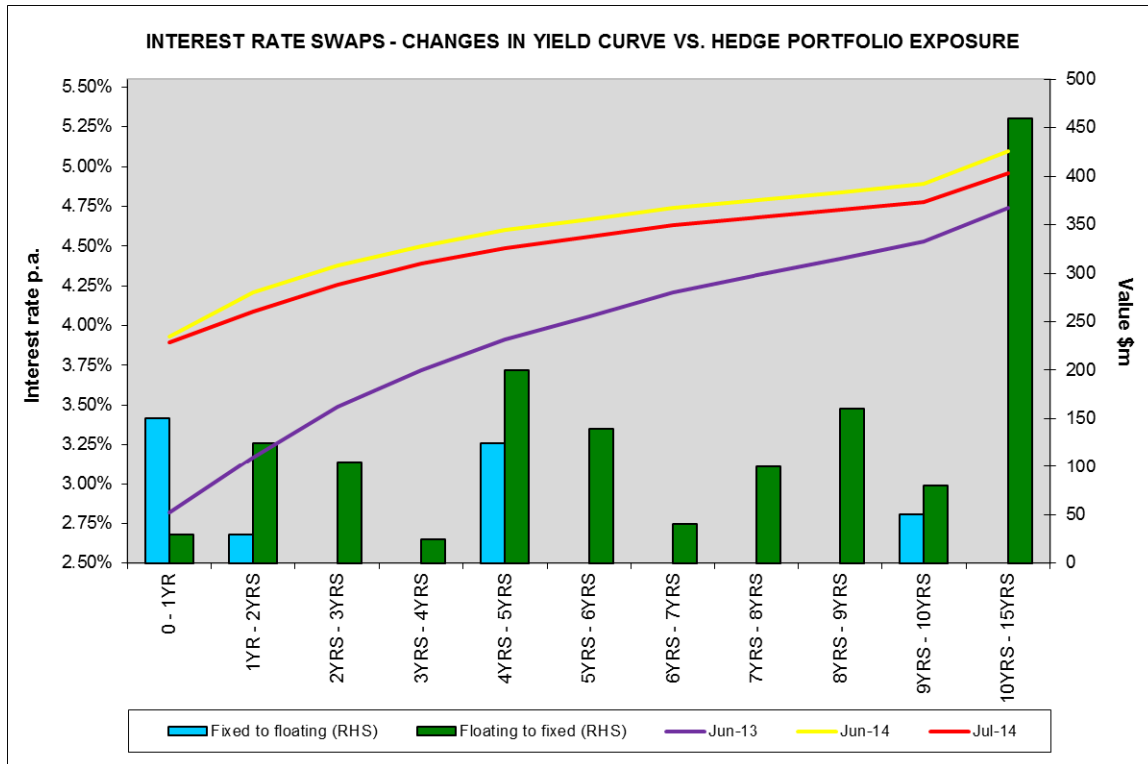
	Commercial	Residential	Total
Inherited 1 Nov 2010	0	4	4
Restricted	33	26	59
Derestricted	-30	-20	-50
Restrictions Remaining	3	10	13

The following restrictions remain in place:

- Two water restrictions inherited from Manukau Water remain in place on residential properties at the owners request due to unfixed leaks at the properties.
- A further three residential restrictions remain in place on vacant properties. Communications are ongoing with the customers and if the properties are tenanted in future resolution will be required.

- A further five residential restrictions remain in place and communication continues with these customers.
- Three commercial properties remain restricted at the end of June and communication continues with these customers.

## Treasury



Interest Analysis \$million	Current Month			Year to date			Full Year		
	Actual	Budget	Var	Actual	Budget	Var	Forecast	Budget	Var
Interest as per Statement of Financial Performance	6.12	6.46	0.34	6.12	6.46	0.34	80.01	80.57	0.56
Capitalised Interest	1.18	1.27	0.09	1.18	1.27	0.09	14.92	15.01	0.09
Gross Interest	7.31	7.74	0.43	7.31	7.74	0.43	94.93	95.58	0.65
Less Interest Income	0.01	0.00	(0.01)	0.01	0.00	(0.01)	0.01	-	(0.01)
<b>Net Interest</b>	<b>7.30</b>	<b>7.74</b>	<b>0.44</b>	<b>7.30</b>	<b>7.74</b>	<b>0.44</b>	<b>94.92</b>	<b>95.58</b>	<b>0.66</b>

For the month net interest was favourable with budget \$0.44m largely due to lower debt and interest rates to budget.

## Capital Expenditure

Capital expenditure for the month was \$20.3m against a budget of \$29.8m.

Summary Capital Expenditure (\$millions)	Month July 14			Year to Date			Full Year
	Actual	Budget	Var	Actual	Budget	Var	Budget
Infrastructure Wastewater Projects	8.6	11.8	3.2	8.6	11.8	3.2	142.0
Infrastructure Water Projects	9.6	11.5	1.9	9.6	11.5	1.9	115.9
Operations	0.1	2.2	2.1	0.1	2.2	2.1	31.8
Maintenance Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Information Services	0.1	1.7	1.6	0.1	1.7	1.6	12.0
Other Projects	1.9	2.6	0.7	1.9	2.6	0.7	27.4
<b>TOTAL</b>	<b>20.3</b>	<b>29.8</b>	<b>9.5</b>	<b>20.3</b>	<b>29.8</b>	<b>9.5</b>	<b>329.1</b>
Includes:							
Water Projects Capitalised Interest	0.7	0.8	0.1	0.7	0.8	0.1	9.0
Wastewater Projects Capitalised Interest	0.5	0.4	(0.1)	0.5	0.4	(0.1)	6.0
<b>Total Capitalised Interest</b>	<b>1.2</b>	<b>1.2</b>	<b>0.0</b>	<b>1.2</b>	<b>1.2</b>	<b>0.0</b>	<b>15.0</b>

## 7. BOARD CORRESPONDENCE

There was no board correspondence during the month.

## 8. EXECUTION OF DOCUMENTS

There were five documents executed during July in accordance with the delegated authority provided to the Acting Chief Executive by the Board in relation to deeds, instruments and other documents. These included the registration of one easement, approval of discharge of an encumbrance, approval of an exemption certificate and approval of two deeds.

There were fourteen capex approvals totaling \$13.083m signed in accordance with the delegated authority provided to the Acting Chief Executive by the Board in relation to capex approvals below a threshold of \$15m.

Summary of Capital Projects approved by Chief Executive – July 2014		
C-11216c	Eastern Interceptor Pipe Bridge #1 Replacement	\$530,000
C-11441a	Ferry Road Local WW Network Upgrades - extension	\$224,000
C-11749a	Install Screening Facility at Waiuku WWTP - Extension	\$139,000
C-11751a	Install Inlet Screening Facility at Wellsford WWTP extension	\$225,000
C-11813a	Rehabilitate the Mangere WWTP Primary Sedimentation Tanks 11 & 12 and associated Grit Tanks & Inlet channels - Stage 2A	\$500,000
C-11981-02	Riverhead Reservoir - Stage 2	\$3,870,000

C-12103a	Carlton Gore Road Sewer Renewal Extension	\$164,525
C-12211	Whangaparaoa Peninsula watermain installation	\$780,000
C-12229	Mangere WWTP Sludge Drying Bed Landfill Improvements Project	\$1,545,000
C-12257-01	Replacement of Lab Pool vehicle	\$30,000
C-12298	Branch 5 (Herne Bay) Sewer Rehabilitation	\$700,000
C-12338	Local Wastewater Network Planned Renewals 2015	\$3,000,000
C-12350	DPORM Orakei (PS64) High Flow Risk Mitigation Project	\$1,343,600
C-12351-01	Vehicle - MSN Operations Manager	\$32,000

## 9. WORKING WITH LOCAL BOARDS

Watercare kept Local Boards informed of work over the past month via a variety of workshops. Major project briefings were held with Takapuna Devonport, Albert Eden, Upper Harbour and Maungakiekie Tamaki Local Boards in the interests of no surprises. Takapuna Devonport local board also received an update on planned work in Sunnynook Reserve including progress on communication with park users.

Project progress updates continued to be sent to the local boards, Auckland Transport and Parks Local Board representatives. In some cases this information included project flyers, posters, newsletters and e-mail updates.

Watercare joined the Hibiscus and Bays Local Board, Auckland Council Parks and the Mairangi Bay Surf Life Saving Club for two public open days related to the proposed Mairangi Bay Reserve Management Plan. All parties continue to work collaboratively to ensure good community outcomes are achieved for the reserve including Watercare's public wastewater infrastructure. Relevant Watercare project managers and statutory planning staff were on hand to talk to the public about their receptive projects (Rising main and proposed pump station upgrade). There was a genuine interest in the works from those attending and the feedback from all involved was very positive.

Two open days were also held on the Omaha wastewater treatment plant discharge consent renewals as a way to begin proactive and meaningful engagement with the local board and community. A further public meeting is also planned to engage interested stakeholders more closely in the process of consent renewals.

The Chairman and management attended a community briefing in Waiuku called by Cr Cashmore and Local Board member Jill Naysmith. The meeting offered the community an opportunity to ask Watercare questions about servicing new development and infrastructure

growth charges and the health of the Manukau Harbour. The meeting was both informative and constructive which was appreciated by the elected officials.

## **10. STATUTORY PLANNING**

### **Auckland Proposed Unitary Plan**

The Proposed Auckland Unitary Plan sets out the policy and rule framework that will apply to Watercare's operations when the Plan becomes operative (noting that some provisions already have "legal effect"). As drafted, there are significant implications for Watercare, both in terms of the maintenance, repair, and upgrading of existing infrastructure and the installation of new infrastructure. The main areas of concern are the sections on: freshwater allocation and takes, overlays (in particular natural resource, historic heritage, and cultural heritage), and the Mana Whenua provisions. These sections pose significant challenges for Watercare and have the potential to result in significant costs and delays for projects and operations. Even in areas where Watercare is supportive of the policy direction of the Plan, there are a significant number of matters that are problematic or create uncertainty which in turn imposes regulatory risk.

As previously reported, Watercare did not lodge a formal submission on the Proposed Auckland Unitary Plan on the basis that Council has agreed to fully involve Watercare in the hearing process as part of the Council team.

The Council has compiled a summary of the 9000 submissions. This summary was released to the public on 11 June and further submissions were due on 22 July. Watercare has reviewed the summary of submissions and analysed the implications for Watercare. Watercare only made a further submission on our designations.

Watercare and Auckland Transport are finalising discussions with Council on the approach for involving CCOs in the process. There is general agreement on the principles for CCO involvement. Watercare and Auckland Transport are now members of the Unitary Plan Steering Committee, and Watercare's Statutory Planning Team will be involved in the Council's "case teams" that will be preparing Council's cases on the various topics in the Unitary Plan.

### **Auckland Council Operative Plan Changes**

There are two main plan changes of significant interest to Watercare: Clevedon and Kingseat.

- **Clevedon:** Watercare appealed the decision version of the plan change in respect of an activity status date that is set out in the plan. The plan provides that in 2017 an application for subdivision consent will change from a prohibited activity to a non-complying activity if there is no public wastewater system. The property of the main appellant has now been sold. *Watercare now has agreed wording with the new owners and Council that will resolve the appeal; this wording has been confirmed by the s274*

*parties. The revised wording will change the date to 1 October 2016, nine months earlier than the original date. Watercare has accepted this change on the basis that our intention is to have an agreed wastewater servicing strategy in 2015.*

- **Kingseat:** Some parties have appealed the Kingseat decision. Court assisted mediations were held on 30 January and 21 March 2014. The feasibility study related to the use of the existing wastewater treatment plant on the former Kingseat Hospital site (this study was jointly funded by two landowners and Watercare) is now complete. The study indicated that there is little benefit in utilising the existing Kingseat Hospital Wastewater Treatment Plant. A workshop was held with the two landowners to discuss the study findings, and they have accepted that new plant is required. *Watercare has considered alternative discharge options and presented these to iwi on two occasions. Watercare is awaiting feedback from iwi. A new Environment Court reporting date has been set for mid-August.*
- There are three additional Plan Changes that have emerged as being of interest to Watercare. These are all private plan changes.
  - **Snells-Algies:** There are two private plan changes in this area seeking to rezone land that is out of Watercare's service area. Watercare cannot legally service this area until the wastewater treatment plant resource consent renewal application has been granted by Council and Watercare replaces the ocean outfall pipe. This pipe is in extremely poor condition and is at risk of failure. A programme is in place to replace this pipe, but it is likely to take five years. Watercare has made submissions on both of these private plan changes. *There has been no further activity on these plan changes.*
  - **Puhinui Gateway:** This is a private plan change to rezone a tract of land outside the current Metropolitan Urban Limit (MUL) for industrial purposes. This area is currently outside of Watercare's service area. There are significant issues associated with providing water supply and wastewater services. *Council is now undertaking a comprehensive master planning process to understand the full infrastructure requirements for the remaining land area between the MUL and the coast. Watercare is part of the oversight committee for the development of the Master Plan. Watercare has undertaken further modelling of this network and determined that there is capacity in the Southwestern Interceptor to accommodate flows from the Plan Change 35 area, provided that the industrial development is logistics type companies with low level water usage requirements.*

### **Mana Whenua Forum**

The next Forum meeting is in November 2014. The Forum Chairman and three Forum members along with Watercare staff recently visited wastewater treatment plants in Te Aroha, Tauranga, Te Puke, Makatu, Rotorua, Taupo, Tokoroa, Cambridge and Ngaruawahia to investigate the pros and cons of wetland and land based discharges of treated wastewater. The plants visited were small to medium in size. A report will be prepared by Forum and Watercare representatives

with the aim of increasing knowledge of the options available when we upgrade the treatment plants that serve Auckland’s rural townships.

**Waikato River Take**

Watercare’s application including the AEE Report has been prepared and was lodged with the Waikato Regional Council prior to the Christmas. Consultation with Waikato Tainui, Huakina Development Trust and other marae is continuing. Discussions are also continuing with Fonterra, Horticulture NZ and other representatives of the farming sector. Monthly progress meeting are ongoing with the Waikato Regional Council.

**National Policy Statement for Freshwater Management**

The National Policy Statement for Freshwater Management has now been amended and takes effect from 1 August 2014 (NPS-FM 2014). We are currently working with the Auckland Council to identify “Exceptions” status for our infrastructure that will result in Bottom Lines not being achieved even in the long term.

**11. NON DOMESTIC WASTEWATER TARIFF**

Final preparations for the new non-domestic wastewater tariff continued during July. This included training, finalisation of new business processes and preparation of data inputs for the technical cutover. The new non-domestic wastewater tariff was successfully implemented in Hansen over the weekend of 1-3 August. Customers will see the new pricing take effect on their August invoices. To date the customer response has been minimal although it is anticipated that there will be increased demand on the Contact Centre from non-domestic customers throughout August and September.

.....  
R Jaduram  
ACTING CHIEF EXECUTIVE



**PERFORMANCE AGAINST STATEMENT OF INTENT TARGETS - JULY 2014**

Performance Measure	2014/15			2015/16	2016/17	2017/18	Outcome Auckland Plan Target
	Target	YTD Result	Status	Target	Target	Target	
<b>MEASURE</b>							
<b>Safe and Reliable Water</b>							
Percentage compliance with MoH drinking water standards for graded plants(excluding minor or technical non-compliance)	100%	Projected result: 100% of target will be achieved	✓	100%	100%	100%	
Percentage of metropolitan water treatment plants achieving Grade A	100%	Projected result: 100% of target will be achieved	✓	100%	100%	100%	
Percentage of metropolitan water supply reticulation achieving Grade a	100%	Projected result: 100% of target will be achieved	✓	100%	100%	100%	
Percentage of non-metropolitan water treatment plants achieving Grade A	50% (5 non-metro water treatment plants out of 10 non-metro water treatment plants) Note: 4 non-metro WTPs will be decommissioned bringing the total from 14 to 10	Projected result: 100% of target will be achieved (Projected result: 7 non-metro water treatment plants out of 14 non-metro water treatment plants = 50%)	✓	50% (5 non-metro water treatment plants out of 10 non-metro water treatment plants)	50% (100% by 2020)	50% (100% by 2020)	
Percentage of non-metropolitan water supply reticulation achieving Grade a	50%	Projected result: 65% of non-metropolitan water supply reticulation will achieve Grade A	✓	50% (100% by 2020)	50% (100% by 2020)	50% (100% by 2020)	
Percentage of unplanned water shutdowns restored within five hours	≥95%	98%	✓	≥95%	≥95%	≥95%	
Number of unplanned water interruptions per 1000 connected properties	<10	5.8	✓	<10	<10	<10	
<b>Healthy Waterways</b>							
Number of dry weather sewer overflows per 100km of wastewater pipe length per year	≤5	2.74	✓	≤5	≤5	≤5	
Average number of wet weather overflows per discharge location in priority receiving environments in areas serviced by the separated networks.	The Auckland-Wide Wastewater Network Discharge Consent application lodged and consent operational.	The Auckland-wide Wastewater Network Discharge consent was granted in June 2014	✓				Reduce wet weather overflows to an average of no more than 2 events per discharge location per annum, where the stormwater and wastewater system are separated, by 2040 (with priority given to bathing beaches and other sensitive receiving environments by 2030)
Number of sewer bursts and chokes per 1000 properties	<10	8.1	✓	<10	<10	<10	
Percentage of wastewater discharged that is compliant with consent discharge requirements (excluding minor or technical non-compliance) for Metropolitan areas	100%	100%	✓	100%	100%	100%	
Percentage of wastewater discharged that is compliant with consent discharge requirements (excluding minor or technical non-compliance) for non-Metropolitan areas	35%	<b>Projected result: 100% of target will be achieved (Projected result: 65% of all wastewater discharged from non-metro plants will be compliant with discharge consent conditions)</b>	✓	65% (100% by 2020)	65% (100% by 2020)	65% (100% by 2020)	

Performance Measure	2014/15			2015/16		2016/17	2017/18	Outcome
	Target	YTD Result	Status	Target	Target	Target	Auckland Plan Target	
Number of successful RMA prosecutions against Watercare	0	0	✓	0	0	0		
<b>Health, Safety and well-being</b>								
Lost-time injury frequency rate per million hours worked	≤5	1.88	✓	≤5	≤5	≤5		
Level of ACC workplace management practices accreditation	Tertiary	Tertiary	✓	Tertiary	Tertiary	Tertiary		
Percentage of total hours absent due to illness	≤2.5%	2.13	✓	≤2.5%	≤2.5%	≤2.5%		
Percentage of voluntary leavers relative to number of permanent staff	≤12%	12.48%	✘	≤12%	≤12%	≤12%		
<b>Customers Satisfaction</b>								
Percentage of customers surveyed satisfied with Watercare's delivery of water and wastewater services	80%	88.7%	✓	80%	80%	80%		
Percentage of calls answered within 20 seconds	80%	81.8%	✓	80%	80%	80%		
Number of water quality complaints (taste, odour, appearance) per 1,000 water supply_connections	<5	3.9	✓	<5	<5	<5		
Percentage of complaints and being "resolved and closed" within 10 working days	>95%	94%	⇄	95%	95%	95%		
<b>Sustainable Environment</b>								
Per capita consumption (litres/person/day) Target for 2025 = 255 l/person/day Baseline in 2004 = 298 l/person/day	278 ±5%	270	✓	275 ±5%	275 ±5%	275 ±5%	Reduce gross per capita water consumption from 2004 levels by 15% by 2025	
Percentage of annual potable water network losses* measured as total network volume *This is defined as "real" losses, which includes losses from the wholesale and retail distribution systems.	≤13%	13.97%	⇄	≤13%	≤13%	≤13%	Reduce maximum annual potable water network losses to less than 12% of total network volume by 2040	
<b>Effective Asset Management</b>								
Percentage of actual capital expenditure relative to budget	>85%	69%	✘	>85%	>85%	>85%		
<b>Sound Financial Management</b>								
Minimum funds flow from operations to interest cover (FFO) before any price adjustment	≥2.5	3.34	✓	≥2.5	≥2.5	≥2.5		
Percentage of expenditure on water supply services relative to the average household income	≤1.5%	0.90%	✓	≤1.5%	≤1.5%	≤1.5%		

# **WATERCARE SERVICES LIMITED**

## ***Management Report***

**Jul-14**

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<b>2</b>	<b>Treasury Management</b>	
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	• Counterparty Exposures, Debt Concentration & Covenant Compliance	A7
	• Foreign Exchange & Commercial Paper Maturity	A8

### Key Financial Indicators

Financial performance	Full year	Page Ref
Total Revenue	●	A1
Operating Costs	●	A1
Interest expense	●	A1
Depreciation	●	A1
Net Contribution	●	A1
Financial position		
Net Borrowings	●	A5
Cashflow		
Operating cashflow	●	A2
Investing cashflow	●	A2
Treasury policy	Compliance	Page Ref
Committed facilities (liquidity risk)	●	A6
Fixed interest rate risk	●	A6
Credit risk	●	A7
Funding risk	●	A7, A8
Foreign exchange risk	●	A8

#### 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 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 investing cash flow

#### Key to Treasury policy compliance

- Full compliance
- Non compliance

#### Commentary on red traffic lights

- Depreciation is over budget due to additional accelerated depreciation resulting from the shortening of useful lives on assets identified for disposal.
- Investing cash flow is above budget due to timing of capex payments.

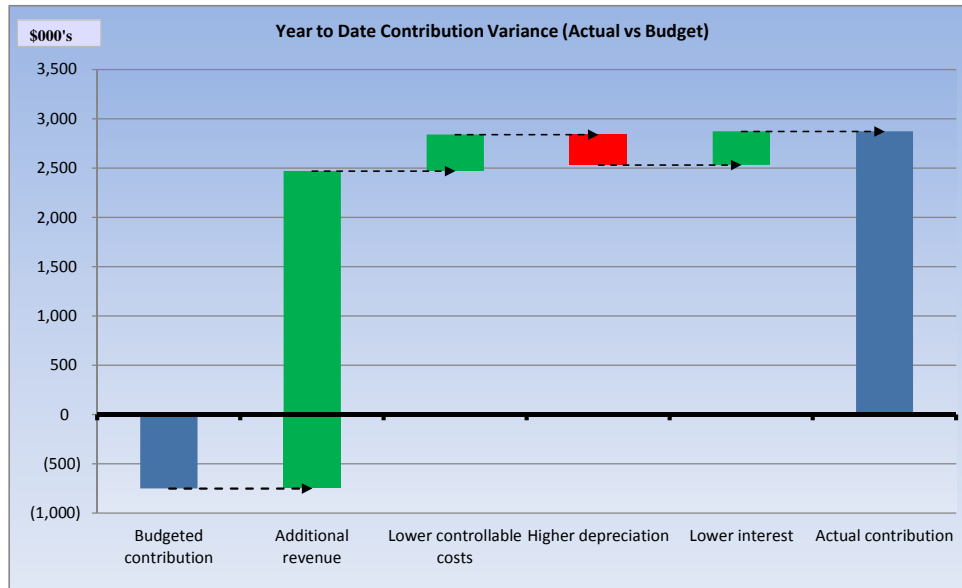
**WATERCARE SERVICES LIMITED**  
**STATEMENT OF FINANCIAL PERFORMANCE**

**Jul-14**  
**(\$000's)**

	Current Month				Year to Date				Full Year
	Actual	Budget	Variance	Result	Actual	Budget	Variance	Result	Budget
Wastewater Revenue	23,409	23,335	73	✓	23,409	23,335	73	✓	287,077
Water Revenue	10,856	11,013	(157)	✗	10,856	11,013	(157)	✗	137,059
Tradewaste Revenue	343	173	169	✓	343	173	169	✓	2,500
Laboratory Revenue	465	450	15	✓	465	450	15	✓	6,100
Infrastructure Growth Charge Revenue	4,753	2,900	1,853	✓	4,753	2,900	1,853	✓	34,100
Other Revenue	3,428	2,161	1,266	✓	3,428	2,161	1,266	✓	32,744
<b>Total Revenue</b>	<b>43,253</b>	<b>40,034</b>	<b>3,220</b>	<b>✓</b>	<b>43,253</b>	<b>40,034</b>	<b>3,220</b>	<b>✓</b>	<b>499,581</b>
Labour	5,740	5,979	239	✓	5,740	5,979	239	✓	71,622
Contract Labour	599	592	(7)	✗	599	592	(7)	✗	4,341
Oncosts	246	299	54	✓	246	299	54	✓	3,674
Labour Recoveries	(2,926)	(2,974)	(48)	✗	(2,926)	(2,974)	(48)	✗	(35,778)
<b>Net Labour</b>	<b>3,659</b>	<b>3,897</b>	<b>238</b>	<b>✓</b>	<b>3,659</b>	<b>3,897</b>	<b>238</b>	<b>✓</b>	<b>43,860</b>
Materials & Cost of Sales	246	171	(75)	✗	246	171	(75)	✗	2,074
Planned Maintenance	1,040	1,031	(8)	✗	1,040	1,031	(8)	✗	16,275
Unplanned Maintenance	2,528	2,709	181	✓	2,528	2,709	181	✓	31,105
Asset Operating Costs - Chemicals	968	906	(62)	✗	968	906	(62)	✗	11,099
Asset Operating Costs - Energy	1,604	1,429	(175)	✗	1,604	1,429	(175)	✗	17,143
Operating Costs - Other	3,369	3,212	(157)	✗	3,369	3,212	(157)	✗	38,268
Depreciation and Amortisation	17,600	17,292	(307)	✗	17,600	17,292	(307)	✗	210,440
<b>Asset Operating Costs</b>	<b>27,108</b>	<b>26,580</b>	<b>(528)</b>	<b>✗</b>	<b>27,108</b>	<b>26,580</b>	<b>(528)</b>	<b>✗</b>	<b>324,330</b>
Communications	111	128	17	✓	111	128	17	✓	1,625
Professional Services	903	1,001	98	✓	903	1,001	98	✓	12,149
Interest	6,124	6,464	340	✓	6,124	6,464	340	✓	80,573
General Overheads	2,230	2,541	311	✓	2,230	2,541	311	✓	27,994
<b>Overheads</b>	<b>9,368</b>	<b>10,134</b>	<b>766</b>	<b>✓</b>	<b>9,368</b>	<b>10,134</b>	<b>766</b>	<b>✓</b>	<b>122,341</b>
<b>Total Expenses</b>	<b>40,381</b>	<b>40,782</b>	<b>401</b>	<b>✓</b>	<b>40,381</b>	<b>40,782</b>	<b>401</b>	<b>✓</b>	<b>492,605</b>
<b>Total Contribution/(Loss)</b>	<b>2,873</b>	<b>(748)</b>	<b>3,621</b>	<b>✓</b>	<b>2,873</b>	<b>(748)</b>	<b>3,621</b>	<b>✓</b>	<b>6,976</b>
Gain/Loss on Disposal of Fixed Assets & other Costs	654	523	(131)	✗	654	523	(131)	✗	7,000
Financial Instruments Revaluation (Gain)/Loss	8,947	-	(8,947)	✗	8,947	-	(8,947)	✗	-
<b>Non Operating (costs)/Revenue</b>	<b>9,601</b>	<b>523</b>	<b>(9,078)</b>	<b>✗</b>	<b>9,601</b>	<b>523</b>	<b>(9,078)</b>	<b>✗</b>	<b>7,000</b>
<b>Net Surplus / (Deficit) before Tax</b>	<b>(6,728)</b>	<b>(1,271)</b>	<b>(5,458)</b>	<b>✗</b>	<b>(6,728)</b>	<b>(1,271)</b>	<b>(5,458)</b>	<b>✗</b>	<b>(24)</b>
Income Tax Expense/(benefit)	-	-	-		-	-	-		-
Deferred Tax	(5,219)	(1,163)	4,056	✓	(5,219)	(1,163)	4,056	✓	4,512
<b>Net Surplus / (Deficit) after Tax</b>	<b>(1,509)</b>	<b>(107)</b>	<b>(1,402)</b>	<b>✗</b>	<b>(1,509)</b>	<b>(107)</b>	<b>(1,402)</b>	<b>✗</b>	<b>(4,536)</b>

**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**

Jul-14

(\$000's)

NZ \$000s	Current Month				Full Year
	Actual	Budget	Variance	Result	Budget
<b>Operating Cash flow:</b>					
Operating Revenue	42,558	33,997	8,561	✓	482,908
Operating Costs	(14,500)	(16,469)	1,969	✓	(201,686)
Interest Paid	(2,973)	(6,464)	3,491	✓	(80,573)
<b>OPERATING CASH FLOW</b>	<b>25,085</b>	<b>11,064</b>	<b>14,021</b>	<b>✓</b>	<b>200,649</b>
<b>Investing Cash flow:</b>					
Capital Expenditure	(36,608)	(19,156)	(17,452)	✗	(314,079)
Capitalised Interest (CAPI)	(1,182)	(1,274)	92	✓	(15,012)
<b>INVESTING CASH FLOW</b>	<b>(37,790)</b>	<b>(20,430)</b>	<b>(17,360)</b>	<b>✗</b>	<b>(329,091)</b>
<b>Financing Cash flow:</b>					
Bonds/Term Debt Issued/(Repaid)	-	-	-		(150,000)
Short Term Advances/(Repaid)	2,000	-	2,000	✓	-
Commercial Paper Issued/(Repaid)	9,867	9,366	501	✓	29,464
Auckland Council Borrowings/(Repaid)	(294)	-	(294)	✗	248,978
<b>FINANCING CASH FLOW</b>	<b>11,573</b>	<b>9,366</b>	<b>2,207</b>	<b>✓</b>	<b>128,442</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(1,132)</b>	<b>-</b>	<b>(1,132)</b>	<b>✗</b>	<b>-</b>
Opening Cash Balance/(Overdraft)	97	-	97	✓	-
<b>Ending Cash Balance/(Overdraft)</b>	<b>(1,035)</b>	<b>-</b>	<b>(1,035)</b>	<b>✗</b>	<b>-</b>

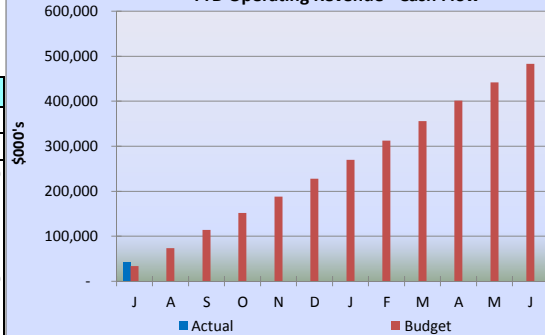
**Key: Financial performance result**

- ✓ 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)**

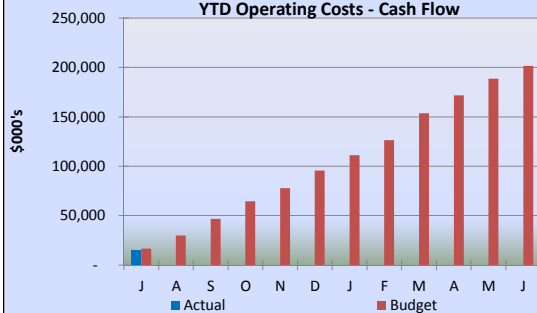
	Current Month		Full Year
	Actual	Budget	Budget
Net Surplus (Deficit) After Tax	(1,509)	(107)	(4,536)
Add back non cash items:			
Depreciation and amortisation	17,600	17,292	210,440
Financial instruments revaluation	8,947	-	-
Vested assets revenue	(345)	(168)	(2,069)
Contributions for PP&E	60	41	486
Other non-operating exp/(inc)	678	523	7,000
Income Tax Expense/(Benefit)	(5,219)	(1,163)	4,512
Movements in Working Capital	4,875	(5,354)	(15,184)
<b>OPERATING CASH FLOW</b>	<b>25,085</b>	<b>11,064</b>	<b>200,649</b>

**YTD Operating Revenue - Cash Flow**



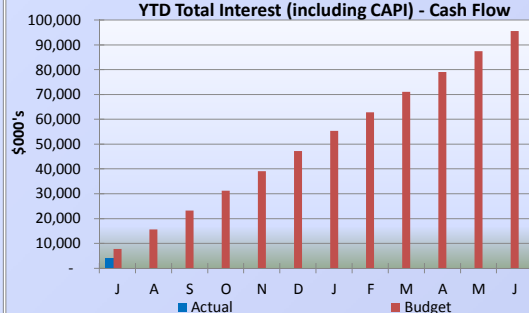
Increased YTD operating cashflow from debtor collection levels above budget, due to opening trade debtors higher than budgeted.

**YTD Operating Costs - Cash Flow**



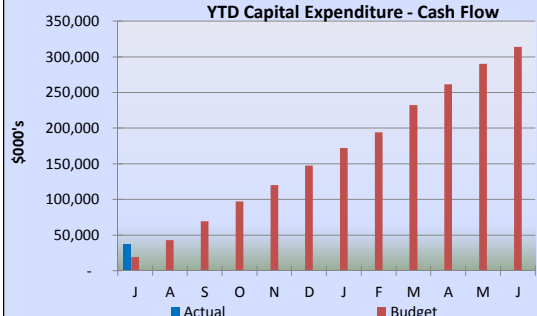
YTD behind budget.

**YTD Total Interest (including CAPI) - Cash Flow**



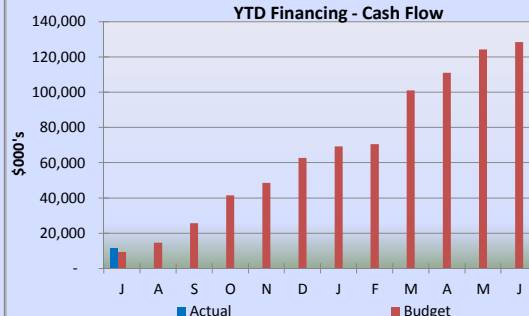
YTD savings in interest cost payments is due to lower than budgeted borrowing levels

**YTD Capital Expenditure - Cash Flow**



YTD capital expenditure cash flow is currently above budget due to progress on major projects.

**YTD Financing - Cash Flow**



YTD financing cashflow variance reflects the funding of higher than budgeted payables at year end for capital expenditure.

**WATERCARE SERVICES LIMITED**

**Jul-14**

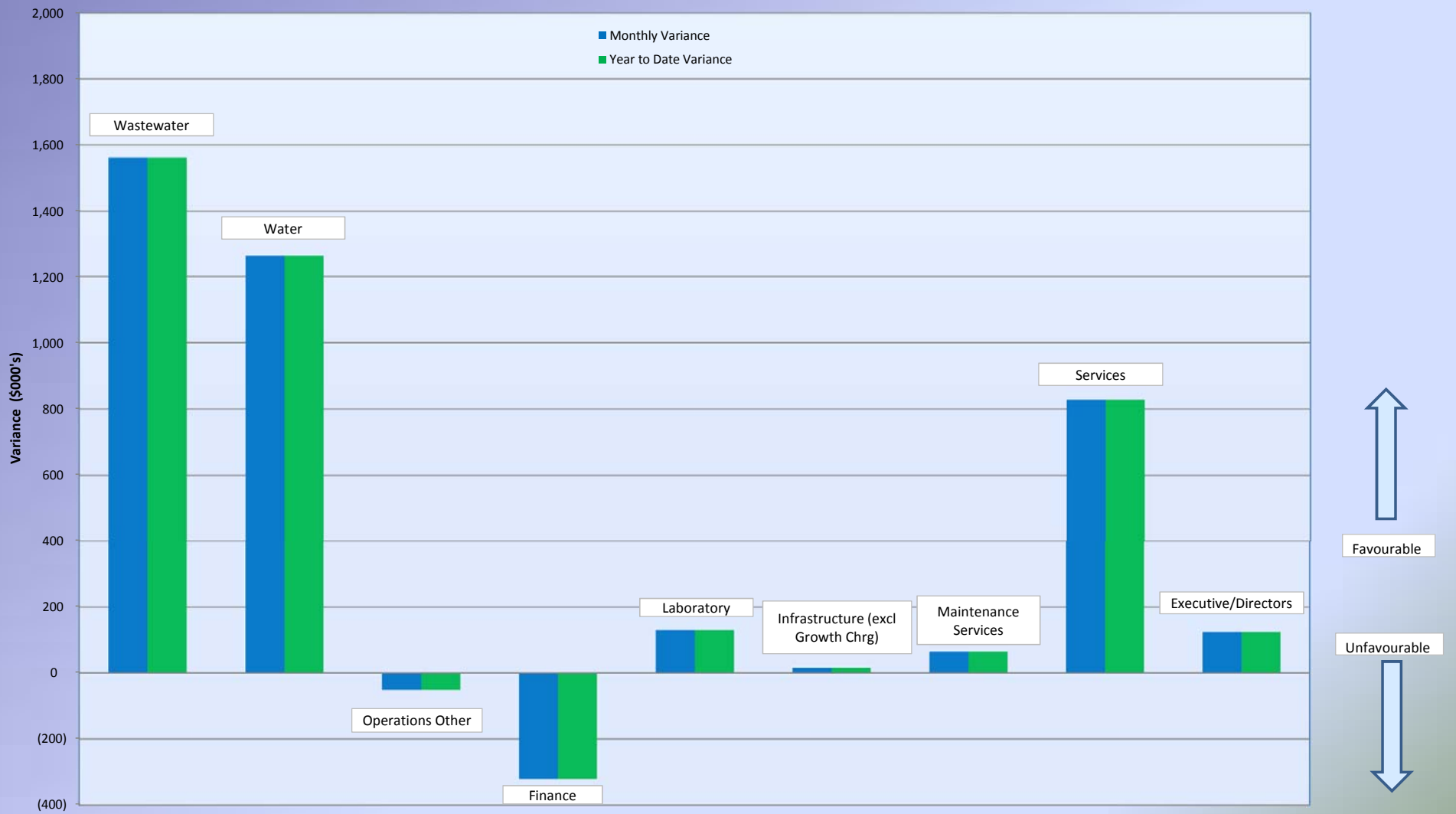
**STATEMENT OF FINANCIAL PERFORMANCE BY BUSINESS UNIT**

**(\$000's)**

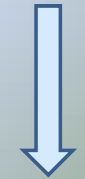
	Current Month						Year to Date						Full Year		
	Actual			Budget			Actual			Budget			Budget		
	Water	Wastewater	Total	Water	Wastewater	Total	Water	Wastewater	Total	Water	Wastewater	Total	Water	Wastewater	Total
Wastewater Revenue	-	23,409	23,409	-	23,335	23,335	-	23,409	23,409	-	23,335	23,335	-	287,077	287,077
Water Revenue	10,856	-	10,856	11,013	-	11,013	10,856	-	10,856	11,013	-	11,013	137,059	-	137,059
Tradewaste Revenue	-	343	343	-	173	173	-	343	343	-	173	173	-	2,500	2,500
Laboratory Revenue	146	319	465	141	309	450	146	319	465	141	309	450	1,960	4,141	6,100
Infrastructure Growth Charge Revenue	3,327	1,426	4,753	2,030	870	2,900	3,327	1,426	4,753	2,030	870	2,900	23,870	10,230	34,100
Other Revenue	1,040	2,387	3,428	561	1,600	2,161	1,040	2,387	3,428	561	1,600	2,161	9,104	23,640	32,744
<b>Total Revenue</b>	<b>15,369</b>	<b>27,884</b>	<b>43,253</b>	<b>13,746</b>	<b>26,288</b>	<b>40,034</b>	<b>15,369</b>	<b>27,884</b>	<b>43,253</b>	<b>13,746</b>	<b>26,288</b>	<b>40,034</b>	<b>171,993</b>	<b>327,588</b>	<b>499,581</b>
Labour	2,130	3,610	5,740	2,176	3,803	5,979	2,130	3,610	5,740	2,176	3,803	5,979	26,767	44,855	71,622
Contract Labour	188	411	599	184	407	592	188	411	599	184	407	592	1,370	2,971	4,341
Oncosts	91	154	246	108	191	299	91	154	246	108	191	299	1,363	2,312	3,674
Labour Recoveries	(1,063)	(1,863)	(2,926)	(1,071)	(1,902)	(2,974)	(1,063)	(1,863)	(2,926)	(1,071)	(1,902)	(2,974)	(12,651)	(23,127)	(35,778)
<b>Net Labour</b>	<b>1,346</b>	<b>2,312</b>	<b>3,659</b>	<b>1,398</b>	<b>2,499</b>	<b>3,897</b>	<b>1,346</b>	<b>2,312</b>	<b>3,659</b>	<b>1,398</b>	<b>2,499</b>	<b>3,897</b>	<b>16,849</b>	<b>27,011</b>	<b>43,860</b>
Materials & Cost of Sales	79	167	246	54	117	171	79	167	246	54	117	171	665	1,409	2,074
Planned Maintenance	334	706	1,040	400	631	1,031	334	706	1,040	400	631	1,031	5,566	10,710	16,275
Unplanned Maintenance	1,272	1,256	2,528	1,203	1,506	2,709	1,272	1,256	2,528	1,203	1,506	2,709	15,410	15,696	31,105
Asset Operating Costs - Chemicals	372	596	968	271	635	906	372	596	968	271	635	906	3,958	7,141	11,099
Asset Operating Costs - Energy	631	972	1,604	305	1,123	1,429	631	972	1,604	305	1,123	1,429	4,798	12,345	17,143
Operating Costs - Other	1,422	1,947	3,369	1,334	1,878	3,212	1,422	1,947	3,369	1,334	1,878	3,212	16,056	22,212	38,268
Depreciation and Amortisation	7,380	10,220	17,600	7,615	9,677	17,292	7,380	10,220	17,600	7,615	9,677	17,292	91,429	119,011	210,440
<b>Total Asset Operating Costs</b>	<b>11,410</b>	<b>15,698</b>	<b>27,108</b>	<b>11,129</b>	<b>15,451</b>	<b>26,580</b>	<b>11,410</b>	<b>15,698</b>	<b>27,108</b>	<b>11,129</b>	<b>15,451</b>	<b>26,580</b>	<b>137,216</b>	<b>187,114</b>	<b>324,330</b>
Communications	45	65	111	46	82	128	45	65	111	46	82	128	587	1,037	1,625
Professional Services	351	552	903	370	631	1,001	351	552	903	370	631	1,001	5,079	7,070	12,149
Interest	287	5,837	6,124	224	6,240	6,464	287	5,837	6,124	224	6,240	6,464	7,336	73,237	80,573
General Overheads	746	1,484	2,230	878	1,663	2,541	746	1,484	2,230	878	1,663	2,541	10,028	17,967	27,994
<b>Overheads</b>	<b>1,430</b>	<b>7,938</b>	<b>9,368</b>	<b>1,518</b>	<b>8,616</b>	<b>10,134</b>	<b>1,430</b>	<b>7,938</b>	<b>9,368</b>	<b>1,518</b>	<b>8,616</b>	<b>10,134</b>	<b>23,029</b>	<b>99,311</b>	<b>122,341</b>
<b>Total Expenses</b>	<b>14,265</b>	<b>26,115</b>	<b>40,381</b>	<b>14,098</b>	<b>26,684</b>	<b>40,782</b>	<b>14,265</b>	<b>26,115</b>	<b>40,381</b>	<b>14,098</b>	<b>26,684</b>	<b>40,782</b>	<b>177,760</b>	<b>314,846</b>	<b>492,605</b>
<b>Total Contribution/(Loss)</b>	<b>1,104</b>	<b>1,769</b>	<b>2,873</b>	<b>(352)</b>	<b>(396)</b>	<b>(748)</b>	<b>1,104</b>	<b>1,769</b>	<b>2,873</b>	<b>(352)</b>	<b>(396)</b>	<b>(748)</b>	<b>(5,767)</b>	<b>12,743</b>	<b>6,976</b>

**WATERCARE SERVICES LIMITED**  
**DIVISIONAL CONTRIBUTION VARIANCE**

Jul-14



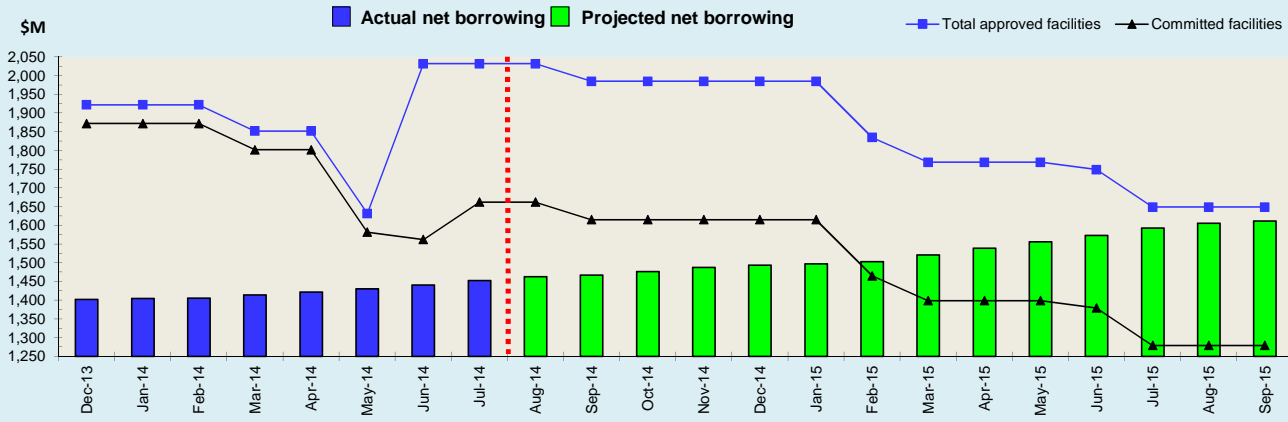
Favourable



Unfavourable



<b>WATERCARE SERVICES LIMITED</b>					<b>Jul-14</b>
<b>STATEMENT OF FINANCIAL POSITION</b>					<b>(\$000's)</b>
<b>June 2014</b>		<b>July</b>			<b>June 2015</b>
<b>Actual</b>		<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Budget</b>
	<b>Non-Current Assets</b>				
7,988,872	Property, Plant and Equipment	7,998,495	8,024,909	(26,414)	8,425,067
453,301	Construction/Work-in-progress	466,340	433,796	32,544	462,776
(210,329)	Provision for Depreciation	(226,404)	(234,980)	8,576	(49,978)
8,231,844	<b>Total Property, Plant and Equipment</b>	8,238,431	8,223,725	14,706	8,837,865
39,784	Intangible Assets	40,787	41,566	(779)	44,837
24,208	Prepaid Expenses	24,171	24,221	(50)	23,815
4,123	Inventories	4,150	4,211	(61)	4,211
5,698	Derivative Financial Instruments	5,390	5,664	(274)	5,664
8,305,657	<b>Total Non-Current Assets</b>	8,312,929	8,299,387	13,542	8,916,392
	<b>Current Assets</b>				
97	Cash and Cash Equivalents	-	-	-	-
48,186	Trade and Other Receivables	47,383	43,948	3,435	42,760
19,452	Unbilled Revenue Accrual	20,518	18,892	1,626	18,459
4,146	Prepaid Expenses	4,043	3,600	443	698
3,836	Inventories	3,935	3,684	251	3,684
556	Derivative Financial Instruments	509	1,084	(575)	1,084
76,273	<b>Total Current Assets</b>	76,388	71,208	5,180	66,685
8,381,930	<b>Total Assets</b>	8,389,317	8,370,595	18,722	8,983,077
	<b>Non-Current Liabilities</b>				
30,000	Bonds (18/05/16)	30,000	30,000	-	-
75,000	Bonds (26/10/18)	75,000	75,000	-	75,000
50,932	Bonds (26/10/18)	50,909	50,912	(3)	50,667
150,000	Term Loan (13/10/16)	150,000	150,000	-	150,000
5,000	Bank Revolving Credit Facility	7,000	35,000	(28,000)	35,000
722,339	Auckland Council Loan	722,140	727,962	(5,822)	1,114,650
1,033,271	<b>Total debt non-current</b>	1,035,049	1,068,874	(33,825)	1,425,317
13,120	Other Accrued Expenses	13,120	13,065	55	-
1,201	Provision for Staff Benefits	1,201	1,111	90	13,255
63,490	Derivative Financial Instruments	72,018	62,576	9,442	62,576
963,808	Deferred Tax Liability	960,012	951,841	8,171	1,085,179
2,074,890	<b>Total Non-Current Liabilities</b>	2,081,400	2,097,467	(16,067)	2,586,327
	<b>Current Liabilities</b>				
-	Bank Overdraft	1,036	-	1,036	-
133,811	Commercial Paper	143,678	119,036	24,642	119,036
-	Bonds (15/05/14)	0	-	-	-
250	Bonds (26/10/18)	250	250	-	264
150,000	Bonds (16/02/15)	150,000	150,000	-	-
-	Bonds (18/05/16)	-	-	-	30,000
-	Bank Revolving Credit facility	-	-	-	-
136,395	Auckland Council Loan	136,300	136,300	-	18,918
420,456	<b>Total debt current</b>	431,264	405,586	25,678	168,218
28,427	Trade and Other Payables	19,353	31,194	(11,841)	31,323
12,681	Interest Accrued	17,629	14,684	2,945	13,805
55,903	Other Accrued Expenses	50,340	46,620	3,720	55,121
6,382	Provision for Staff Benefits	6,585	5,279	1,306	5,483
928	Other Provisions	937	1,152	(215)	1,152
150	Derivative Financial Instruments	213	194	19	194
524,927	<b>Total Current Liabilities</b>	526,321	504,709	21,612	275,295
	<b>Equity</b>				
260,693	Authorised & Issued Capital	260,693	260,693	-	260,693
3,779,111	Capital Contribution Reserve	3,779,111	3,779,111	-	3,779,111
1,666,754	Revaluation Reserve	1,666,425	1,641,392	25,033	1,998,856
84,968	Retained Earnings	76,876	87,330	(10,454)	87,330
(9,413)	Current Year Earnings after Tax	(1,509)	(107)	(1,402)	(4,536)
5,782,113	<b>Total Shareholders' Funds</b>	5,781,596	5,768,419	13,177	6,121,454
8,381,930	<b>Total Shareholders' Funds and Liabilities</b>	8,389,317	8,370,595	18,722	8,983,076



Interest rates

	Actual YTD	Benchmark YTD	Year end forecast
Weighted averages (excl. fees and margins)	4.96%	4.80%	5.13%
Weighted averages (incl. fees and margins)	6.24%	N/A	6.31%

Debt (\$m)

	Actual	Budget	Variance
Short-term borrowings	431.3	405.6	25.7
Long-term borrowings	1,035.1	1,068.9	(33.8)
<b>Total gross debt</b>	<b>1,466.4</b>	<b>1,474.5</b>	<b>(8.1)</b>
Less cash & deposits	-	-	-
<b>Total net borrowing</b>	<b>1,466.4</b>	<b>1,474.5</b>	<b>(8.1)</b>

Committed facilities

- Westpac Term Loan facility \$150 million
- ANZ CP Standby facility \$100 million
- BNZ CP Standby facility \$100 million
- Westpac Revolving Credit facility \$60 million
- Medium term notes \$305 million
- Auckland Council \$947 million

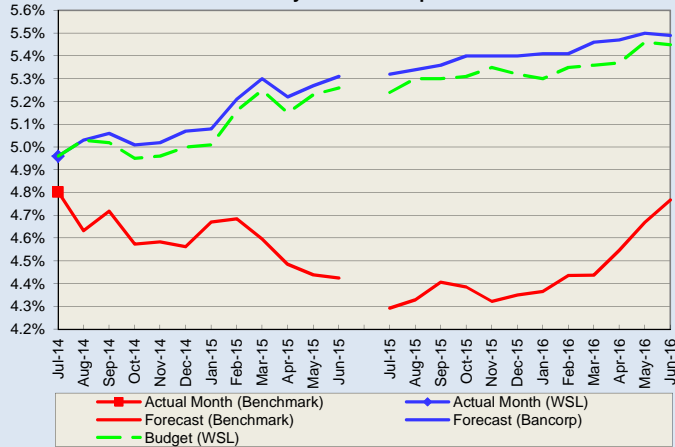
**Total committed facilities as at 31 July \$1,662 million**

Additional approved facilities

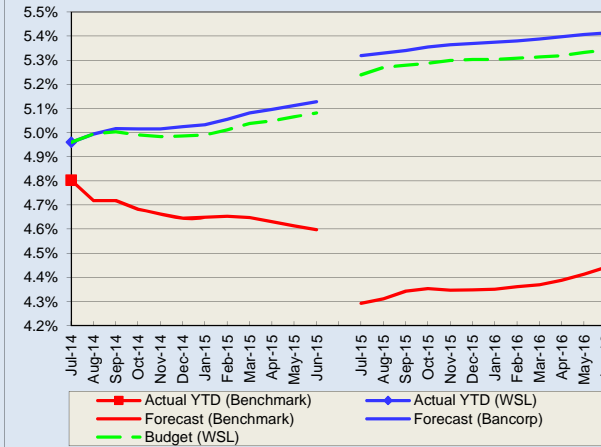
- Approved new funding from Auckland Council \$320 million
- Approved CP issuance, over and above CP Standby facility \$50 million

**Total approved facilities as at 31 July \$2,032 million**

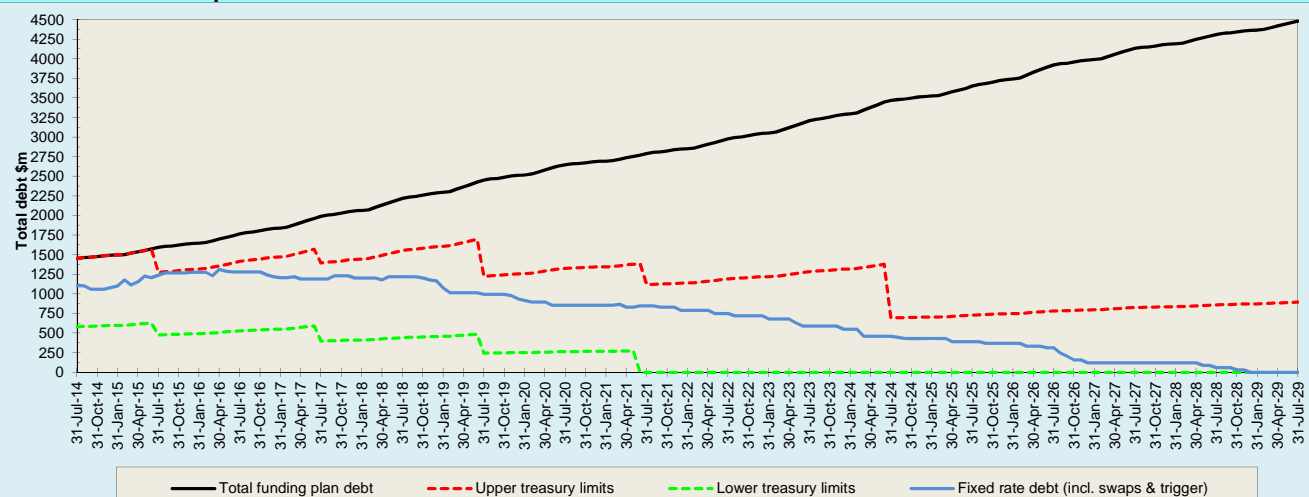
Monthly interest rate performance



Year to date interest rate performance



Forecast total debt profile



**COUNTERPARTY EXPOSURES, DEBT CONCENTRATION &  
COVENANT COMPLIANCE**

**Jul-14**

Counterparty exposures	S&P credit rating Short / long term	Face value	Credit exposures	Limit	Limit	
		\$000	\$000	\$000	OK /	exceeded
<b>Obligations of registered banks</b>						
ANZ Bank	A1+ / AA-	630,903	125,790	200,000	Limit OK	✓
Bank of New Zealand	A1+ / AA-	691,879	130,388	200,000	Limit OK	✓
ASB Institutional	A1+ / AA-	115,000	12,750	200,000	Limit OK	✓
Westpac Institutional Bank	A1+ / AA-	386,190	125,519	200,000	Limit OK	✓
		1,823,972	394,447	N/A		

*Note: Credit exposures are direct exposures plus 3% of the face value of interest rate contracts per annum & 10% of foreign currency contracts.*

**Debt concentration \$000**

Committed debt facilities	Maturity	0-12 months	12-24 months	24-36 months	36-48 months	48-60 months	> 60 months	Total
ANZ CP Standby facility	1/07/15	100,000						100,000
Westpac Revolving Credit facility	30/11/15		60,000					60,000
Westpac Term Loan facility	13/10/16			150,000				150,000
BNZ CP Standby facility	1/07/17			100,000				100,000
Medium-term notes	Various	150,000	30,000			125,000		305,000
Auckland Council	Various	132,616	41,692	54,668	78,368	82,243	557,243	946,830
<b>Total committed debt facilities</b>		<b>382,616</b>	<b>131,692</b>	<b>304,668</b>	<b>78,368</b>	<b>207,243</b>	<b>557,243</b>	<b>1,661,830</b>
Approved new funding from Auckland Council							319,716	319,716
Approved CP issuance, over and above CP Standby							50,000	50,000
<b>Total committed and approved debt facilities</b>		<b>382,616</b>	<b>131,692</b>	<b>304,668</b>	<b>78,368</b>	<b>207,243</b>	<b>926,959</b>	<b>2,031,546</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		✓	✓	✓	✓	✓		

Drawn bank facilities	Maturity	0-6 months	6-12 months	12-18 months	18-24 months	24-30 months	> 30 months	Total
ANZ CP Standby facility (\$100m)	1/07/15							0
Westpac Revolving Credit facility (\$60m)	30/11/15			7,000				7,000
Westpac Term Loan facility (\$150m)	13/10/16					150,000		150,000
BNZ CP Standby facility (\$100m)	1/07/17							0
		0	0	7,000	0	150,000	0	157,000
<b>Treasury policy for 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

Counterparty exposure in relation to borrowing facilities	Westpac	BNZ	ANZ			
Term loan facility	150,000					
Revolving credit facility	60,000					
CP standby facility		100,000	100,000			
	<b>210,000</b>	<b>100,000</b>	<b>100,000</b>			
<b>Treasury policy</b>	<b>&lt;= 500,000</b>	<b>&lt;= 500,000</b>	<b>&lt;= 500,000</b>			
Treasury policy compliance	✓	✓	✓			

**Compliance with financial covenants and ratios under the Negative Pledge Deed and Guarantee Facility Deed**

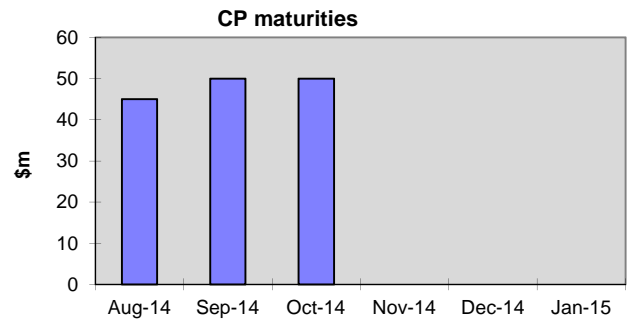
Covenant / ratio	Benchmark/target measure	Outcome	Compliance
Security interests / total tangible assets - maximum	5%	0.00%	✓
Total liabilities / total tangible assets - maximum	60%	31.23%	✓
Total liabilities (including contingent) / total tangible assets - maximum	65%	31.24%	✓
Shareholders funds - minimum (\$000)	500,000	5,781,597	✓
EBITDA : funding costs ratio - minimum	1.75	3.99	✓
Funds from operations : interest cover ratio - minimum	2.00	3.34	✓
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%	✓

Foreign currency exposures (NZ\$000) including hedging for chemical purchases	USD	AUD	Total
Total exposure to be hedged	3,533	439	3,972
Foreign exchange hedging	3,533	439	3,972
Percentage cover	100%	100%	100%
<b>Treasury policy</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Treasury policy compliance	✓	✓	✓

Hedging for chemical purchases (US\$000)	Dec-14	Mar-15	Jun-15	Sep-15	Total
Chemicals forward foreign exchange hedging	750	250	500	250	1,750
<b>Treasury policy</b>					<b>&lt;= 5,000</b>
Treasury policy compliance					✓

**Commercial paper maturities**

Issue #	\$000	BKBM	Interest rate	Bid cover (x)	Term (days)	Maturity date
268	45,000	3.400%	3.519%	2.76	91	25-Aug-14
269	50,000	3.570%	3.685%	2.68	91	22-Sep-14
270	50,000	3.700%	3.810%	2.40	92	30-Oct-14
	<b>145,000</b>		<b>3.676%</b>			



Note: BKBM is the banks' mid-rate for bank bills of a similar term on the CP issue date.

	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Beyond Jan-15	Total
Outstanding CP	45,000	50,000	50,000	0	0	0	0	145,000
Uncommitted short-term debt								0
	<b>45,000</b>	<b>50,000</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>145,000</b>

**Treasury policy for maximum amount of CP outstanding** **<= 250,000**  
 Treasury policy compliance ✓

Undrawn committed standby facilities	1 month	1-2 months	2-3 months	3-4 months	4-5 months	5-6 months	6-7 months	> 7 months
Undrawn committed standby facility - CP facility	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
50% of CP and other short-term debt repayable within 60 days	47,500	50,000	25,000	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 Pages Summary

Indicator	Detailed Indicators	Result MTD	Result 12 Mth Rolling	Page Ref
Drinking water compliance		●	●	B1
Wastewater Treatment - Mangere		●	●	B2
Wastewater Treatment - Rosedale		●	●	B3
Managed Assets	1. Unplanned maintenance	●	●	B4
	2. Inventory management	●	●	B5
Cost Minimisation		●	●	B7
Network Statistics	1. 3 days notice of planned shutdowns	●	●	B10
	2. Response to wastewater blockages within one hour	●	●	B10
	3. Unplanned water shutdowns restored within five hours	●	●	B10
	4. Water interruption frequency	●	●	B10
	5. Sewer breaks and chokes interruption frequency	●	●	B10
	6. Number of dry weather overflows	●	●	B10
	7. Water quality complaints	●	●	B10
Customer Service Statistics	1. Grade of service	●	●	B11
	2. Abandonment rate and call volumes	●	●	B11
	3. Average handling time	●	●	B11
	4. Customer correspondence and resolution within 10 days	●	●	B11
	5. Customer complaints and resolution within 10 days	●	●	B11
	6. Customer experience survey - Contact Centre	●	●	B11
	7. Customer experience survey - Maintenance	●	●	B11

**Management Report WATERCARE SERVICES LIMITED**  
**Goal 1: World Class Service**

Jul-14

**Water Quality**

**Transgressions of Maximum Acceptable Values - Annual Compliance 2015 (Financial Year to Date)**

WTPs	Compliance in Month	Year to date Transgressions
E.coli	19/19	0*
Protozoa	19/19	0
Priority 2 Determinands	4/4	0

\* Laboratory Services confirmed that a Treated Water E.coli sample was not collected on 30 April 2014 at Waikato WTP. Water Supply did not receive notification of this event until July 2014. An investigation report has been completed by the Laboratory and discussions held with the Drinking Water Assessor. The DWA has confirmed that leniency will be applied for this event and therefore it will not impact on the compliance for that year for that WTP.

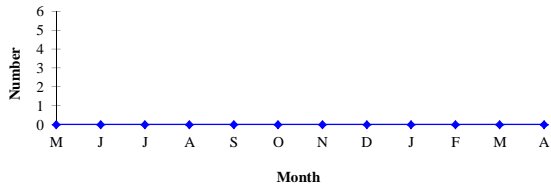
Water Supply Zone	Compliance in Month	Year to date Transgressions
E.coli	41/41	0
Priority 2 Determinands *	7/7	0
Turbidity	40/41	0

\* Priority 2 Determinands are those of public health significance that are present at concentrations that exceed 50% of the Maximum Acceptable Value. Trihalomethanes have been assigned to Te Henga, Oratia, Helensville/Parakai, Warkworth and Wellsford. Nitrate has been assigned to Bombay. Fluoride and Boron are assigned to Clarks/Waiu as it is naturally occurring in the groundwater

**Transgressions:**

A routine sample for turbidity from Fleet St in the Glenbrook grading zone taken on 7/07/2014 breached the maximum allowable value (MAV) specified in the Drinking Water Standards for New Zealand 2005 (amended 2008) (DWSNZ). The result was 7 NTU compared to the MAV of 5 NTU. The Drinking Water Assessment Unit was notified and three follow up samples undertaken as per requirements. A detailed investigation report was issued to the Drinking Water Assessment Unit who confirmed compliance with the DWSNZ will not be affected.

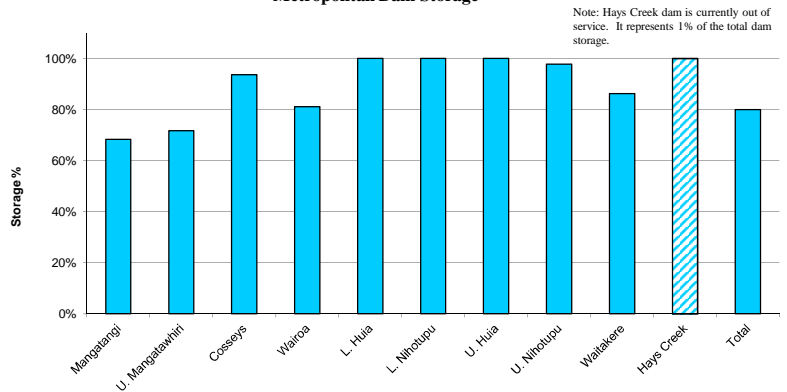
**Unplanned Loss of Supply at Bulk Meters**



	Month Actual	Rolling 12 month Actual
Number	0	0
Hours	0	0

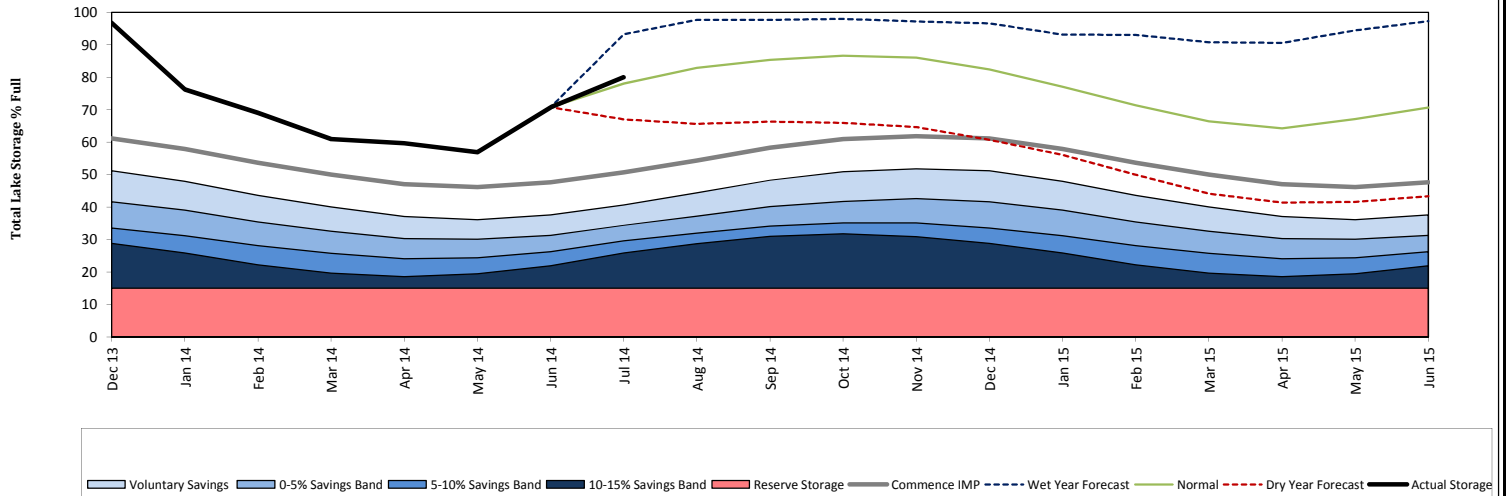
**Note:**  
There has been no unplanned loss of supply at Bulk Meters for the last 12 months.

**Metropolitan Dam Storage**

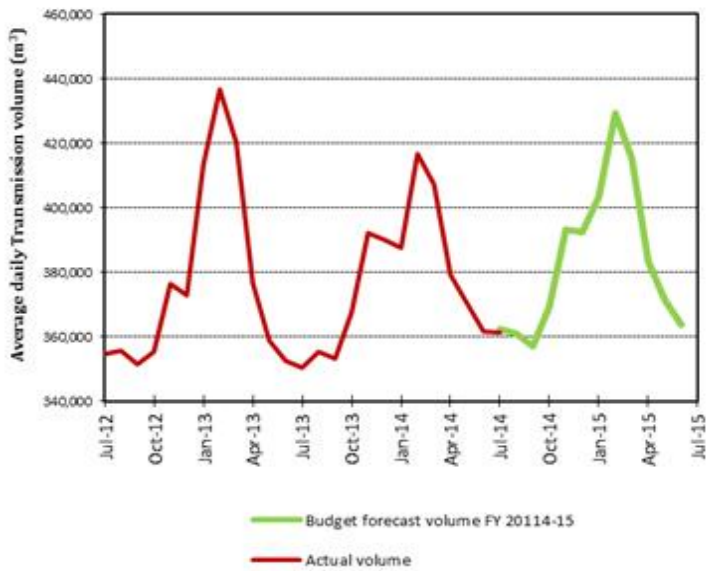


Water Quality

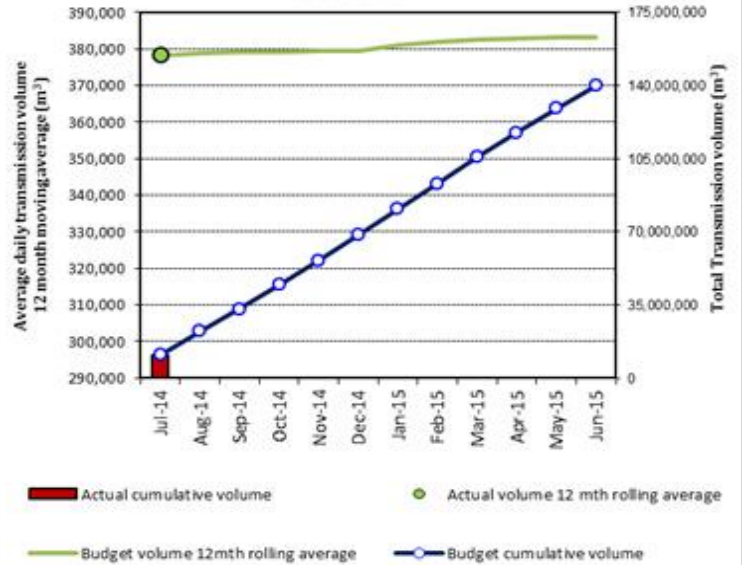
Storage Response - December 2012 to June 2014



Transmission Volumes - Actual and Budget



Transmission Volumes - Budget and Actual  
 FY 2013-14



**Management Report WATERCARE SERVICES LIMITED Jul-14**  
**Wastewater Treatment - Mangere**

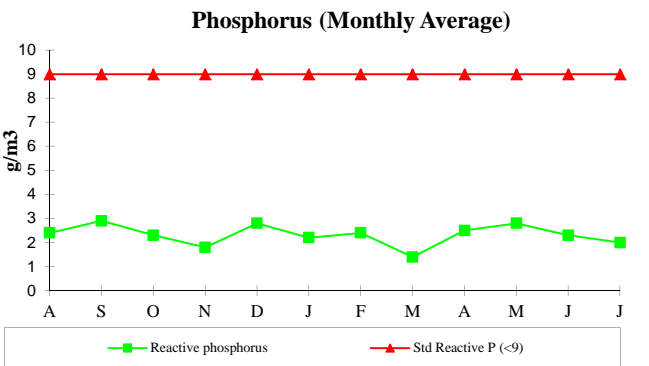
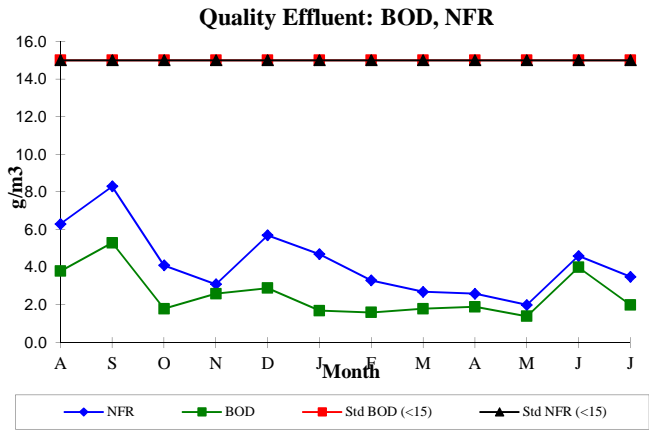
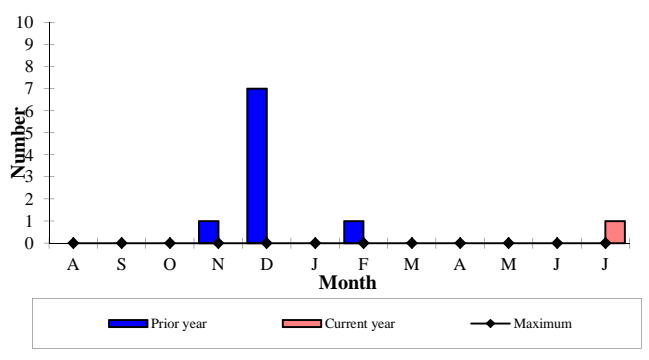


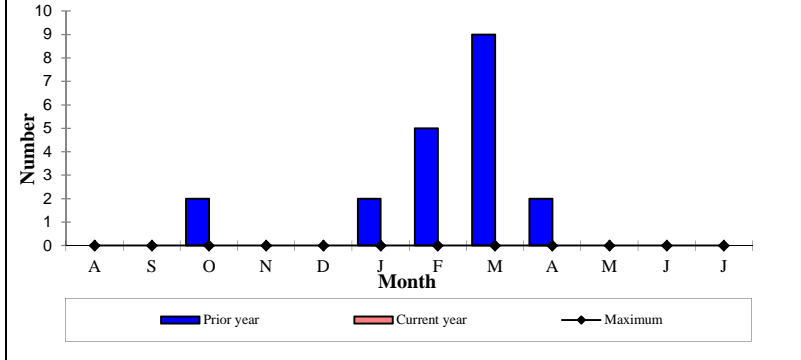
Table 2 Compliance	Consent compliance	Jul-14	Table 2 Standard
<b>Plant load</b>			
<b>Monthly average</b>			
BOD (g/m3)	✓	2.0	< 15
NFR (g/m3)	✓	3.5	< 15
<b>Nutrients (g/m3)</b>			
<b>Monthly Mean</b>			
Reactive phosphorus	✓	2.0	< 9
Total nitrogen (Apr-Nov)	✓	9.3	< 35
Total nitrogen (Dec-Mar)		N/A	< 9.5
<b>Disinfection</b>			
% duration receiving 35 milliWatt-sec/cm <sup>2</sup> of UV do	✓	100.00%	>= 99%
<b>Monthly mean (% saturation)</b>			
Dissolved oxygen	✓	90.00%	> 80%
Breaches of resource consent conditions	✓	0	0

**Comment:**

**✗ Midge Complaints**

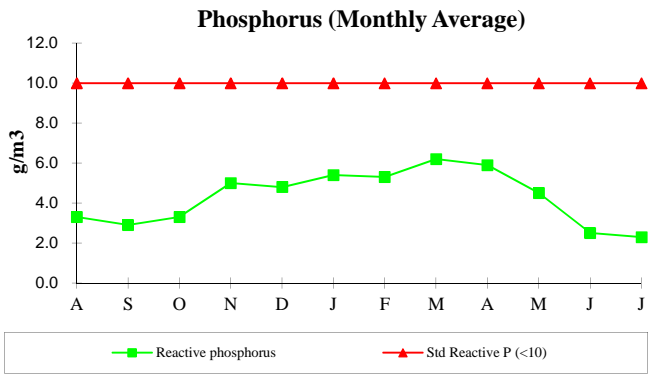
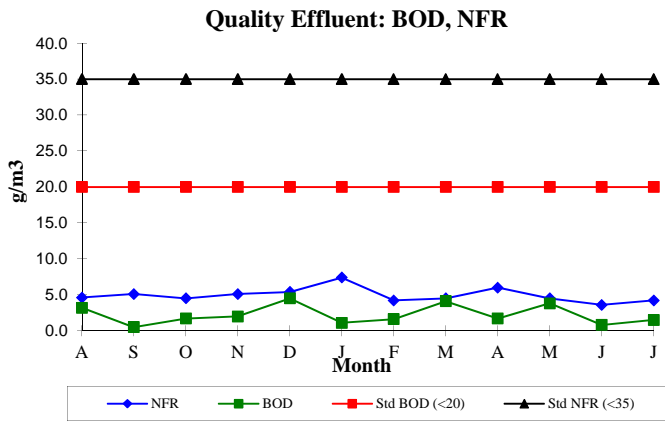


**✓ WTP Odour Complaints**



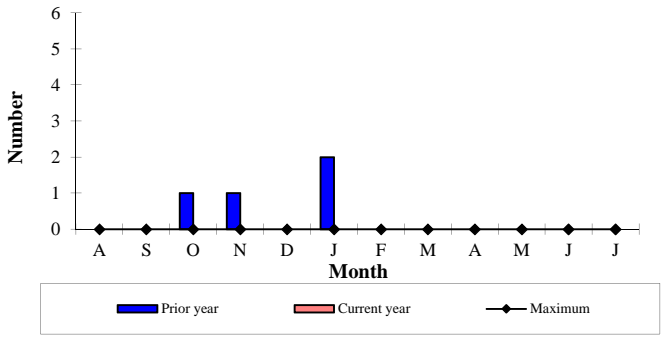


**Management Report WATERCARE SERVICES LIMITE Jul-14**  
**Wastewater Treatment - Rosedale**

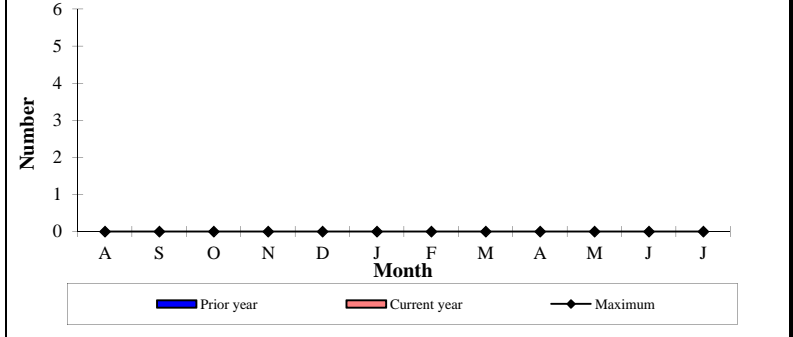


Compliance	Consent compliance	Jul-14	Table 2 Standard
<b>Plant load</b>			
<b>Monthly average</b>			
BOD (g/m3)	✓	1.5	< 20
NFR (g/m3)	✓	4.2	< 35
<b>Nutrients (g/m3)</b>			
<b>Monthly Mean</b>			
Reactive phosphorus	✓	2.3	< 10
Total nitrogen	✓	7.5	< 30
Ammonia	✓	2.4	< 10
<b>Bacteriological</b>			
<b>Monthly median</b>			
Enterococci (#/100ml)	✓	1.6	< 100
Faecal Coliforms (#/100ml)	✓	3.3	< 1000
<b>Bacteriological</b>			
<b>Monthly 95% Percentile</b>			
Enterococci (#/100ml)	✓	37	< 1000
Faecal Coliforms (#/100ml)	✓	55	< 10000
<b>Bacteriological</b>			
<b>95 Percentile over three discreet months</b>			
Enterococci (#/100ml)	✓	37	< 1000
Faecal Coliforms (#/100ml)	✓	55	< 10000

✓ **Midge Complaints (YTD)**



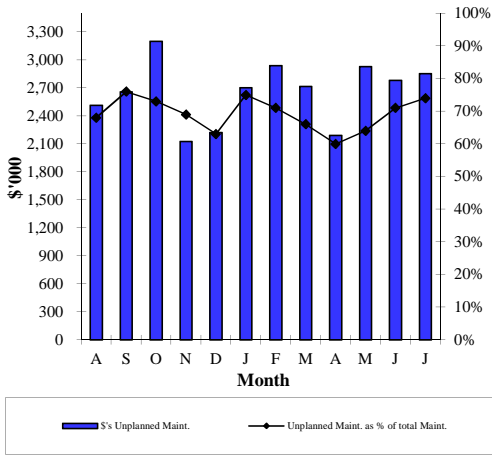
✓ **WTP Odour Complaints (YTD)**



There have been no odour complaints made for over two years

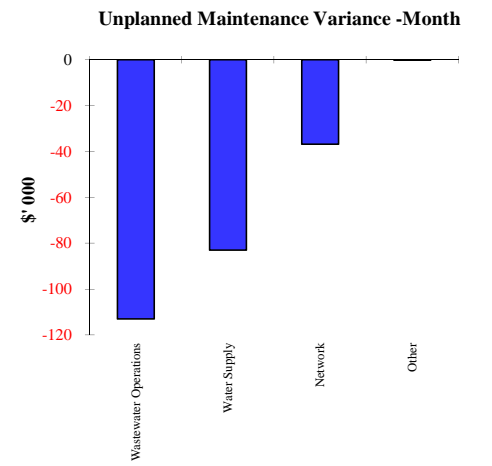
Managed Assets

Unplanned Maintenance



	Result	Month			Year to Date		
		Actual	Budget	Var	Actual	Budget	Var
Unplanned Maintenance	↔	2,854	2,621	(233)	2,854	2,621	(233)
% of Total Maintenance	↔	74%	73%	-1%	74%	73%	-1%

Unplanned maintenance as a % of Total Maintenance is consistent with budget this month.

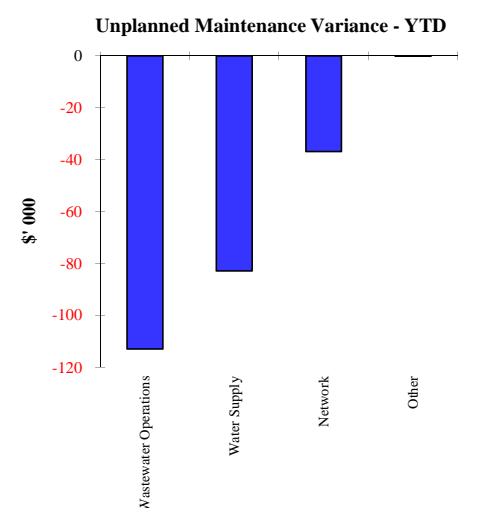


	Result	Month		
		Actual	Budget	Variance
Wastewater Operations	✖	609	496	(113)
Water Supply	✖	241	159	(83)
Network	↔	2,004	1,967	(37)
Other	✖	0	0	(0)

**Wastewater Operations:** Higher than budget due to the repair of underground water leaks in Mangere

**Water Operations:** Higher than budget due to a significant repair in Ardmore

**Networks:** Consistent with budget



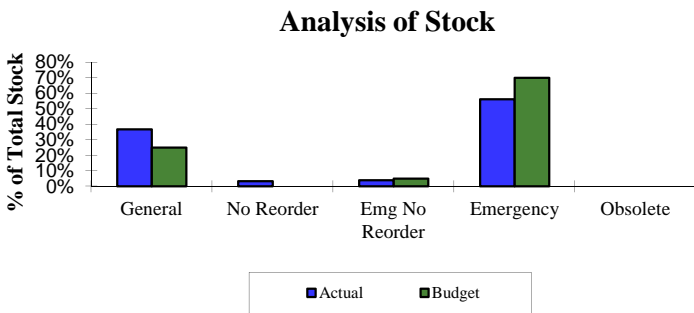
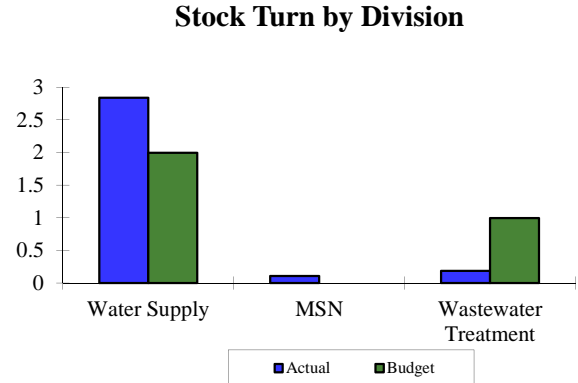
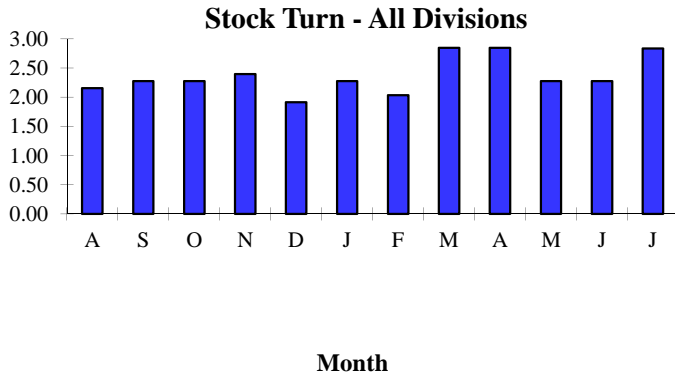
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Network	↔	2,004	1,967	(37)
Other	✖	0	0	(0)

**Wastewater Operations:** Higher than budget due to the repair of underground water leaks in Mangere

**Water Operations:** Higher than budget due to a significant repair in Ardmore

**Networks:** Consistent with budget

✓ **Inventory Management**



**Comment:**

The total closing value for July 14 was \$7.0m

**Definitions:**

General - Non category specific item

No Reorder - Will not trigger Material Requisition Plan

Emergency - Stock which is held in case of breakdowns

Emergency No Reorder - As above but will not be reordered once exhausted

Obsolete - Stock that is no longer required by the business

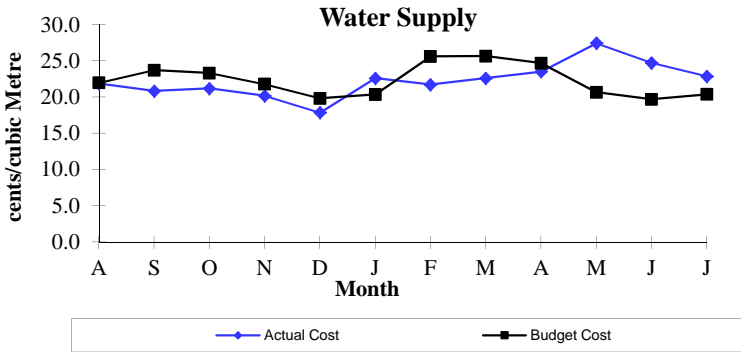
# Management Report

## Cost Minimisation

WATERCARE SERVICES LIMITED

Jul-14

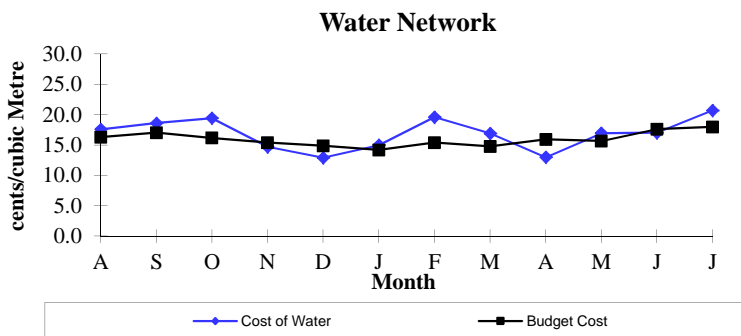
### \* Water Supply



This Month			YTD Cumulative average		
Actual	Budget	Variance	Actual	Budget	Variance
22.9	20.4	(2.6)	22.9	20.4	(2.5)

**Comment:**  
This month unit cost is over budget mainly due to higher energy costs due to Waikato production higher than budget.

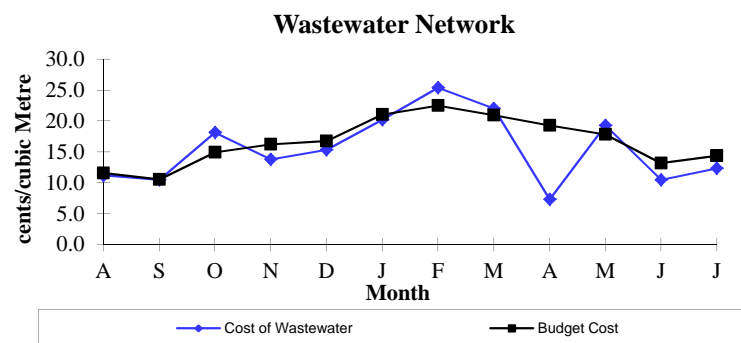
### \* Water Networks



This Month			YTD Cumulative average		
Actual	Budget	Variance	Actual	Budget	Variance
20.7	18.0	(2.8)	20.7	18.0	(2.8)

**Comment:**  
This month the reticulation cost of water is higher than budget due to a one off power bill for Duke St pumpstation where meter has not been read for the last two years. It has since been negotiated with Contact energy to reduce the bill after month end closed. The credit adjustment will come through next month.

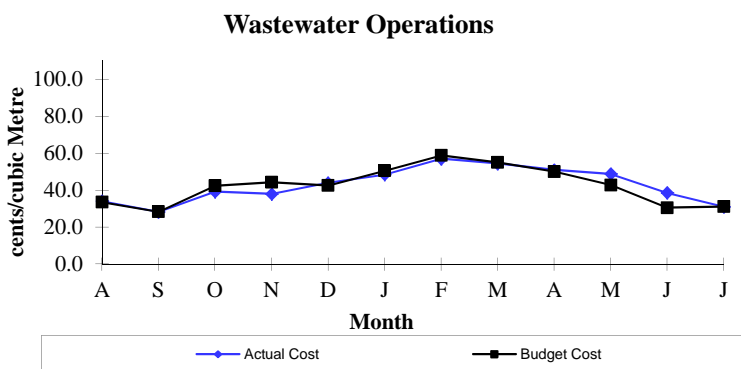
### ✓ Wastewater Networks



This Month			YTD Cumulative average		
Actual	Budget	Variance	Actual	Budget	Variance
12.3	14.3	2.0	12.3	14.3	2.0

**Comment:**  
The reticulation unit cost of wastewater is favourable to budget due to cost savings on Unplanned maintenance in Northern and Southern area.

### ↔ Wastewater



This Month			YTD Cumulative average		
Actual	Budget	Variance	Actual	Budget	Variance
31.1	31.1	0.0	31.1	31.1	0.0

**Comment:**  
This month unit cost of Wastewater is consistent with budget.

Date	Outlet/Publication	Headline	Opening text	Positive	Neutral	Negative
01/07/14 03:17	TVNZ	<a href="#">Auckland water connection cost rises by over \$2k</a>	The cost of connecting a house to Auckland's main water supply has jumped by \$2300 today.			✓
1/07/2014 7:01am	Radio Rhema		Auckland Council-owned Watercare Services are increasing its prices by up to two dollars per month for consumers due to an increased demand in funding.		✓	
1/07/2014 7:01am	Newstalk ZB		A number of 2014 Budget policies come into effect from today, including two contradictory policies affecting the Auckland housing market.			✓
1/07/2014 5:52am	Newstalk ZB		Auckland reporter Alexia Russell states that Watercare has increased its water connection fee for new properties by 23.5%.		✓	
1/07/2014 8:01am	RadioLIVE		Watercare is increasing the cost of new water connections to Auckland homes from today.		✓	
1/07/2014 3:09pm	RadioLIVE		Programme preview... Why Watercare Auckland is increasing the cost of connection, with reaction from Auckland councillor Cameron Brewer.		✓	
1/07/2014 4:12pm	RadioLIVE		Garner discusses a 23.5% increase in Watercare's connection fee to \$12,075. Spokesperson John Redwood explains that there is \$5b in capital works that is due to be carried out over the next decade. He asserts that the cost of water has not been increased in the past two years. Redwood outlines a variety of alternative options that were available to Watercare, including an increase to the cost of water and taking on a loan. Auckland councillor Cameron Brewer says there is 'probably not' an alternative method to avoid an increase to water connection fees with Watercare. He asserts that water bill prices have decreased by about 24% since Auckland was amalgamated. Brewer expresses concern over what an increased fee could do to the number of houses being built in Auckland. He does not believe that apartments should be required to pay the full cost of water connection fees.	✓		
1/07/2014	Energy NZ	Landfill gas generation growth	Clarke Energy, distributor of GE Jenbacher gas engines, reached a milestone recently with 40MW of generation capacity in New Zealand. The UK-based company, with a local presence in New Zealand and Australia has been selling engines and services here since it first dealt with Watercare in Auckland to generate power from sewage gas in 1998.		✓	
1/07/2014	New Zealand Infrastructure	Turning trash to treasure.	A picturesque island in Manukau Harbour is receiving a multi-million dollar makeover to become one of Auckland's largest public areas. Waikato-Tainui, local iwi, Watercare Services and the Kelliher Charitable Trust have agreed and received Environment Court approval to develop Puketutu Island as a public open space with up to 40 percent of the island accessible to visitors. Watercare will pay \$27 million to lease the island for 55 years and rehabilitate the quarry with clean fill and treated biosolids from the adjacent Mangere Wastewater Treatment Plant to create a new regional park.	✓		
1/07/2014	New Zealand Infrastructure	A few hours can save thousands	Sub Surface Detection includes the latest in ionic detection, ground penetrating radar and electro magnetic induction in its mix of underground asset protection – all of which adds up to a reduced risk of any disruption to utilities and provides for increased safety for workers.		✓	
1/07/2014	New Zealand Infrastructure	Infrastructure planning and delivery	Auckland Council's Mayoral Infrastructure Providers Forum has merged with the Productivity Partnership's Auckland Procurement Forum to form the Auckland Infrastructure Procurement Forum...		✓	
1/07/2014	New Zealand Construction News	Forum provides for better infrastructure planning and delivery for Auckland.	Auckland Council's mayoral infrastructure providers forum has merged with the Productivity Partnership's Auckland procurement forum to form the Auckland Infrastructure and Procurement Forum...		✓	
01/07/14 05:11	Yahoo! New Zealand	<a href="#">Watercare makes housing affordability even more difficult</a>	Among a raft of changes kicking in today are two that contradict each other when it comes to getting more affordable houses built in Auckland.			✓
01/07/14 05:11	Newstalk ZB	<a href="#">Watercare makes housing affordability even more difficult</a>	Among a raft of changes kicking in today are two that contradict each other when it comes to getting more affordable houses built in Auckland.			✓
01/07/14 06:26	Idealog-Blog	<a href="#">Valens Group out to fill the women in leadership pipeline</a>	A new group has sprung up to lend backing to Kiwi women in the early and mid stages of their career who aspire to senior leadership.		✓	
01/07/14 09:26	Scoop	<a href="#">Watercare's latest 23.5% fee hike set to scare the horses</a>	Watercare's latest 23.5% fee hike set to scare the horses. From tomorrow Watercare's connection fee for new Auckland urban dwellings will rise by 23.5% from \$9,775 to \$12,075, which has already spooked the Minister for Housing, Property Council, and development sector.			✓
01/07/14 19:16	Hibiscus Matters	<a href="#">Good news for tank users</a>	Press Release Water bill could get cheaper for some tank users. Hibiscus Coast and Albany Ward Councillors Wayne Walker and John Watson have welcomed the announcement from Watercare that it will "open up" the ability for property owners to get water meters installed on their rainwater supply for the volumetric wastewater charge.		✓	
2/07/2014	Mahurangi Matters	Titanic foam	Ducks in the Mahurangi River had to navigate around iceberg-like foam following recent heavy rain. A Watercare representative says the foam is caused by runoff from roads and farms, in combination with the rapids at the Elizabeth Street bridge.		✓	
3/07/2014	Nor West News Brief	Letters: No money?	It's enough to make your eyes water. I thought I would find out what the developer contribution is for each house site created with all the talk about SHAs, new subdivisions and proposed commercial development happening in Riverhead, Kumeu and Huapai – especially with Auckland Council telling us there is no money for infrastructure...			✓

03/07/14 03:00	Auckland Now	<a href="#">Water meters save cash</a>	It's a wonder more tank water users haven't opted for meters when those who have are saving almost half the normal annual cost.		✓	
03/07/14 05:00	Business Day - Stuff.co.nz	<a href="#">Water meters save cash</a>	It's a wonder more tank water users haven't opted for meters when those who have are saving almost half the normal annual cost.		✓	
03/07/14 06:55	Fairfax Media -Rodney Times (Epaper)	<a href="#">Rule change sees more able to install</a>	It's a wonder more tank water users haven't opted for meters when those who have are saving almost half the normal annual cost.		✓	
04/07/14 15:18	Scoop	<a href="#">Select Committee Business From 30 June to 4 July 2014</a>	Select Committee Business From 30 June to 4 July 2014 Committee meetings. There were 14 committee meetings, all in the parliamentary complex.		✓	
06/07/14 03:00	The New Zealand Herald	<a href="#">Consumer Watch: DIY can save cash in the long run</a>	Keeping chickens and growing your own veges is the first step		✓	
7/07/2014	RadioLIVE		Auckland mayor Len Brown talks about his election promise to keep overall rates at 2.5% ahead of the Auckland Council's discussion of its budget... Brown adds that the Auckland Council is currently conducting a review of its seven stand-alone companies.		✓	
7/07/2014	Newstalk ZB		Auckland Mayor Len Brown has confirmed that Auckland Council will be reviewing funding to council-owned services.		✓	
7/07/2014	New Zealand Herald	You Say: Council's spin fails to fool anyone	As winter's rain keeps pelting down, I have to wonder at the timing and wording of the Watercare newsbrief that came with my latest bill. What disingenuous marketing team writes this stuff? One side was headed "Changes to your water and wastewater charges". Once, I might have naively wondered what these changes might be, but since the Super City's formation of business-model services, I know only too well the changes will be price increases.			✓
8/07/2014	RadioLIVE		Brown confirms that the council's seven organisations will be reviewed, including Watercare, [Auckland] Transport, and the Auckland Regional Amenities Funding Board.		✓	
8/07/2014	North Shore Times Advertiser	Have your say on beachfront plan	Residents can now give feedback on plans for a redeveloped Mairangi Bay beachfront...		✓	
10/07/2014	New Zealand Herald	Letters: Core services.	Like many Aucklanders, my rates have gone up 30 per cent over the past few years at the same time as council borrowing has increased by \$3 billion...			✓
11/07/14 03:00	Manukau Courier	<a href="#">Maori input wanted on island's future</a>	More Maori input is needed into what goes on with Puketutu Island, the Independent Maori Statutory Board says. The Mangere island is undergoing a 35-year rehabilitation project during which 4.		✓	
11/07/14 21:05	Fairfax Media - Manukau Courier (Epaper)	<a href="#">Walkway dotterels get shelter from predators</a>	Enthusiastic young home renovators are doing their bit to provide shelter for some of New Zealand's rarest birds. The 420 students at Mangere Bridge's Waterlea School have been hard at work helping to prepare shelters for the dotterels that live along the Watercare Coastal Walkway ahead of the winter breeding season...	✓		
12/07/2014	Weekend Herald	Letter of the week: Street work shows spending chaos.	Recent experience in my street shows council spending is out of control. This year, Chorus started laying new cables, I was in a state of siege for weeks. Finally, it filled all the holes, reconcreted the crossings in matching pink concrete and patched the asphalt footpaths...		✓	
14/07/14 11:27	SPASIFIKmag.com	<a href="#">Engineering a new generation</a>	When an unsuspecting Maria Eliza listened to a presentation by a group of Auckland Uni students during science class, she had no idea how much impact their words would have on her.	✓		
14/07/14 15:36	Voxy.co.nz	<a href="#">WDC supports business case for water CCO</a>	Waikato District Council has given its support to proceed with a business case around the future management of water and wastewater services.		✓	

14/07/14 15:36	Yahoo! New Zealand	<a href="#">WDC supports business case for water CCO</a>	Waikato District Council has given its support to proceed with a business case around the future management of water and wastewater services.		✓	
15/07/2014	Rodney Times	Many variables with water meters	Many variables with water meters. Interest has surged in using water tank meters to save money on Watercare Services' \$596 annual fixed charge for an unmetered tank. Rodney and Hibiscus Coast plumbers are saying demand has risen since a story featured in our July 3 issue about the poor uptake among 8000 potential users. But some plumbers say a few callers are confusing the one-off \$115 discounted meter price Watercare Services had during a trial with the actual cost.		✓	
15/07/2014	Rodney Times	Letters: Meter costs	Re your July 3 article "Water meters save cash". As a local plumber on the Hibiscus Coast, first of all I would like to applaud Bill Boyle for standing up to Watercare on this matter. Having only three or four Watercare-approved plumbing companies in the Auckland to Wellsford area to carry out this work was ridiculous.			✓
15/07/14 09:54	Local Matters	<a href="#">Latest technology employed for Silverdale sewerage</a>	From left, McConnell Dowell's Alasdair Mawdsley and Clare Farrant, and Watercare's John Redwood with children from Silverdale School, who hope to come up with a name for the tunnel boring machine, below.	✓		
15/07/14 10:25	Scoop	<a href="#">Waikato District Council – business case for water CCO</a>	Waikato District Council has given its support to proceed with a business case around the future management of water and wastewater services.		✓	
15/07/14 10:25	Scoop	<a href="#">Waikato District Council - business case for water CCO</a>	Waikato District Council has given its support to proceed with a business case around the future management of water and wastewater services.		✓	
15/07/14 10:57	Hibiscus Matters	<a href="#">Penlink project in jeopardy</a>	The future of the \$350 million Penlink project is again in doubt as Auckland Council takes the razor to its long-term budgets.		✓	
15/07/14 10:57	Local Matters	<a href="#">Zoning an issue in roll out of Special Housing Areas</a>	Albany ward councillor John Watson has raised concerns over the continued roll out of Special Housing Areas (SHAs) and the potential for large scale fast tracked developments to be concentrated in areas such as the Hibiscus Coast where infrastructure is already failing to cope.		✓	
16/07/14 11:51	Auckland Council	<a href="#">Reserves management plan sessions rescheduled</a>	Walk-in sessions on the draft Mairangi Bay Beaches Reserve Management Plan, postponed last week due to the stormy weather, will now be held on 23 and 26 July.		✓	
16/07/2014 9:08am	Newstalk ZB		Smith talks about a piece written by David Shand that focuses on Auckland's financial situation. He identifies 'wrong' or 'misleading' points that Shand has included. Smith goes on to read the article aloud. He is opposed to Shand's statement that [Auckland] Council has an operating surplus of \$246m. Smith talks about how pay rates are increased. He continues to read Shand's opinion on water rates.		✓	
16/07/14 13:59	Noodls	<a href="#">City of Auckland (via noodls) / Reserves management plan sessions rescheduled</a>	Walk-in sessions on the draft Mairangi Bay Beaches Reserve Management Plan, postponed last week due to the stormy weather, will now be held on 23 and 26 July.		✓	
21/07/14 03:00	Waikato Times	<a href="#">Councils accused of pursuing own interests</a>	An investigation into new ways of managing water services across three Waikato councils could be derailed by competing interests, a councillor has warned.		✓	
22/07/2014	Waiuku & Districts Post	Multi-million dollar investment needed in Waiuku	Multi-million dollar investment needed in Waiuku. Key players in the development of Auckland's critical infrastructure gathered in the Waiuku Community Hall last Friday, with a message that major developments need to be in the pipeline to cater for growth in the region. In the meeting, led by Franklin Councillor Bill Cashmore, Watercare chairman David Clarke, and senior staff, discussed the current state of the town's water and wastewater facilities, as well as taking questions from the audience.		✓	
22/07/14 07:30	The New Zealand Herald	<a href="#">Andrew Bruce: Why are house prices so high?</a>	Property investors group says investors aren't to blame for driving up Auckland house prices.			✓
22/07/14 21:16	Scribd	<a href="#">Watercare Services Annual Report 2013</a>	Watercare Services Annual Report 2013 Watercare Services		✓	
23/07/14 15:56	Not PC	<a href="#">It's not investors driving up house prices [updated]</a>	See that bit of paper above? That's a building permit from 1975. Cost of the permit: \$3. That is not a misprint. The cost of the building permit in 1975 was three dollars. (That's thirty dollars in today's devalued money.)			✓

24/07/14 03:00	Auckland Now	<a href="#">Wastewater improvement in the pipeline</a>	A better wastewater system is on the way for Mairangi Bay. The upgrade will future-proof the East Coast Bays wastewater network.		✓	
24/07/14 11:13	Fairfax Media - North Shore Times (Epaper)	<a href="#">Wastewater network improvement in the pipeline</a>	A better wastewater system is on the way for Mairangi Bay. The upgrade will future-proof the East Coast Bays wastewater network.		✓	
24/07/14 12:17	Scoop	<a href="#">Budget Legislation To Be Completed Next Week</a>	The programme for Parliament's last week has been mapped out by Acting Leader of the House Chris Finlayson.		✓	
25/07/2014	Hamilton News	In brief. Support for business case.	Waikato District Council has given its support to proceed with a business case around the future management of water and wastewater services. Councillors have agreed to go ahead with the business case which would include investigation of a council controlled organisation, an enhanced shared services model as well as the option to consider expanding the current agreement with Auckland City Council's CCO Watercare Services Ltd.		✓	
25/07/14 04:52	Radio New Zealand	<a href="#">Leading public servant still on leave</a>	Leading public servant still on leave. One of the country's highest-paid public servants remains on sick leave following surgery at the start of the year. Mark Ford is the chief executive of Auckland Council's water company, and had previously managed the amalgamation of the region's previous eight local bodies. David Clarke, who chairs Watercare Services, said the board expected Mr Ford to resume his role when he was ready.		✓	
25/07/14 08:51	Auckland Now	<a href="#">Concern over time to fix pipe</a>	Dean Thomas reckons he has every right to be upset with Watercare over a burst metal pipe. The Mangere resident says the water company took more than a week to fix the burst pipe on Cleek Rd, despite calls from him. He rang the company after he became worried for the safety of nearby children.			✓
25/07/14 09:13	Auckland Council	<a href="#">LTP workshops underway</a>	Auckland councillors today met for the fourth in a series of workshops to consider council priorities for the next 10 years. The workshops are part of the 18 month process of developing Auckland's Long-term Plan (LTP).		✓	
25/07/14 13:30	Voxy.co.nz	<a href="#">Auckland's LTP workshops underway</a>	Auckland councillors today met for the fourth in a series of workshops to consider council priorities for the next 10 years. The workshops are part of the 18 month process of developing Auckland's Long-term Plan (LTP).		✓	
25/07/14 13:30	Yahoo! New Zealand	<a href="#">Auckland's LTP workshops underway</a>	Auckland councillors today met for the fourth in a series of workshops to consider council priorities for the next 10 years. The workshops are part of the 18 month process of developing Auckland's Long-term Plan (LTP).		✓	
25/07/14 13:52	Scoop	<a href="#">LTP workshops underway</a>	Auckland councillors today met for the fourth in a series of workshops to consider council priorities for the next 10 years. The workshops are part of the 18 month process of developing Auckland's Long-term Plan (LTP).		✓	
25/07/14 15:10	Scoop	<a href="#">Select Committee Business From 21 July to 25 July 2014</a>	Select Committee Business From 21 July to 25 July 2014		✓	
26/07/2014	Weekend Herald	Letters: Rainforest Express must reopen	In June 2013, the Rainforest Express was closed by Watercare because of a rock fall, a common occurrence in this rugged country. It had been run as a tourist attraction for 15 years. Watercare has little or no intention of reopening this awesome Auckland asset. It was looking for an excuse to close it down and has now used health and safety... Cathy Bentley, Titirangi			✓
26/07/14 00:37	Fairfax Media - Manukau Courier (Epaper)	<a href="#">Concern over time to fix pipe</a>	Dean Thomas reckons he has every right to be upset with Watercare over a burst metal pipe. The Mangere resident says the water company took more than a week to fix the burst pipe on Cleek Rd, despite calls from him. He rang the company after he became worried for the safety of nearby children.			✓
28/07/2014	NZ Local Government Magazine	<a href="#">Watercare wins environmental award</a>	Watercare's Kawakawa Bay wastewater system has received one of three Environment and Sustainability Awards for large projects presented by IPENZ, Auckland Branch at the prestigious Arthur Mead Awards Function. The awards are presented annually to the projects that best address sustainability, potential adverse environmental effects, waste management and community involvement. Watercare Acting Chief Executive Raveen Jaduram said continuing to improve the company's wastewater treatment services in order to enhance the health of Auckland's harbours, estuaries and waterways remained one of Watercare's main objectives and a key focus of the company's capital investment plan.	✓		
28/07/14 06:05	WhaTech	<a href="#">How can a water pipe explode?</a>	There's a depressingly long list of accidents, many fatal, resulting from contractors puncturing buried gas pipes after failing to properly locate them prior to excavating, but what about a fatal gas explosion during excavations without any gas pipe being ruptured? That's what happened in New Zealand.			✓



Management Report – Media Analysis Goal Seven: Public Perception			WATERCARE SERVICES LIMITED		Jul-14
28/07/14 07:38	Scoop	<a href="#">Top environmental award for Kawakawa Bay wastewater system</a>	Watercare's Kawakawa Bay wastewater system has received one of three Environment and Sustainability Awards for large projects presented by IPENZ, Auckland Branch at the prestigious Arthur Mead Awards Function.	✓	
28/07/14 14:19	Scoop	<a href="#">Green-Star Champion Launches \$5m Charitable Foundation</a>	Green-Star Champion Launches \$5m Charitable Foundation Green Building champion and long-time philanthropist Ted Manson has launched a new charitable trust - the Ted Manson Foundation - with a \$5million personal contribution. Some of the signature buildings developed by Mr Manson include the Lumley Centre office tower in Shortland Street, the celebrated Telecom Place on Victoria Street West, and Watercare's new headquarters in Newmarket.		✓
28/07/14 18:17	Envirotech Online	<a href="#">Auckland wastewater system wins award</a>	The wastewater system at Kawakawa Bay, Auckland, New Zealand has been awarded an Environmental and Sustainability Award at the Arthur Mead Awards Function.	✓	
28/07/14 19:50	Yahoo! New Zealand (Business & Finance)	<a href="#">Green-star champion launches \$5m charitable foundation</a>	Green-Star Champion Launches \$5m Charitable Foundation Green Building champion and long-time philanthropist Ted Manson has launched a new charitable trust - the Ted Manson Foundation - with a \$5million personal contribution. Some of the signature buildings developed by Mr Manson include the Lumley Centre office tower in Shortland Street, the celebrated Telecom Place on Victoria Street West, and Watercare's new headquarters in Newmarket.		✓
29/07/2014	Te Awamutu Courier	<a href="#">Letters: Don't believe everything Councils say</a>	Don't believe everything Councils say. Don't be complacent and believe everything Councils tell us is fact or necessarily the right path to follow... Just look at Auckland and Tauranga, and their rising water costs, which are spiralling out of control and bordering on privatisation.		✓
29/07/2014	The New Zealand Herald	Letters: Rainforest Express	Your correspondent Cathy Bentley is correct that the rockfall that last year closed the Rainforest Express is "a common occurrence in this rugged country"...		✓
29/07/14 03:00	The New Zealand Herald	<a href="#">Aucklanders say cut staff - not services</a>	Poll strongly favours council salary cuts to meet savings targets. Many Aucklanders believe the best way to deal with looming budget cuts by the Auckland Council is to reduce staff and salaries, according to the latest Herald-DigiPoll survey... Watercare chief executive Mark Ford is the highest paid council official with a salary of about \$780,000.		✓
29/07/14 07:50	Yahoo! New Zealand	<a href="#">Green-star champion launches \$5m charitable foundation</a>	Green-Star Champion Launches \$5m Charitable Foundation Green Building champion and long-time philanthropist Ted Manson has launched a new charitable trust - the Ted Manson Foundation - with a \$5million personal contribution. Some of the signature buildings developed by Mr Manson include the Lumley Centre office tower in Shortland Street, the celebrated Telecom Place on Victoria Street West, and Watercare's new headquarters in Newmarket.		✓
29/07/14 07:50	Voxy.co.nz	<a href="#">Green-star champion launches \$5m charitable foundation</a>	Green-Star Champion Launches \$5m Charitable Foundation Green Building champion and long-time philanthropist Ted Manson has launched a new charitable trust - the Ted Manson Foundation - with a \$5million personal contribution. Some of the signature buildings developed by Mr Manson include the Lumley Centre office tower in Shortland Street, the celebrated Telecom Place on Victoria Street West, and Watercare's new headquarters in Newmarket.		✓
29/07/14 09:34	Voxy.co.nz	<a href="#">Ted Manson launches \$5m foundation</a>	Green-Star Champion Launches \$5m Charitable Foundation Green Building champion and long-time philanthropist Ted Manson has launched a new charitable trust - the Ted Manson Foundation - with a \$5million personal contribution. Some of the signature buildings developed by Mr Manson include the Lumley Centre office tower in Shortland Street, the celebrated Telecom Place on Victoria Street West, and Watercare's new headquarters in Newmarket.		✓
29/07/14 16:09	Local Matters	<a href="#">Stillwater hall consent issued</a>	Work may begin within the next few months on the long-awaited Stillwater Hall in Duck Creek Road Reserve, which will provide a meeting place for community groups and a venue for functions and events... Costs include \$642,000 for construction, design and development, \$20,000 for project management, \$9775 in Watercare costs and \$12,275 to relocate the playground.		✓
30/07/14 12:25	Hibiscus Matters	<a href="#">Talking sewage in Matakana and Omaha</a>	Groundwater contamination and the problem of poor performing septic tanks were raised at a Watercare Services information meeting in Matakana last month. Only a handful of people attended the poorly advertised event, which was held as part of preliminary steps to re-consent the Omaha Wastewater Treatment Plant. The current resource consent comes up for renewal next May.		✓
31/07/14 02:37	Fairfax Media -Papakura Courier (Epaper)	<a href="#">Pollution stopper praised in awards</a>	A Watercare wastewater system at Kawakawa Bay has received one of three environment and sustainability awards at this year's Institution of Professional Engineers awards. The Arthur Mead award is presented each year for the Auckland branch of the institution and recognises projects that best address sustainability, adverse environmental effects, waste management and community involvement.	✓	
31/07/14 11:43	Taranaki Daily News	<a href="#">Anger in Auckland Council meeting over living wage</a>	Auckland councillor Cathy Casey has levelled her anger at mayor Len Brown, saying it was his fault the living wage did not pass through the council last year.		✓
31/07/14 11:43	Auckland Now	<a href="#">Anger in Auckland Council meeting over living wage</a>	Auckland councillor Cathy Casey has levelled her anger at mayor Len Brown, saying it was his fault the living wage did not pass through the council last year.		✓

31/07/14 11:43	Manawatu Standard	<a href="#">Anger in Auckland Council meeting over living wage</a>	Auckland councillor Cathy Casey has levelled her anger at mayor Len Brown, saying it was his fault the living wage did not pass through the council last year.		✓	
31/07/14 11:43	Business Day - Stuff.co.nz	<a href="#">Anger in Auckland Council meeting over living wage</a>	Auckland councillor Cathy Casey has levelled her anger at mayor Len Brown, saying it was his fault the living wage did not pass through the council last year.		✓	
31/07/14 11:43	The Southland Times	<a href="#">Anger in Auckland Council meeting over living wage</a>	Auckland councillor Cathy Casey has levelled her anger at mayor Len Brown, saying it was his fault the living wage did not pass through the council last year.		✓	
31/07/14 11:43	The Marlborough Express	<a href="#">Anger in Auckland Council meeting over living wage</a>	Auckland councillor Cathy Casey has levelled her anger at mayor Len Brown, saying it was his fault the living wage did not pass through the council last year.		✓	
31/07/14 11:43	The Dominion Post	<a href="#">Anger in Auckland Council meeting over living wage</a>	Auckland councillor Cathy Casey has levelled her anger at mayor Len Brown, saying it was his fault the living wage did not pass through the council last year.		✓	

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Social media

Date	Media outlet	Posted by	Link	Positive	Neutral	Negative
1/07/2014. 02:50am	Twitter	RadioLIVE Newsroom	<a href="https://twitter.com/LIVENewsDesk/status/483653719116902400">https://twitter.com/LIVENewsDesk/status/483653719116902400</a>			✓
1/07/2014. 06:02am	Twitter	RadioLIVE Newsroom	<a href="https://twitter.com/LIVENewsDesk/status/483702114913243139">https://twitter.com/LIVENewsDesk/status/483702114913243139</a>			✓
3/07/2014. 08:05am	Twitter	Farry and Co	<a href="https://twitter.com/FarryandCo/status/484457765767634944">https://twitter.com/FarryandCo/status/484457765767634944</a>			✓
3/07/2014. 12:39pm	Twitter	Jason Gerrand	<a href="https://twitter.com/Jasgerrand/status/484526879123075072">https://twitter.com/Jasgerrand/status/484526879123075072</a>		✓	
4/07/2014. 12:46pm	Twitter	Peter Skyes	<a href="https://twitter.com/sykes_peter/status/484891069528940544">https://twitter.com/sykes_peter/status/484891069528940544</a>			✓
6/07/2014	Transportblog.co.nz		<a href="http://transportblog.co.nz/2014/07/06/photo-of-the-day-underused-pipe/">http://transportblog.co.nz/2014/07/06/photo-of-the-day-underused-pipe/</a>		✓	
6/07/2014 2:02pm	Facebook	Peter Skyes	<a href="https://www.facebook.com/peter.sykes.509/posts/315879948575842">https://www.facebook.com/peter.sykes.509/posts/315879948575842</a>		✓	
7/07/2014 12:26am	Twitter	Christopher Dempsey	<a href="https://twitter.com/Christodemp/status/485973099746058241">https://twitter.com/Christodemp/status/485973099746058241</a>			✓
8/07/2014 5:02pm	Twitter	Flying Kiwi	<a href="https://twitter.com/planespotted/status/486399667685425152">https://twitter.com/planespotted/status/486399667685425152</a>			✓
8/07/2014 5:02pm	Twitter	Flying Kiwi	<a href="https://twitter.com/planespotted/status/486404993830772737">https://twitter.com/planespotted/status/486404993830772737</a>			✓
8/07/2014 9:17pm	Twitter	Watershitdown	<a href="https://twitter.com/watershitdown/status/486469112298614786">https://twitter.com/watershitdown/status/486469112298614786</a>			✓
11/07/2014	Facebook	John Howard to 3 News	<a href="http://www.facebook.com/97548423605/posts/745173478878098">http://www.facebook.com/97548423605/posts/745173478878098</a>			✓
11/07/2014	Facebook	John Howard to Campbell Live	<a href="http://www.facebook.com/115762745225/posts/10154416844100226">http://www.facebook.com/115762745225/posts/10154416844100226</a>			✓
11/07/2014 11:13am	Twitter	Russel Norman	<a href="https://twitter.com/RusselNorman/status/488128986812137472">https://twitter.com/RusselNorman/status/488128986812137472</a>		✓	
11/07/2014 12:26pm	Twitter	Christopher Dempsey	<a href="https://twitter.com/Christodemp/status/488147472552714240">https://twitter.com/Christodemp/status/488147472552714240</a>			✓

15/07/2014	Twitter	Tenderlink	<a href="https://twitter.com/TenderLink/status/488788034284834816">https://twitter.com/TenderLink/status/488788034284834816</a>		✓	
16/07/2014	Facebook	Dave Mac for Council	<a href="https://www.facebook.com/davemacformayor/posts/652665571496564">https://www.facebook.com/davemacformayor/posts/652665571496564</a>			✓
16/07/2014	Twitter	Dave Mac for Hamilton	<a href="https://twitter.com/davemacpherson7/status/489263582258139136">https://twitter.com/davemacpherson7/status/489263582258139136</a>			✓
18/07/2014	Twitter	Shaun Lee	<a href="https://twitter.com/vegastoc/status/489989812594548736">https://twitter.com/vegastoc/status/489989812594548736</a>	✓		
18/07/14 10:03	Whale Oil Beef Hooked		<a href="#">Len Brown's failures will cause Auckland headaches for decades</a>			✓
23/07/2014	Facebook	Eugeny Perelyatnikov	<a href="http://www.facebook.com/750424601/posts/10152620589684602">http://www.facebook.com/750424601/posts/10152620589684602</a>			✓
24/07/2014	Twitter	Campbell Live	<a href="https://twitter.com/Christodemp/status/492225590418608128">https://twitter.com/Christodemp/status/492225590418608128</a>		✓	
24/07/2014	Twitter	Ben Ross	<a href="https://twitter.com/Christodemp/status/492225590418608128">https://twitter.com/Christodemp/status/492225590418608128</a>			✓
24/07/2014	Twitter	Christopher Dempsey	<a href="https://twitter.com/Christodemp/status/492225590418608128">https://twitter.com/Christodemp/status/492225590418608128</a>			✓
24/07/2014	Twitter	Julie Anne Genter	<a href="https://twitter.com/Dovil/status/492159361712537601">https://twitter.com/Dovil/status/492159361712537601</a>		✓	
24/07/2014	Twitter	Dovil	<a href="https://twitter.com/Dovil/status/492159361712537601">https://twitter.com/Dovil/status/492159361712537601</a>		✓	
24/07/2014	Twitter	Stephen Davis	<a href="https://twitter.com/Dovil/status/492159361712537601">https://twitter.com/Dovil/status/492159361712537601</a>		✓	
27/07/2014	Twitter	Ben Ross	<a href="https://twitter.com/BenRoss_AKL/status/493280277561503744">https://twitter.com/BenRoss_AKL/status/493280277561503744</a>		✓	
29/07/2014	Twitter	Holly Bennett	<a href="https://twitter.com/HollySBennett/status/494067588150726656">https://twitter.com/HollySBennett/status/494067588150726656</a>			✓
30/07/2014	Twitter	Phyllis M Turanga	<a href="http://www.facebook.com/100002248690731/posts/677806152304335">http://www.facebook.com/100002248690731/posts/677806152304335</a>			✓
31/07/2014	Facebook	Friends of the Manukau Harbour	<a href="http://youtu.be/2iQvRx0ifA">http://youtu.be/2iQvRx0ifA</a> <a href="https://www.facebook.com/FriendsoftheManukaHarbour/posts/325410794289051">https://www.facebook.com/FriendsoftheManukaHarbour/posts/325410794289051</a>			✓
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				B8		

# Management Report

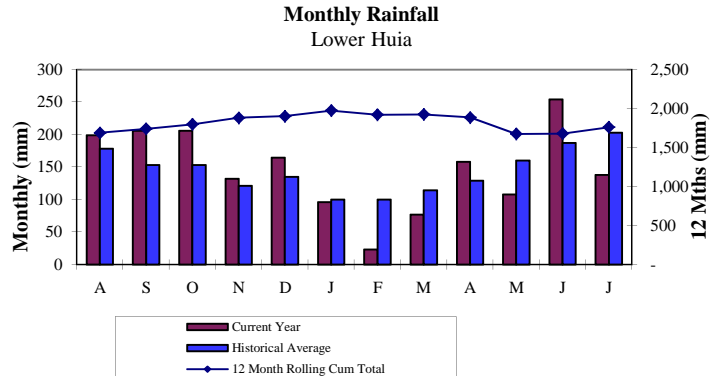
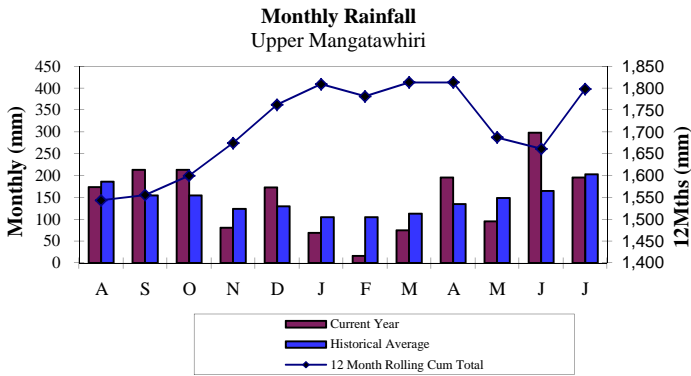
## Monthly Statistics Update

WATERCARE SERVICES LIMITED

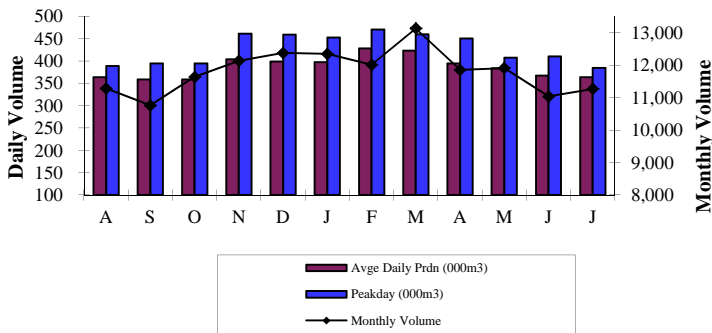
Jul-14

### Rainfall

Rainfall	Current Month	12 Mth Cumulative Rolling	Rainfall	Current Month	12 Mth Cumulative Rolling
Actual - Upper Mangatawhiri	196 mm	1799 mm	Actual - Lower Huia	138 mm	1761 mm

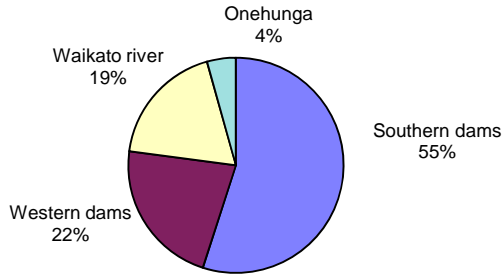


### Water Production - Metropolitan Supply



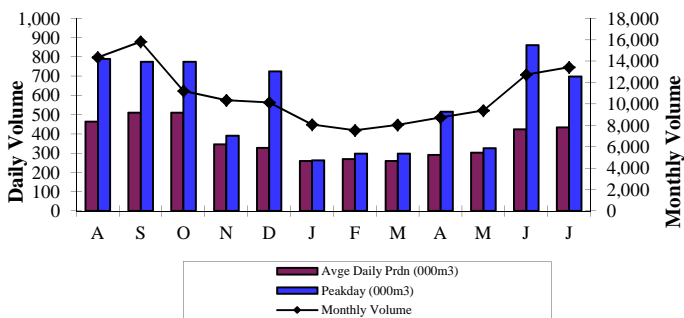
	Current Month	12 Month Rolling Ave
Monthly Volume (000m <sup>3</sup> )	11,271	11,815
Average Daily Production	364	387
Peak Day	385	428

### Treated water volumes for the month



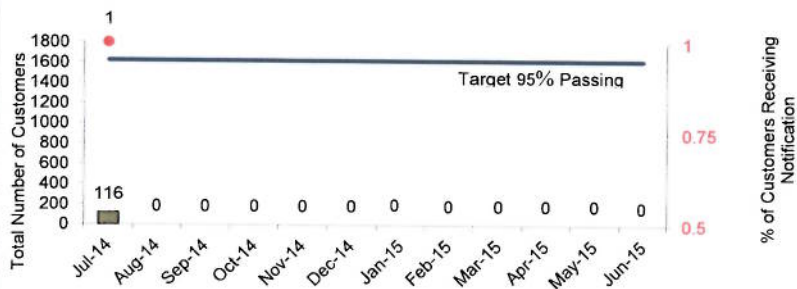
Treated water volumes (000m <sup>3</sup> )	Current Month	Year to Date
Southern dams	6,196 55%	6,196 4%
Western dams	2,492 22%	2,492 2%
Waikato river	2,094 19%	2,094 1%
Onehunga aquifer	488 4%	488 0%
<b>Total</b>	<b>11,270 100%</b>	<b>11,270 8%</b>

### Wastewater Treatment - Metropolitan Treatment



	Current Month	12 Month Cumulative Ave
Monthly Volume (000m <sup>3</sup> )	13,452	10,835
Average Daily Production	434	367
Peak Day Mangere	698	560

3 Days Notice of Planned Shut Down

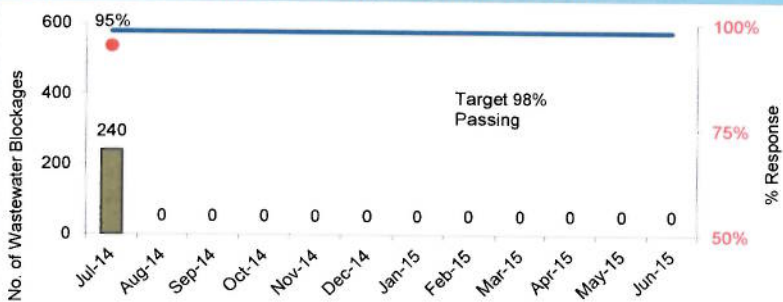


Strategic Performance Objective 23 b

Maintain good customer relationships - 97% of customers received at least 3 days notice of planned shutdowns

Comments: Target achieved

Response to Wastewater Blockages within One Hour

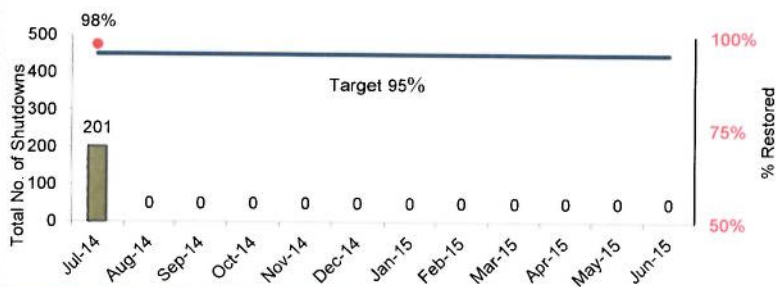


Strategic Performance Objective 25 b

Restore Service Capacity - 98% of Wastewater Blockages Responded to within one to two hours

Comments: Not achieved at 95%  
The target was not met due to Lend Lease citing traffic congestion as the reason. A review is underway with Lend Lease management to ensure there is an improvement in this measure

Unplanned Water Shutdowns Restored within 5 hours

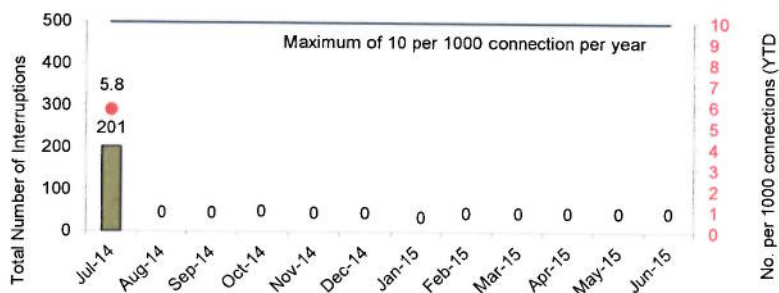


Strategic Performance Objective 25 a

Restore Service Capacity - 95% of unplanned water shutdowns were restored within 5 hours

Comments: Achieved at 98%

Water Interruption Frequency

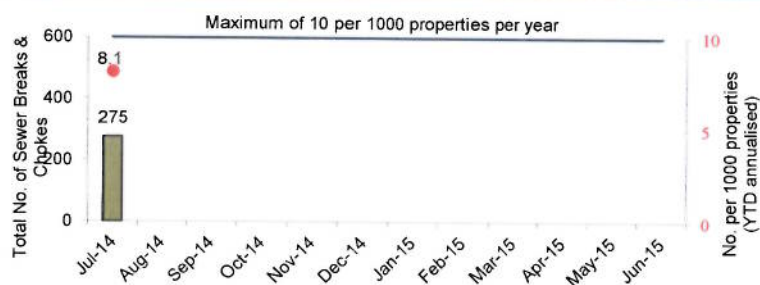


Strategic Performance Objective 24 a

Maintain Service Capacity - 10.0 water interruptions per 1000 connections per year

Comments: Achieved at 5.8 interruptions

Sewer Breaks and Chokes Interruption Frequency



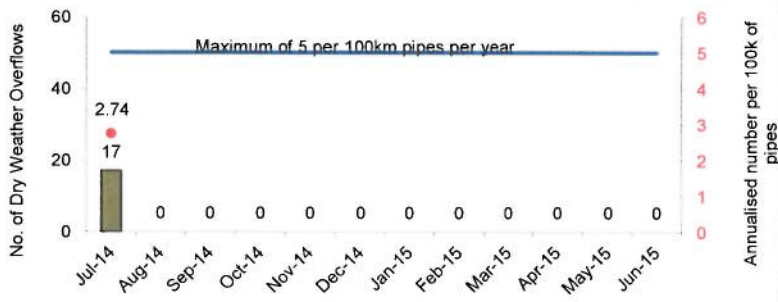
Strategic Performance Objective 24 b

Maintain Service Capacity - frequency of sewer breaks and chokes (unplanned interruptions) at 10.0 per 1000 properties per year

Comments: Achieved at 8.1 breaks



Operations - Number of Dry Weather Overflows

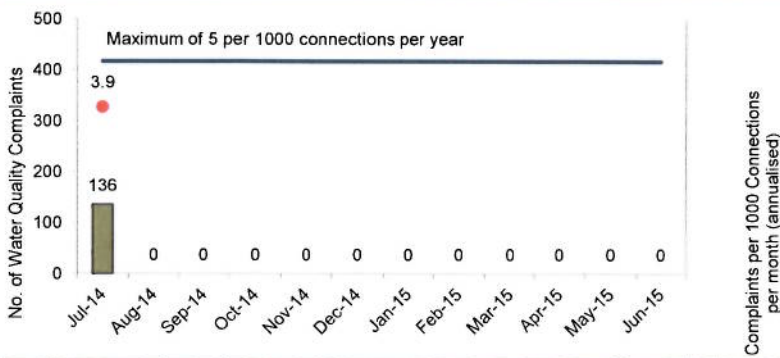


Key Performance Scorecard

Dry Weather Overflows not to exceed 5 per 100km of pipes

Comments: Target met

Water Quality Complaints



Water Quality Complaints not to exceed 5 per 1,000 customers per year

Comments: Target met

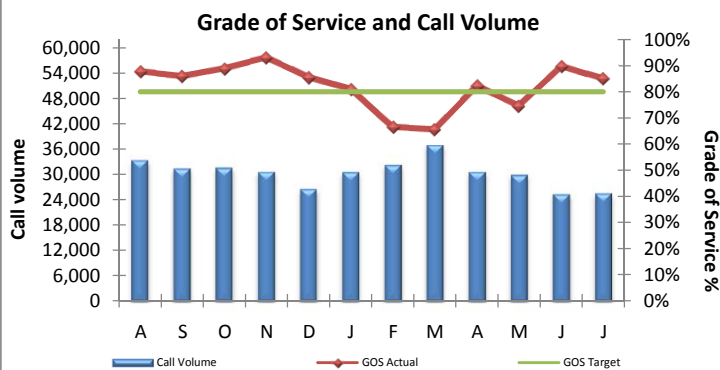
# Management Report

## Customer Service

July-2014

85.0%

### Grade of Service and Call Volumes



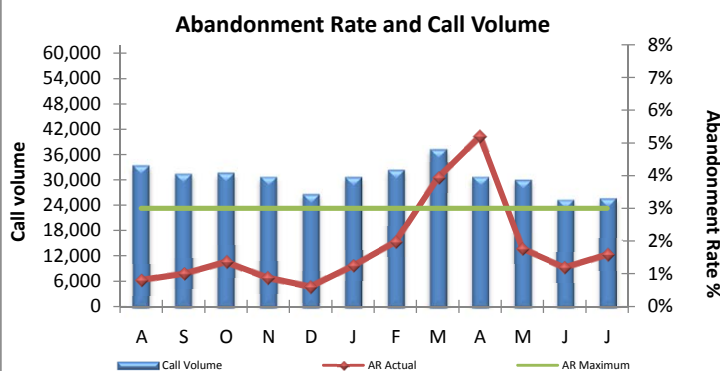
Grade of Service					
Target	Actual	Variance	12 Months	Variance	Calls
80.0%	85.0%	5.0%	81.8%	1.8%	25,575

**Comments:**  
The Grade of Service target was achieved with 85% of telephone calls answered within 20 seconds, against a target of 80%. Call Volume was similar to the previous month.

**Notes:**  
The call volume excludes calls received outside of Watercare contact centre business hours  
The call volume includes calls offered less any calls abandoned within 10 seconds.

1.6%

### Abandonment Rate and Call Volumes



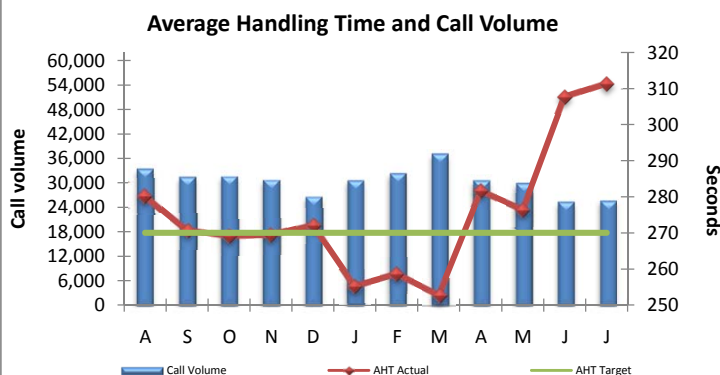
Abandonment Rate					
Maximum	Actual	Variance	12 Months	Variance	Calls
3.0%	1.6%	1.4%	2.1%	0.9%	25,575

**Comments:**  
The number of calls abandoned before the Contact Centre answered was low at 1.6%. This is a positive result when considered alongside the average handle time which is higher than the target but has not affected customers

**Notes:**  
The call volume excludes calls received outside of Watercare contact centre business hours  
The call volume includes calls offered less any calls abandoned within 10 seconds.

311.4 s

### Average Handling Time (AHT) and Call Volumes



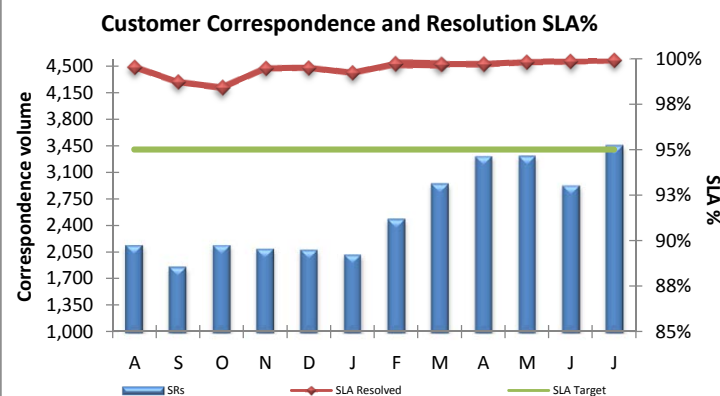
Average Handling Time					
Target	Actual	Variance	12 Months	Variance	Calls
270.0	311.4	41.4	276.7	6.7	25,575

**Comments:**  
The average handle time increased again in July and the target of 270 seconds was not achieved. The increase in the average handle time is attributed to the complexity of conversations associated with the Non-Domestic customer communication including the use of a translation service when appropriate.

**Notes:**  
Figures for Jan, Feb and Mar and understated due to a system error  
Call volume excludes calls received outside of Watercare contact centre business hours  
The AHT includes 30 seconds of post call admin time

99.9%

### Customer Correspondence and Resolution within 10 days



Correspondence SLA					
Target	Actual	Variance	12 Months	Variance	SRs
95.0%	99.9%	4.9%	99.5%	4.5%	3,463

**Comments:**  
Both the month and rolling 12 month targets were exceeded. The number of correspondence items received has increased to the highest level in the past year.

**Key:**  
SLA - Service Level Agreement  
SRs - Customer Correspondence (Service Requests)

# Management Report

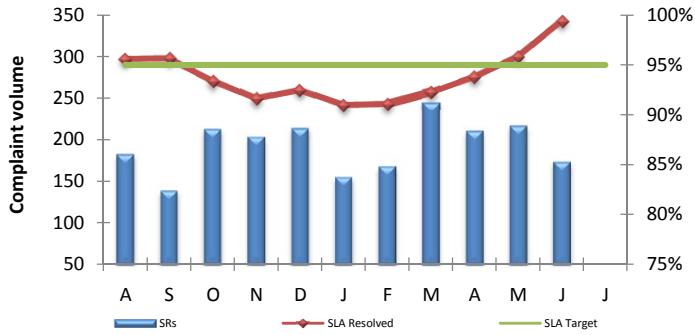
## Customer Service

July-2014

99.4%

### Customer Complaints and Resolution within 10 days

**Customer Complaints and Resolution SLA%**



**Complaints SLA**

Target	Actual	Variance	12 Months	Variance	SRS
95.0%	99.4%	4.4%	94.3%	0.7%	173

**Comments:**

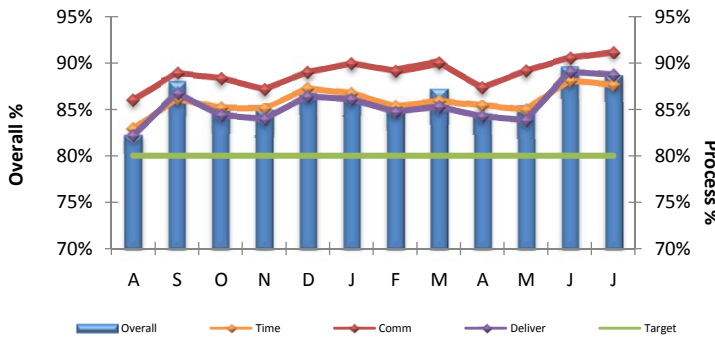
This month there was a drop in the number complaints received and a significant increase in resolution times with 100% of complaints resolved in 10 working days. This is attributed to the new complaints management process implemented from late May.

**Key:**

SLA - Service Level Agreement  
SRS - Customer Correspondence (Customer Complaints)

88.7%

### Customer Experience Survey - Contact Centre



**By Category**

**Overall**

Time	Comm	Deliver	Overall	Target	Variance
87.7%	91.2%	88.7%	88.7%	80.0%	8.7%

**Comments:**

The customer survey showed that customers are satisfied with the service they received from the Contact Centre when logging faults. The target of 80% was exceeded in each of the target areas giving a combined total of 88.7%.

Results provided by research conducted by TNS.

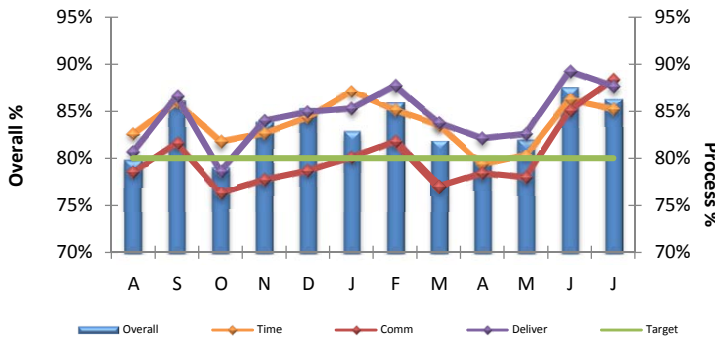
This is for fault related calls only.

**Key:**

Time: Don't waste my time  
Comm: Communicate with me  
Deliver: Deliver to me

86.4%

### Customer Experience Survey - Maintenance



**By Category**

**Overall**

Time	Comm	Deliver	Overall	Target	Variance
85.3%	88.3%	87.7%	86.4%	80.0%	6.4%

**Comments:**

The customer survey showed that customers are satisfied with the service they received from the maintenance teams when responding to faults. The target of 80% was exceeded in each of the target areas with satisfaction with communication improving to the highest level in the last year.

Results provided by research conducted by TNS.

This is for fault related maintenance only.

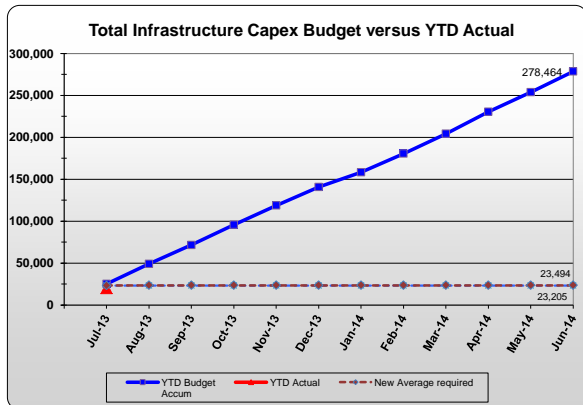
**Key:**

Time: Don't waste my time  
Comm: Communicate with me  
Deliver: Deliver to me

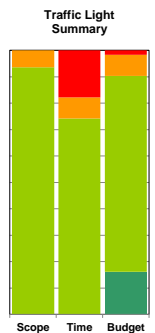


### INFRASTRUCTURE GROUP DASHBOARD CAPITAL EXPENDITURE (\$000)

SAP Code	Project / programme name	Stage 1 Capex Out Turn Cost	Total Project Performance		Annual Project Performance			Scope/ Quality	Time / milestones	Costs - Capex
			Current Forecast	Forecast	Budget	Budget	Variance			
<b>Water Projects (&gt;\$2m)</b>										
C-10049P	Hunua No 4 Programme	-	375,895	49,790	49,780		(10)			
C-11619	North Harbour Watermain Duplication	-	240,000	9,107	9,100		(7)			
C-12212	Mangere WWTP Solids Stream Upgrade	74,800	74,800	1,420	1,430		10			
C-12066	Huia No 1 Watermain Replacement	42,103	42,103	533	450		(83)			
C-11998	Runciman Rd Reservoir	40,007	40,007	175	175		0			
C-11232P	North Franklin Programme	-	24,443	1,896	787		(1,109)			
C-10183	Ardmore rapid restart & sludge handling	-	18,675	3,109	2,055		(1,054)			
C-12278	W300.36 Albany Pinehill WM & PS	14,850	14,850	835	983		148			
C-11980	Waikato Expansion to 150MLD	-	12,079	3,626	2,000		(1,626)			
C-10369	Domain No. 2 Watermain	-	9,203	419	300		(119)			
C-11981	Riverhead Reservoir	-	5,801	2,526	3,442		916			
C-10370	Mt Hobson Upgrade	-	6,179	194	185		(9)			
C-11681	Albany Second Reservoir	-	5,831	3,014	3,230		216			
C-11781	Sanderson Rd Water Treatment Plant	-	4,254	826	3,340		2,514			
C-11792	St Heliers No.1 Watermain Duplication	-	3,085	1,635	2,658		1,023			
C-12220	Mt Albert Level of Service Upgrade	2,900	2,891	2,850	2,830		(20)			
C-11995	STWKO VSD Replacements	-	2,121	1,797	600		(1,197)			
	Water Projects >\$2m		882,217	83,751	83,345		(406)			
	Other Water Projects		145,087	7,084	14,582		7,498			
C-12112	I000 Water Capitalised Interest			8,869	8,967		99			
	<b>Total Water Projects</b>		<b>1,027,304</b>	<b>99,703</b>	<b>106,895</b>		<b>7,192</b>			
<b>Wastewater Projects (&gt;\$2m)</b>										
C-10006	Central Interceptor Feasibility Design	-	950,561	6,947	11,678		4,731			
C-10017	Biosolids Puketutu Rehabilitation	-	172,629	3,004	3,500		496			
C-11436	Northern Interceptor - Stage 1	-	148,122	3,548	2,020		(1,528)			
C-11077	Mangere WWTP BNR Capacity	-	122,000	12,375	12,375		(0)			
C-11983	Rosedale WWTP Expansion Project	-	63,730	2,658	2,658		0			
C-11923	T200.FDC1 Upgrade Pukekohe WWTP	59,000	58,991	2,077	2,070		(7)			
C-11827	Pukekohe Trunk Sewer Upgrade	-	32,950	2,059	2,070		11			
C-11207	Howick Diversion	-	30,985	4,925	5,465		540			
C-12001	Snells Algies WWTP Ocean Outfall	-	19,520	1,000	1,000		(0)			
C-11421	Barrys Pt WW Pump Station & Storage Tank	-	18,746	3,849	4,349		500			
C-10976	Pt England Storage Tank & Br Sewer	-	16,082	433	514		81			
C-11769	Orewa West Wastewater Network	-	14,743	9,955	3,312		(6,643)			
C-10147	Mangere WWTP Digester 8	-	14,200	903	950		47			
C-10925	Kohimarama Storage Tank & Branch Sewer	-	12,410	5,806	8,196		2,389			
C-11470	Glen Eden Storage & Pipe Upgrade	-	13,489	2,775	2,763		(12)			
C-10524	Northern Trunk Sewer TS30	-	11,284	24	0		(24)			
C-11281	Army Bay WWTP Outfall Upgrade	-	12,340	220	90		(130)			
C-10098	Pakuranga Rising Main DPS028	-	11,640	3,305	3,630		325			
C-11067	North Shore PS09 rising main	-	7,389	2,608	2,754		146			
C-10922	Wairau (HSPS05) Rising Main Replacement	-	8,903	5,565	3,085		(2,480)			
C-11472	Sidmouth WW PS Mairangi Bay Upgrade	-	8,225	93	1,474		1,381			
C-11556	Supply & Install of Manhole Safety Grill	-	5,618	423	350		(73)			
C-10952	Helensville WWTP Upgrade	-	8,018	3,395	3,626		231			
C-11468	Manukau North Future Upgrades	-	6,434	2,983	3,622		639			
C-11539	Eastern Interceptor Rehab Prgm - Stg 1	-	6,308	990	858		(131)			
C-10923	Upgrade of North Shore TS8	-	5,975	830	817		(12)			
C-10709	N400.01 WW Network Consents Project	-	5,721	15	335		320			
C-11423	Rosedale WWTP Cogeneration Upgrade	-	5,770	4,614	4,121		(493)			
C-11467	Tamaki South East Extension	-	3,570	2,892	2,781		(111)			
C-11290	Orakei Main Sewer Rehabilitation MH21-19	-	4,098	661	0		(661)			
C-11216	Eastern Interceptor Pipe Bridge #1 Repl	-	3,902	2,192	1,542		(650)			
C-11009	South Lynn Br Sewer (MH9-MH21) & Local	-	3,001	26	40		14			
C-11711	Mangere WWTP Cogeneration Replacement	-	3,166	3	0		(3)			
C-10277	Reconstruction of Eastern Interceptor	-	2,458	238	239		2			
C-11474	Sunnyside Road Sewer Upgrade	-	3,108	2,859	2,293		(566)			
C-11234	Blackbridge Pump Station 37 Upgrade	-	1,828	205	0		(205)			
C-11338	New Gravity Sewer Miranda Reserve	-	2,942	695	170		(525)			
C-11569	Branch 1 Rehabilitation B01023 to B01025	-	1,877	972	300		(672)			
C-11813	Mangere WWTP Rehab. Prim. Sed Tks 11 & 12	-	1,887	1,822	1,321		(501)			
C-11991	Add'l Local Wastewater Network Renewals	-	1,551	31	50		19			
C-12199	Northern Networks Generator Connections	-	2,115	903	430		(473)			
C-11455	Pump Station CI Pipework Replacement	-	1,716	1,490	1,046		(444)			
C-11070	Army Bay WWTP Sludge Tank	-	2,038	1	0		(1)			
	Wastewater Projects >\$2m		1,832,037	102,369	97,894		(4,475)			
	Other Wastewater Projects			33,160	38,125		4,965			
C-12113	J000 Wastewater Capitalised Interest			6,052	6,044		(7)			
	<b>Total Wastewater Projects</b>		<b>2,165,384</b>	<b>135,529</b>	<b>136,019</b>		<b>490</b>			
<b>Other Infrastructure Projects</b>										
C-10126	Networks Controls Upgrade		19,937	3,004	3,000		(4)			
	Other Infrastructure Projects		133,759	33,997	32,550		(1,447)			
	<b>TOTAL INFRASTRUCTURE</b>		<b>3,346,385</b>	<b>272,233</b>	<b>278,464</b>		<b>6,231</b>			
Other Non Infrastructure, including Capital Interest										
			108,785	9,198	50,627		41,429			
	<b>TOTAL ALL</b>		<b>3,455,169</b>	<b>281,431</b>	<b>329,091</b>		<b>47,660</b>			



WSL Capex Summary	Month		Year to Date	
	Actual	Budget	Actual	Variance
Total Water projects	8,900	8,900	10,704	1,804
Total Wastewater projects	8,124	8,124	11,362	3,238
Demolition	0	0	10	10
Total ECS Projects	1,314	1,314	1,135	(179)
Total New Developments	470	470	726	256
Other Infrastructure	41	41	0	(41)
Capitalised Interest	1,182	1,182	1,274	91
<b>TOTAL INFRASTRUCTURE</b>	<b>20,032</b>	<b>20,032</b>	<b>25,211</b>	<b>5,179</b>
Total Operations	146	146	2,194	2,048
Total Facilities Management	40	40	0	(40)
Shared Services	253	253	2,243	1,991
Laboratory + Trade Waste	-14	-14	142	156
<b>TOTAL NON INFRASTRUCTURE</b>	<b>424</b>	<b>424</b>	<b>4,580</b>	<b>4,155</b>
<b>TOTAL ALL</b>	<b>20,456</b>	<b>20,456</b>	<b>29,791</b>	<b>9,335</b>



# REPORT TO THE BOARD OF WATERCARE SERVICES LIMITED

## SUBJECT: Proposed Water Supply and Wastewater Bylaw

DATE: 14 August 2014

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### 1. PURPOSE OF PAPER

This paper summarises the ongoing review of legacy water supply and wastewater bylaws. It also seeks approval from the Board to continue with a formal process to enact a new water and wastewater bylaw in accordance with the requirements of the Local Government (Auckland Council) Act 2009 and Auckland Council's bylaw development process.

### 2. BACKGROUND

There are currently nine existing bylaws (five for water supply and four for wastewater) enacted by former Auckland territorial authorities managing a range of activities related to the water supply and wastewater networks. These are due to expire by statute in July 2015.

Auckland Council has undertaken to review all existing bylaws made by the former territorial authorities. As Auckland's water organisation, Watercare is also able to propose bylaws to Auckland Council relating to the management or supply of water supply or wastewater services under section 61 of the Local Government (Auckland Council) Act 2009.

Watercare has reviewed these bylaws and analysed them in relation to existing legislation and Watercare's customer contract. The review has looked at all the provisions contained within the existing bylaws with a view to creating a new Auckland-wide bylaw if deemed necessary and appropriate.

### 3. EXISTING AUCKLAND WATER SUPPLY AND WASTEWATER BYLAWS

The existing bylaws which relate to water supply and wastewater networks are:

- Auckland City Council Bylaw No.26 - Water Supply 2008
- Auckland City Council Bylaw No.29 - Waiheke Wastewater 2008
- Franklin District Council Water Supply Bylaw 2008
- North Shore City Bylaw 2000: Part 20 Wastewater
- North Shore City Bylaw 2000: Part 18 Water Supply
- Papakura District Council Water Supply Bylaw 2008
- Papakura District Council Wastewater Bylaw 2008
- Rodney District Council General Bylaw 1998: Chapter 20 Wastewater Drainage
- Rodney District Council General Bylaw 1998: Chapter 11 Water Supply

All of these bylaws remain in effect until 31 July 2015. Several legacy trade waste bylaws which also relate to wastewater have been previously dealt with under a separate bylaw ('Auckland Council Trade Waste Bylaw 2013'). In addition, Auckland Council is planning to undertake a separate review of the '*Auckland City Council Bylaw No.29 - Waiheke Wastewater 2008*', as it does not affect the Watercare water supply or wastewater network.

#### 4. PROPOSED BYLAW

The first part of the bylaw development process is to prepare an Issues & Options paper, which analyses what the existing issues are and discusses the options available to address those issues, including the use of a bylaw if necessary. This paper is then used for obtaining agreement by Council to initiate the public process for a bylaw proposal (see Appendix 1).

Watercare has drafted such a paper, in order to review the existing bylaws. All of the existing clauses in the bylaws have been grouped into 17 key issue topics. These have then been analysed in terms of whether they are adequately covered in existing legislation or the Watercare customer contract, whether they are still relevant issues to consider, or whether a new bylaw will likely be needed.

Table 1 summarises these 17 issue topics, and provides an indication as to whether the initial analysis concludes that there is a need for a bylaw or not. The analysis does show that the customer contract provides protection from a range of activities in many cases, as does existing local government and other legislation. However, in many instances these mechanisms do not cover all activities, or all the people that might be involved with works on or near Watercare networks. The customer contract for example, only covers Watercare customers, not contractors working on or near the networks.

**Table 1: Bylaw issues review findings**

Issue topic and brief summary of reason for existing bylaw clauses:	Comprehensively covered by legislation and / or customer contract? Yes / No	Proposed inclusion in a bylaw?  Yes / No
<b>Water supply and wastewater related:</b>		
<b>Authorisation to connect to the water supply and wastewater network</b> The need to authorise approval to connect to water supply or wastewater network to manage risks around contamination, loss of pressure, theft, leakage, and damage.	No	Yes
<b>Protection of networks</b> The need to protect networks from damage by works that is not done negligently or wilfully, from both works on and in the vicinity of the water supply and wastewater networks.	No	Yes
<b>Works undertaken near networks</b> The requirement to obtain Watercare authorisation to undertake works within a specified vicinity of the networks.	No	Yes
<b>Standard of infrastructure</b> The need to require developers to meet a specified standard for infrastructure (following our Code of Practice) that will be vested with Watercare.	No	Yes
<b>Cost recovery for damage to network</b> The need to recover costs for damage done to networks through use of a bylaw.	No	Yes
<b>Offences provisions</b> Whether to pursue criminal liability for various activities that could cause damage to the water supply and wastewater networks.	No	Yes
<b>Access to private land</b> The need to gain access to private land in order to efficiently and effectively undertake activities such as meter reading, testing, maintenance, and inspection of infrastructure.	Yes	No

**Table 1 Continued:**

Issue topic and brief summary of reason for existing bylaw clauses:	Comprehensively covered by legislation and / or customer contract? Yes / No	Proposed inclusion in a bylaw?  Yes / No
<b>Water supply and wastewater related:</b>		
<b>Charging for goods and services supplied</b> The need to set charges for the range of goods and services provided by Watercare.	Yes	No
<b>Point of supply</b> The need to define the boundary between Watercare's and the customer's responsibilities for both water supply and wastewater networks; and the need to ensure that this point of supply is managed appropriately.	Yes	No
<b>Insufficient capacity</b> The need to ensure that there is sufficient capacity to meet the required levels of service.	No	Yes
<b>Water supply related:</b>		
<b>Protection of water quality</b> The need to manage the risk of contamination of the water supply.	Yes	No
<b>Prohibition, interruption, or restriction on water use and supply</b> The need to be able to restrict the water supply due to non-payment, critical maintenance, firefighting needs, or drought.	No	Yes
<b>Wastage of water</b> The need to avoid deliberate wastage of water.	No	Yes
<b>Unauthorised taking of water from a hydrant</b> The need to require authorisation for accessing and taking water from fire hydrants / standpipes.	Yes	No
<b>Wastewater related:</b>		
<b>Avoidance of wastewater overflows</b> The need to manage inflows into the wastewater system from stormwater and groundwater, and also overflows caused by tree roots, swimming pools and other potential hazards.	No	Yes
<b>Pressure and vacuum wastewater systems</b> The need to regulate specifications and maintenance requirements of pressure and vacuum-based wastewater systems.	No	Yes
<b>Failure to connect to wastewater network in serviced area</b> The need to require a property to connect to a public wastewater network if it is available within a specific distance.	Yes	No

## 5. BYLAW PROCESS

Watercare is able to propose bylaws to Auckland Council through section 61 of the Local Government (Auckland Council) Act 2009. Any such bylaw proposed would have to be adopted by Auckland Council by resolution, in accordance with section 62 of that same Act. Appendix 1 outlines what is required to undertake the proposed bylaw process, and the associated timeline shows the progress required in order to ensure any proposed bylaw is in place prior to the existing bylaws expiring in July 2015.

**6. RECOMMENDATION**

It is recommended that the Board approve a formal bylaw development process to be initiated, as provided for by the Local Government (Auckland Council) Act 2009, in order to create a new water supply and wastewater bylaw to help protect Watercare’s networks.

Report prepared by:

Reviewed by:

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J Boow  
**Senior Environmental Planner**

I Gotelli  
**Environmental Planning Manager**

Reviewed by:

Reviewed by:

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Graham Wood  
**Chief Infrastructure Officer**

D Worsnop  
**Chief Operations Officer**

Approved by:

Recommended by:

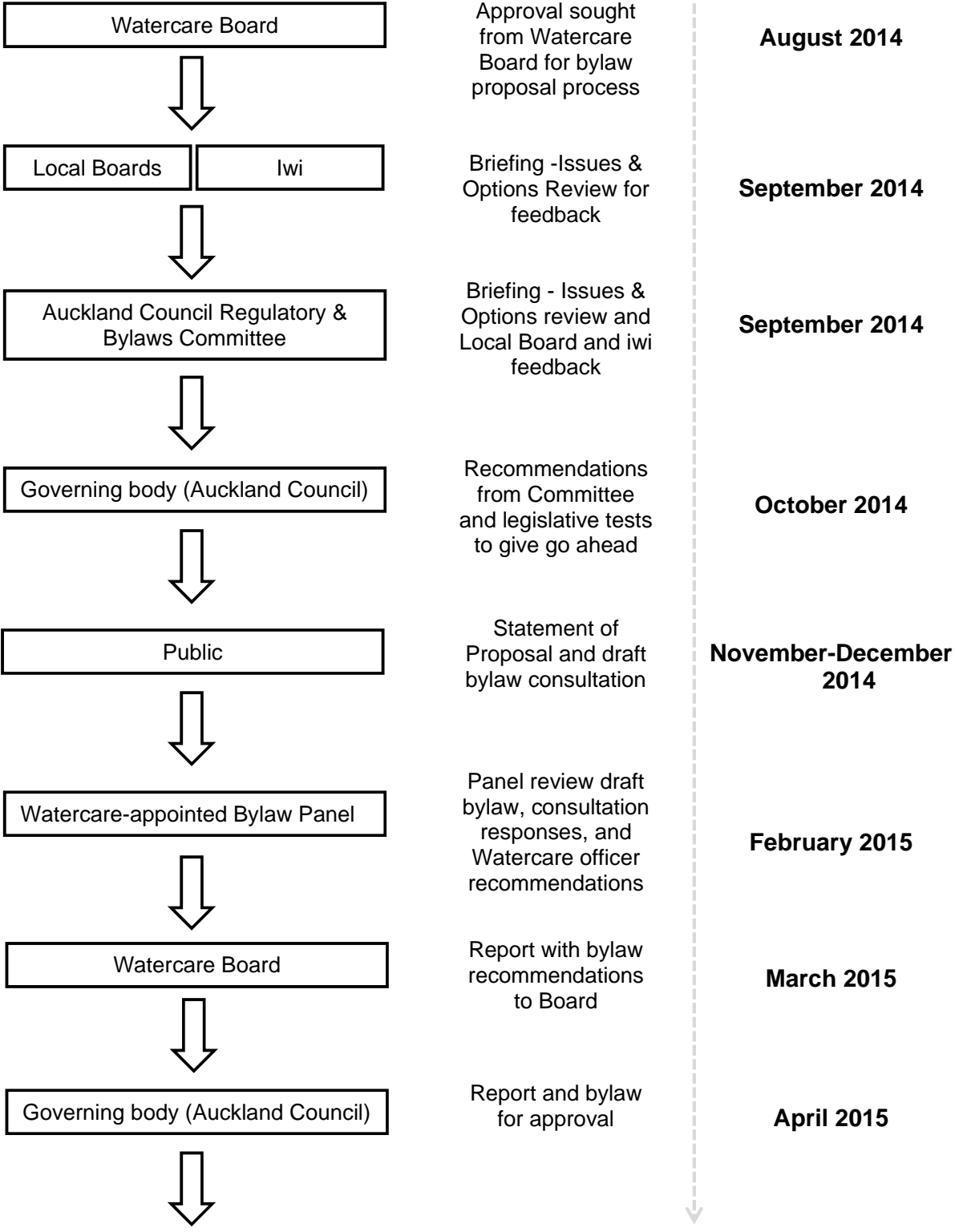
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R Jaduram  
**Acting Chief Executive**

R Fisher  
**General Counsel**

**APPENDIX 1: BYLAW REVIEW AND PROPOSAL PROCESS OVERVIEW**



**Auckland-wide bylaw for water supply and wastewater by July 2015**

# Report to the Board of Watercare Services Limited

**Subject:** Consenting and compliance update for satellite water treatment plants and wastewater treatment plants

**Date:** August 2014

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## 1. INTRODUCTION

The purpose of this paper is to update the Board on progress with resource consents and compliance issues associated with the satellite water treatment plants (WTPs) and wastewater treatment plants (WWTPs).

With the exception of two water treatment plants in Franklin, all WTPs are compliant. These two plants will become compliant later this year.

The majority of the wastewater treatment plants are also compliant, apart from occasional short-duration issues caused by technical failures such as power outages. With the exception of the Mangere WWTP, all WWTPs were inherited by Watercare upon integration on 1 November 2010. It is not possible to provide definitive dates by which all satellite WWTPs will be compliant or have new consents in place, for the reasons set out below. It is expected that significant progress will have been made by 2018. Regular updates to the Board are proposed.

## 2. WATER TREATMENT PLANTS

Only the water treatment plants (WTPs) in the Franklin region were non-compliant with the Drinking Water Standards for New Zealand (DWSNZ), or did not have an 'A' grade.

It is anticipated that by October 2014, the connection to the Waikato water main will be completed, which will supply the area with 'A' grade water from the Waikato WTP. All but two of the Franklin WTPs will then be decommissioned.

The Waiuku and Bombay WTPs will remain operational, and now meet the DWSNZ following process upgrades. The plants will undergo a grading assessment in 2015 once 12 months of compliance data is available. Until then, they will remain ungraded.

## 3. BACKGROUND ON WASTEWATER TREATMENT PLANTS

Many of the satellite WWTPs are operating with consents which have expired or are due to expire. Earlier this year, Statutory Planning developed and implemented the Satellite WWTP Consenting Strategy. Satellite WWTPs are classified as those servicing the townships to the North and South of Auckland, and do not include the Mangere, Rosedale or Army Bay WWTPs.

This strategy involves a more collaborative approach with Auckland Council to foster improved communication and understanding of both parties' objectives and drivers, and achieve a consistent baseline set of consent conditions for all satellite WWTPs that are outcome-focused and effects-based.

## 4. WASTEWATER TREATMENT PLANT PROGRESS

### Compliance and Resource Consent Status

A summary of resource consenting progress and compliance status of the satellite WWTPs is shown in Table 1. Overall, most WWTPs are compliant with existing or expired conditions of consent. Non-compliance currently occurs at the following plants:

- Clarks Beach - The discharge consent for this plant has expired. Upgrades are planned to meet expected conditions of the new consent.
- Helensville - A new consent was granted in May 2012. Plant upgrades are currently under way, and need to be completed to comply with consents conditions.
- Owhanake (Waiheke Island) – The plant does not comply with phosphorus, ammonia and E.coli discharge parameters and requires an upgrade.
- Wellsford – The discharge consent for this plant has expired. There is non-compliance with respect to faecal coliforms, nitrogen, TSS and flow.

In terms of consenting, all WWTPs currently operate legally because a replacement consent application was lodged prior to the consent expiry date. Consent processing has generally been slow and subject to various delays, such as detailed s92 requests from Auckland Council for further information. However, two consents were granted recently:

- Bombay WWTP, for a period of 15 years. This is a small and low-technology WWTP and the consent period reflects this fact.
- Waiuku WWTP, for a period of five years. This reflects the sensitivity of the receiving environment and the relatively low technology employed at the plant. Studies are under way to identify future upgrades.

### **Investment in Satellite WWTPs**

For the WWTPs that have active consents, the technology to achieve the consent conditions is well understood and where necessary the plants are being upgraded to meet the conditions, for example the Helensville WWTP.

Where consents have expired and the application for a new consent is lodged but not granted, the conditions of the expired consent remain operative. Good operational management is being applied to these plants to keep them in compliance.

Generally, the satellite WWTPs are compliant with the existing or expired conditions of consent. Where WWTPs have non-compliance issues, these are normally due to the age of the plants (and the low technology used) and/or population growth since the time the expired consent was originally granted (thereby affecting plant capacity).

It is important to note that once an application is lodged, the timing and outcome of the consenting process is outside Watercare's control, which is why it is difficult to provide definitive consent and compliance timeframes.

The conditions of a new consent are expected to differ substantially from those that were proposed in an application lodged some time ago, and certainly compared to the conditions of the expired consent. For that reason, investment in upgrading those satellite WWTPs awaiting new consents generally should be made when consent has been granted, to minimise the financial risk of upgrades that may not be sufficient to meet consent conditions.

The planned Pukekohe WWTP upgrades are an exception, because significant growth is currently occurring that requires servicing, and because best available technology is being installed, which is likely to meet potential consent conditions.

## **5. STRATEGIC CONSIDERATIONS**

The Auckland Plan, the notified Unitary Plan and the Auckland Housing Accord have significantly altered the forecasts for urban growth upon which wastewater treatment planning has been based in the past. While this creates significant infrastructure planning challenges



because detailed growth forecasts and land release programmes are not yet available, it also provides an opportunity for a more integrated and strategic infrastructure planning approach.

Work on developing long-term wastewater servicing strategies in the Northern and the Southern areas of Auckland has commenced, to provide a solid basis for future consenting and engagement with the community and iwi.

## **6. RECOMMENDATION**

It is recommended that this report be noted.

Report prepared by:

Recommended by:

Approved for submission by:

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P Paschke  
**Infrastructure Planner**

.....  
R Fisher  
**General Counsel**

.....  
Raveen Jaduram  
**Acting Chief Executive**

**Table 1: Satellite WWTP Consent Status Report (August 2014)**

Name	Consent Status	Planned Upgrades	Completion Date	Comment
Beachlands-Maraetai	Expires 31 December 2025	None	-	The plant complies with resource consent conditions. A process review to identify future upgrade requirements is currently under way.
Bombay	Expires 30 September 2029	None	-	The plant complies with resource consent conditions. This WWTP services 6 dwellings. Consent has recently been renewed for 15 years.
Clarks Beach	EXPIRED on 27 April 2013 - operating under provision of s124 of the RMA (Application for new consent)	Awaiting consent being granted before progressing with upgrades to comply with consent conditions.	TBC	The plant complies with resource consent conditions of the expired consent. Consent processing is in progress. Note that the discharge of treated wastewater from Kingseat (see below) from the Clarks Beach outfall is being considered, which will require a variation of consent/revised consent application (depending on timing).
Denehurst (Waimauku)	Expires 31 December 2015	None	-	The plant complies with resource consent conditions. The disposal field upgrade is complete. A consent application to reduce operational costs is being considered.
Helensville	Expires 11 May 2027	Plant upgrades to achieve compliance with the new consent conditions are in progress.	Stage 1: complete Stage 2: 2015	The plant does not yet comply with resource consent conditions, and upgrade works are under way. Stage 1 works were completed on time. Stage 2 works are under way and completion is due in September 2015. The plant will be non-compliant until the upgrade is complete.
Kawakawa Bay	Expires 31 December 2042	None	-	The plant complies with resource consent conditions. There are no other issues.
Kingseat	Expires 31 December 2022	Currently being developed.	TBC	The existing plant complies with resource consent conditions. Kingseat Plan Change 28 enables dwellings for approximately 5,000 people, but is under appeal by third parties for wastewater and stormwater servicing related issues. A proposed solution for wastewater servicing is to construct a local best available technology WWTP and transfer the treated wastewater to Clarks Beach to discharge with the Clarks Beach WWTP treated wastewater. Significant funding is to be provided by developers.
Omaha	Expires 31 May 2015	Expansion of solids handling process and increase of aeration capacity.	June 2015	The plant complies with resource consent conditions. A consent application will be lodged shortly to ensure WWTP can continue to operate under s124 of the RMA.
Owhanake (Waiheke)	Expires 31 December 2027	Planned upgrade to provide phosphorous removal and improve UV disinfection currently being reviewed.	TBC	The plant does not comply with resource consent conditions in terms of meeting phosphorous, ammonia and E.coli. requirements. Upgrades to achieve compliance were approved, but a CAPEX extension is required. The scope of the planned upgrades is currently being reviewed.
Pukekohe	Expires 30 June 2015	Various upgrades are in the planning stage (refer earlier Board reports)	TBC	The plant complies with resource consent conditions. A consent application is currently being prepared for a 7-year term, to ensure WWTP can continue to operate under s124 of the RMA. Planned upgrades have been approved prior to consent being granted, but best available technology is being installed which is likely to meet potential consent conditions.
Snells Beach-Algies Bay	EXPIRED on 31 December 2011 - operating under provision of s124 of the RMA (Application for new consent)	Outfall replacement required due to degraded condition and potential population growth. WWTP upgrades are awaiting consent being granted before progressing with upgrades to comply with consent conditions.	TBC	The plant complies with resource consent conditions of the expired consent. Consent processing is in progress.
Waiuku	Expires 18 June 2019	To be determined within the next 5 years.	TBC	The plant complies with resource consent conditions. The new consent was granted recently for 5 years, to enable further environmental monitoring and identify future upgrades.
Waiwera	EXPIRED on 31 December 2000 - operating under provision of s 124 of the RMA (Application for new consent)	Awaiting consent being granted before progressing with upgrades to comply with consent conditions.	TBC	The plant complies with resource consent conditions. Consent processing is in progress. Alternatives are being considered, such as conveying wastewater to Hatfields Beach (Army Bay WWTP catchment).

Name	Consent Status	Planned Upgrades	Completion Date	Comment
Warkworth	EXPIRED on 31 December 2011 - operating under provision of s124 of the RMA (Application for new consent)	Awaiting consent being granted before progressing with upgrades to comply with consent conditions.	TBC	The plant complies with resource consent conditions. Consent processing is in progress. The proposed upgrade path is to convert the Warkworth WWTP to a Membrane Bioreactor (MBR), which is best available technology.
Wellsford	EXPIRED on 31 December 1999 - operating under provision of s124 of the RMA (Application for new consent)	Awaiting consent being granted before progressing with upgrades to comply with consent conditions.	TBC	The plant does not comply with resource consent conditions in terms of meeting faecal coliforms, nitrogen, TSS and flow requirements. Consent processing is in progress.

## **Report to the Board of Watercare Services Limited**

**Subject: AMDD Provisional Trade Waste Charges 2014/15**

**Date: 6 August 2014**

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### **1. INTRODUCTION**

The implementation of the new non-domestic wastewater tariff and the new Auckland Trade Waste Bylaw 2014 on 1 July 2014 provided for assessed trade waste customers to retain their trade waste consents and the method of charging until the expiry date of their consent. For customers who chose to relinquish their consent and take up a new trade waste agreement from 1 July 2014 provision was made for their charges to be transitioned over a 3 year period. In both cases either the old trade waste charges or a portion of these charges will apply for the 2014/15 year.

Within the Auckland Metropolitan Drainage District i.e. Auckland, Manukau, Waitakere and Papakura the trade waste charging provisions of the Auckland Regional Council Trade Waste Bylaw 1991 apply for any retained trade waste charge component. Under this bylaw an annual setting of provisional and final trade wastes charges is required. This report recommends provisional trade waste charges for 2014/15. Final trade waste charges for the year will be determined after the close of the financial year, following the finalisation of Watercare's 2014/15 financial statements.

### **2. BASIS FOR CHARGES**

The recommended AMDD provisional trade waste charge rate increases have been based on the decision to increase wastewater charges by 2.4% on average to meet Watercare's revenue requirements for the 2014/2015 year.

It is recommended that the AMDD provisional trade waste charge rates for 2014/15 be increased by 2.4% from the 2013/14 rates, in line with increases in other wastewater charges.

### 3. UNIT RATE CHANGES

Recommended AMDD provisional trade waste unit rate charges are presented in Table 1.

<b>PARAMETER</b>	<b>UNIT</b>	<b>PROPOSED 2014/15 CHARGES (Excl GST)</b>	<b>CURRENT 2013/14 CHARGES (Excl GST)</b>	<b>% CHANGE</b>
Flow	Litres/second	\$7,856.67	\$7,672.53	2.4 %
Suspended Solids	Kg/day	\$186.25	\$181.88	2.4 %
Biochemical Oxygen Demand	Kg/day	\$254.98	\$249.00	2.4 %
Uniform Annual Charge		\$577.58	\$564.04	2.4 %
<b>Overall Increase</b>				<b>2.4 %</b>

As Watercare wishes to ensure user acceptance of the provisional charges, consultation occurs when establishing provisional charges. Consequently, these proposed charges will be discussed with the EMA's trade waste user group and the results of this consultation will be reported.

### 4. RECOMMENDATION

It is recommended that the AMDD provisional trade waste charges for 2014/15 as set out in Table 1 be adopted, subject to support from the Employers and Manufacturers' Association.

Report prepared by:

Recommended by:

Recommended by:

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**Trade Waste Manager**

M Bridge  
**Manager Financial  
Planning and Revenue**

D Worsnop  
**Chief Operating Officer**

Recommended by:

Approved for submission by:

B Monk  
**Chief Financial Officer**

R Jaduram  
**Acting Chief Executive**