

# WATERCARE SERVICES LIMITED

## AGENDA | Board meeting | 20/8/2015

Venue Ardmore Water Treatment Plant, Creightons Road, Ardmore

Time 10:30am

### Open Public Meeting

Item	Spokesperson	Action sought at governance meeting	Supporting Material
1. Apologies	Chair	<ul style="list-style-type: none"> <li>Record Apologies</li> </ul>	
2. Minutes of Meeting	Chair	<ul style="list-style-type: none"> <li>Approve Board Meeting Minutes               <ul style="list-style-type: none"> <li>31 July 2015</li> </ul> </li> </ul>	Minutes 31 July 2015
3. Directors' Corporate Governance Items	Chair	<ul style="list-style-type: none"> <li>Corporate Planner 2015</li> <li>Review Disclosure of Interests (Directors &amp; Executive Management)</li> <li>Organisation Chart</li> </ul>	Corporate Planner Disclosure of Interests  Organisation Chart
4. Chief Executive's Report and Scorecard	R Jaduram	<ul style="list-style-type: none"> <li>Note the Chief Executive's report               <ul style="list-style-type: none"> <li>Customer Services</li> <li>Infrastructure and Planning</li> <li>Service Delivery</li> <li>Finance</li> <li>Board Correspondence</li> <li>Execution of Documents</li> <li>Communications</li> <li>Working with Local Boards</li> <li>Statutory Planning</li> <li>Water Services Association of Australia (WSAA) Efficiency Benchmarking</li> <li>Auckland Council 1080 Programme in the Hunua Ranges</li> </ul> </li> </ul>	Chief Executive's Report
5. Water Treatment Presentation	S Cunis / P Perera	<ul style="list-style-type: none"> <li>Note presentation</li> </ul>	Presentation (no pack content)
6. General Business	Chair		

Date of next Meeting – 25 September 2015

Location – Watercare Boardroom, Level 2, 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 2015
TIME	11:00
STATUS	Open Session

	<b>Present:</b>	<b>In Attendance:</b>	<b>Public in Attendance:</b>
	D Clarke (Chairman) N Crauford P Drummond C Harland J Hoare T Lanigan D Thomas  M Kingi (Board Observer)	M Bridge R Chenery S Cunis R Fisher R Jaduram B Monk J van Brink S Webster	One
1.	<b>Apologies</b> <ul style="list-style-type: none"> <li>M Allen</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 26 June 2015 be confirmed as correct.</li> </ul>		
3.	<b>Directors Corporate Governance Items</b> <ul style="list-style-type: none"> <li>Corporate Planner 2015 The Corporate Planner for 2015 was noted. The August meeting will be held at the Ardmore Water Treatment Plant commencing at 08:00. There will be a tour of the plant following the public meeting.</li> <li>Disclosure of Interests Senior Executive interests are noted.</li> <li>Organisation Chart The organisation chart was noted.</li> </ul>		
4.	<b>Chief Executive's Report and Scorecard</b> <ul style="list-style-type: none"> <li>Customer Services All Customer Service's KPIs are being met. Customers are surveyed on a monthly basis, undertaken by TNS Global. Given the importance of customer relations, other methods of undertaking customer surveys are being considered.</li> <li>Service Delivery The lake levels are still below 70%. As a consequence, water is continuing to be taken from the Waikato River at a greater rate than normal so as to preserve storage levels in the lakes.</li> </ul>		

	<ul style="list-style-type: none"> <li>• Finance</li> </ul> <p>Brian Monk spoke to the Finance report which had earlier been considered by the Audit and Risk Committee.</p> <p>Revenue for the financial year was favourable to the budget primarily because more construction activity has generated greater IGC receipts. Water and wastewater revenue was on budget, lower interest rates saved approximately \$7m and debt levels were also lower by approximately \$76m.</p> <p>Brian Monk advised that 212 IGC payments had been received the prior week.</p> <p>Some analysis will be undertaken of IGC receipts over a longer period, segmented as to metropolitan, full and discounted for size, and rural IGCs.</p> <p>Brian Monk advised that he has been in discussions with his counterparts at Auckland Council and Auckland Transport as to the matter of reporting of contracts.</p> <p>He recommended following the same general approach of reporting on the details of contracts over \$100k, although not disclosing the quantum of the contracts.</p> <p>The information will be provided on the website.</p> <ul style="list-style-type: none"> <li>• Communications</li> </ul> <p>The Board noted the proposed programme of Customer Communications. Management confirmed that appropriate capital projects are included in the inserts sent to customers.</p>
<p>5.</p>	<p><b>Summer Wastewater Tariff Options Assessment</b></p> <ul style="list-style-type: none"> <li>• Marlon Bridge made a presentation on possible options for different residential wastewater tariffs in the summer period. Following discussion by the Board, the presentation was received.</li> </ul>
<p>6.</p>	<p><b>General Business</b></p> <ul style="list-style-type: none"> <li>• The meeting closed at 12:30.</li> </ul>

CERTIFIED AS A TRUE AND CORRECT RECORD

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Chairman

WATERCARE BOARD PLANNER 2015

	2015											
	January	February	March	April	May	June	July	August	September	October	November	December
Board Meeting		4 Feb Newmarket  26 Feb - Workshop Newmarket	19 March Mangere	30 April Newmarket	29 May Newmarket*	26 June Newmarket	31 July Newmarket	20 Aug Ardmore	25 Sept Newmarket	29 Oct Newmarket*	19 Nov Rosedale	16 Dec Newmarket
Health & Safety Committee Meeting			19 March Mangere	30 April Newmarket	29 May Newmarket	26 June Newmarket			25 Sept Newmarket	29 Oct Newmarket		16 Dec Newmarket
Health & Safety Committee Workshops		26 Feb Newmarket		2 April Newmarket	6 May Newmarket	4 June Newmarket	2 July Newmarket	6 Aug Newmarket	3 Sept Newmarket	1 Oct Newmarket	5 Nov Newmarket	3 Dec Newmarket
Audit + Risk Committee Meeting		^4 Feb Newmarket			6 May Newmarket		^31 July Newmarket	17 Aug Newmarket			10 Nov Newmarket	
Capital Projects Working Group		4 Feb Newmarket		30 April			15 July Newmarket			21 October Newmarket		
Remuneration Committee		26 Feb Newmarket						31 August Newmarket			19 Nov Rosedale	
Statement of Intent		Approval of Draft 2015-2018 SOI	1 March Draft SOI to shareholder		Present shareholder SOI feedback at public meeting	Final 2015- 2018 SOI issued to shareholder			Work on 2016-2019 Sol Key dates yet to be advised by Auckland Council			
Shareholder Interaction			3 March CCO Governance & Monitoring Committee		12 May CCO Governance & Monitoring Committee (Q3)				1 Sept CCO Governance & Monitoring Committee (Tentative)(Q4)			
Key Finance Decisions						26 June Approval of 2015/16 Budget						
Other		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:** 13 August 2015

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, TRG Group Ltd – Radiology Services</li> <li>– Chairman, Skin Institute Limited</li> <li>– Director, Hawkins Watts Ltd</li> <li>– Director, Hynds Ltd</li> <li>– Chairman, Health Alliance NZ Limited</li> <li>– Chairman, Jucy Group Limited</li> </ul>
Peter Drummond	<ul style="list-style-type: none"> <li>– Chairman, Appliance Connexion Ltd</li> <li>– Chairman, Watercare Harbour Clean Up Trust</li> <li>– Chairman, Variety Medical Missions South Pacific</li> <li>– Chairman, Ngati Whatua Orakei Whai Maia Limited</li> <li>– Director, NARTA New Zealand Ltd</li> <li>– Director, NARTA International PTY Ltd</li> <li>– Panel member , Fire Review, Dept Internal Affairs</li> <li>– Director – Port Marlborough New Zealand Limited</li> <li>– Director – Ngati Awa Group Holdings Limited</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> </ul>
Tony Lanigan	<ul style="list-style-type: none"> <li>– Director and Shareholder, A G Lanigan &amp; Associates (2007) Limited</li> <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, Housing Foundation Limited</li> <li>– Director, Tamaki Makaurau Community Housing Limited</li> <li>– Director, NZ Transport Agency (NZTA)</li> <li>– Member, Ministry of Health Hospital Redevelopment Partnership Group for Canterbury</li> </ul>
Mike Allen	<ul style="list-style-type: none"> <li>– Director, Coats Group PLC</li> <li>– Director, Godfrey Hirst Australia and related companies</li> <li>– Shareholder, Innoflow</li> <li>– Director, Tainui Group Holdings Limited</li> <li>– Director, Breakwater Consulting Limited</li> <li>– Director, China Construction Bank (New Zealand) Limited</li> </ul>
Julia Hoare	<ul style="list-style-type: none"> <li>– Director, AWF Madison Group Limited</li> <li>– Director, New Zealand Post Limited</li> <li>– Deputy Chairman, The A2 Milk Company Limited</li> <li>– Member, Auckland Committee, Institute of Directors</li> <li>– Member, External Reporting Advisory Board</li> </ul>

	<ul style="list-style-type: none"> <li>– Member, Institute of Directors National Council</li> </ul>
Nicola Crauford	<ul style="list-style-type: none"> <li>– Chairman, 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, Wellington Water Limited</li> <li>– Director, Orion New Zealand Limited</li> <li>– Member, Local Government Risk Management Agency Establishment Board</li> <li>– Chairman, GNS Science International Limited</li> </ul>
David Thomas	<ul style="list-style-type: none"> <li>– Chairman, Ngati Whakaue Tribal Lands Inc</li> <li>– Council Member, Business New Zealand</li> <li>– Board Member, EMA (Northern)</li> <li>– Chairman, Gypsum Board Manufacturers of Australasia</li> <li>– Shareholder / Employee, Fletcher Building Limited</li> <li>– Director, New Zealand Ceiling &amp; Drywall Supplies Limited</li> </ul>

**RECOMMENDATION**

That the report be noted.

Report prepared by:

Approved by:

R Fisher  
**General Counsel**

R Jaduram  
**Chief Executive**

## Report to the Board of Watercare Services Limited

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

**Date:** 13 August 2015

<i>Executive</i>	<i>Interest</i>
Raveen Jaduram	Director – Wellington Water Limited Trustee - Te Motu a Hiaroa (Puketutu Island) Governance Trust Trustee - Te Motu a Hiaroa (Puketutu Island) Island Trust
Rob Fisher	Deputy Chairman - Middlemore Foundation President - Auckland University Rugby Football Club Trustee - Watercare Harbour Clean Up Trust Trustee - Te Motu a Hiaroa (Puketutu Island) Governance Trust Trustee - Te Motu a Hiaroa (Puketutu Island) Island Trust
Brian Monk	Deputy Chairman - MIT Chairman Audit and Compliance Committee - MIT Trustee - Watercare Harbour Clean Up Trust Trustee - Te Motu a Hiaroa (Puketutu Island) Governance Trust Trustee - Te Motu a Hiaroa (Puketutu Island) Island Trust
Bruce Taplin	Director – Executive Safety Limited
Steve Webster	Director – Howick Swimgym Limited
Shayne Cunis	Chairman – Kelston High School Board of Trustees
Peter Gaskin	Director - CPG Limited Director - Zebra Promotional Limited
Marlon Bridge	Trustee - Te Motu a Hiaroa (Puketutu Island) Governance Trust Trustee - Te Motu a Hiaroa (Puketutu Island) Island Trust

### RECOMMENDATION

That the report be noted.

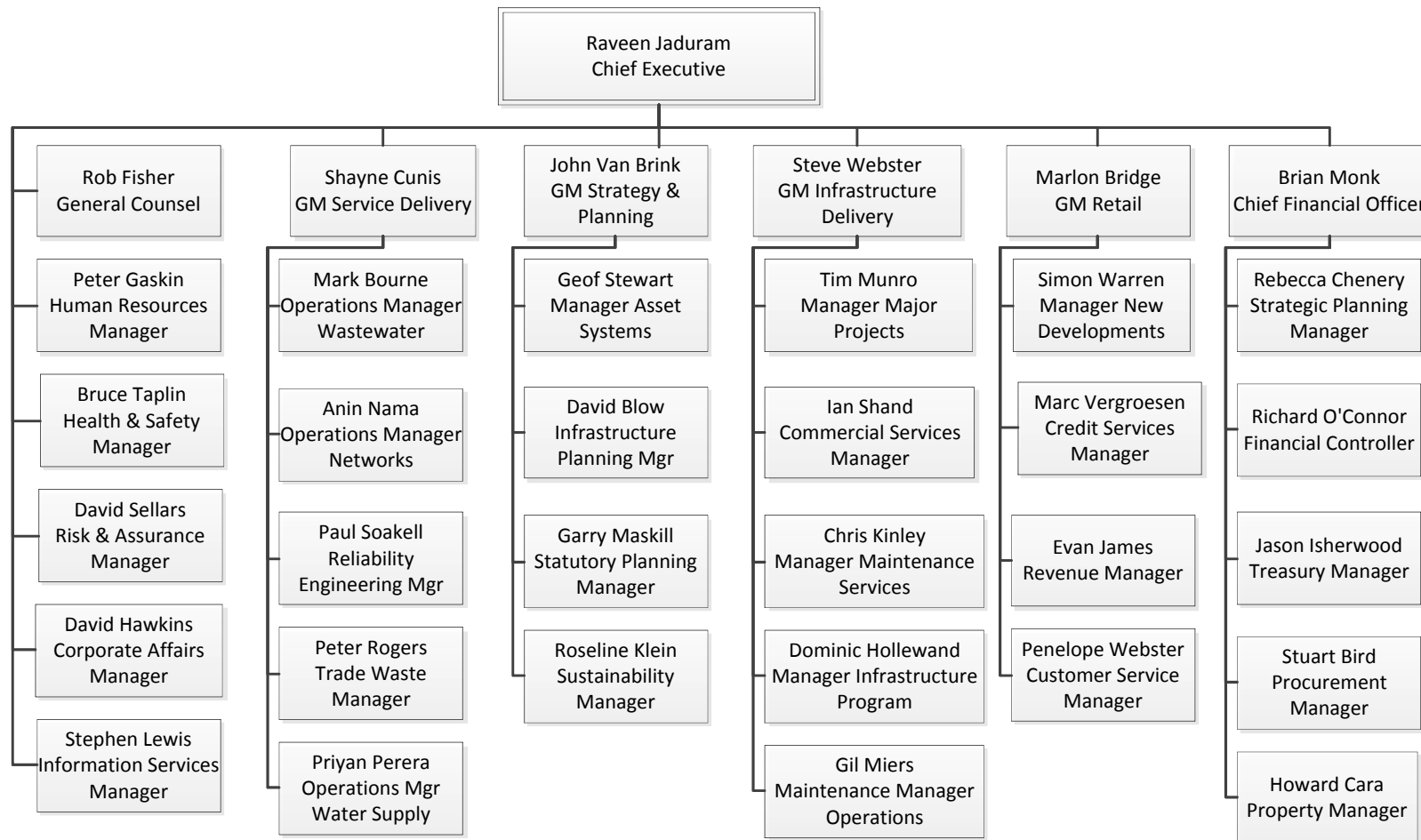
Report prepared by:

Approved by:

R Chenery  
Strategic Planning Manager

R Jaduram  
Chief Executive

ORGANISATION STRUCTURE – JULY 2015





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

WATERCARE SCORECARD 2015/16

			SOI	2015/16 Target	Amber Threshold	Red Threshold	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	
<b>1 Safe and Reliable Water</b>																				
1a	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	☑	100%	n/a	<100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
1b	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	☑	100%	n/a	<100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
1c	Percentage compliance with MoH drinking water standards		100%	n/a	<100%	Projected result for 2015/16 = 100%														
1d	Percentage of metropolitan water treatment plants achieving Grade A (annual measure)		100%	n/a	<100%	Projected result for 2015/16 = 100%														
1e	Percentage of metropolitan water supply reticulation achieving Grade A (annual measure)		100%	n/a	<100%	Projected result for 2015/16 = 100%														
1f	Percentage of non-metropolitan water treatment plants achieving Grade A (annual measure)		50%	n/a	<45%	Projected result for 2015/16 = 100%														
1g	Percentage of non-metropolitan water supply reticulation achieving Grade A (annual measure)		50%	n/a	<25%	Projected result for 2015/16 = 70%														
1h	Percentage of unplanned water shutdowns restored within five hours (12 mth rolling average)		≥95%	93% to <95%	<93%	98%	98%	97%	97%	97%	97%	97%	97%	97%	97%	97%	97%	97%	96%	96%
1i	Number of unplanned water interruptions per 1000 connected properties (12 mth rolling average)		≤10	>10 to 12	>12	8.0	7.9	8.0	7.9	7.8	7.7	7.5	7.5	7.2	7.0	6.8	6.6	6.6	6.6	6.6
1j	Unrestricted demand - metropolitan		Unrestricted	Subjective	Restrictions apply	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted
1k	Unrestricted demand - non-metropolitan		Unrestricted	Subjective	Restrictions apply	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted
<b>2 Healthy Waterways</b>																				
2a	Number of dry weather sewer overflows per 100km of wastewater pipe length per year (12 mth rolling average)		≤5	>5 to 7	>7	1.94	1.88	1.93	2.04	2.00	2.06	2.16	2.10	2.05	2.02	1.94	1.86	1.80	1.80	1.80
2b	Average number of wet weather overflows per discharge location	☑	≤2	Low risk non-compliance	High risk non-compliance															Projected
2c	The number of dry weather overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system	☑	≤10	>10 - ≤15	>15															0.3
2d	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents	☑	a) ≤2 b) ≤2 c) ≤2 d) ≤2	n/a	>2 (for any)															0
2e	Number of sewer bursts and chokes per 1000 properties (12 mth rolling average)		≤10	>10 to ≤12	>12	8.50	8.40	8.50	8.50	8.40	8.30	8.20	8.20	7.90	7.70	7.70	7.30	7.10	7.10	7.10
2f	Percentage of wastewater discharged that is compliant with consent discharge requirements for metropolitan areas		100%	98 to <100%	<98%															99.22%
2g	Percentage of wastewater discharged that is compliant with consent discharge requirements for non-metropolitan areas		35%	n/a	<35%															77%
<b>3 Customer Satisfaction</b>																				
3a	Median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site.	☑	≤60 mins	>60 - ≤90 mins	>90 mins															33 mins
3b	Median response time for resolution of urgent calls-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	☑	≤5 hours	>5 - ≤8 hours	>8 hours															1.5 hours
3c	Median response time for attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site	☑	≤3 days	>3 - ≤5 days	>5 days															1.2 days
3d	Median response time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	☑	≤6 days	>6 - ≤8 days	>8 days															2.2 days
3e	Percentage of customers surveyed satisfied with Watercare's delivery of water and wastewater services	☑	≥80%	>75% to <80%	<75%	88.7%	88.4%	85.8%	88.1%	88.8%	87.0%	88.3%	86.1%	83.5%	87.6%	84.4%	88.2%	84.6%	84.6%	84.6%
3f	The total number of complaints received by the local authority about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system	☑	≤10	>10 - ≤15	>15															7
3g	Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance - from the time that the territorial authority receives notification to the time that service personnel reach the site	☑	≤60 mins	>60 - ≤90 mins	>90 mins															40 mins
3h	Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution - from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault	☑	≤5 hours	>5 - ≤8 hours	>8 hours															2.3 hours
3i	The total number of complaints received by the territorial authority about any of the following: a) sewerage odour b) sewerage system faults c) sewerage system blockages d) the territorial authority's response to issues with its sewerage system expressed per 1000 connections to the territorial authority's sewerage system	☑	≤50	>50 - ≤75	>75															20.7
3j	Number of water quality complaints (taste, odour, appearance) per 1,000 water supply connections (12 mth rolling average)		≤5	>5 to ≤5.5	>5.5	5.9	5.9	6.0	5.9	5.8	5.7	5.3	4.80	4.80	4.80	4.70	4.70	4.70	4.70	4.70
3k	Percentage of complaints being 'closed and resolved' within 10 working days (12 mth rolling average)	☑	≥95%	≥90% to <95%	<90%	94.3%	94.8%	95.0%	95.0%	95.0%	96.3%	96.6%	96.8%	97.6%	98.1%	98.5%	98.5%	98.3%	98.3%	98.3%
3l	Percentage attendance at the quarterly meetings of the Mana Whenua Kaitiaki Forum	☑	100%			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>4 Health, Safety and Wellbeing</b>																				
4a	Last-time injury frequency rate per million hours worked (12 month rolling average)	☑	≤5	5 - 7	>7	5.65	5.6	6.21	6.79	7.93	8.48	7.86	7.20	5.34	4.47	5.31	6.42	6.4	6.4	6.4
4b	Percentage of total hours absent due to illness (12 mth rolling average)	☑	≤2.5%	>2.5 to 3.5%	>3.5%	2.13%	2.11%	2.12%	2.10%	2.07%	2.06%	2.09%	2.11%	2.12%	2.11%	2.09%	2.16%	2.14%	2.14%	2.14%
4c	Percentage of voluntary leavers relative to number of permanent staff (12 mth rolling average)	☑	≤12%	>12 to 14%	>14%	12.48%	12.54%	12.08%	11.61%	11.15%	10.28%	11.00%	11.84%	11.12%	12.48%	12.54%	10.87%	10.87%	10.87%	12.42%
4d	Total recordable injury frequency rate per million hours worked (12 month rolling average)	☑	≤30	>30 to ≤33	>33	13.19	11.20	13.05	16.68	18.30	18.78	15.11	19.79	17.20	18.33	19.45	19.84	18.65	18.65	18.65
<b>5 Financial Performance</b>																				
5a	Minimum funds flow from operations to interest cover (FFO) before any price adjustment	☑	≥2.5	2.4 to <2.5	<2.4	3.34	3.31	3.46	3.38	3.32	3.35	3.40	3.38	3.45	3.40	3.34	3.32	3.69	3.69	3.69
5b	Percentage of household expenditure on water supply services relative to the average household income	☑	≤1.5%	1.2 to <1.5	>1.5	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.91%	0.91%	0.92%	0.92%	0.92%	0.92%	0.87%	0.87%	0.87%
5c	Water & wastewater revenue against budget YTD %		≥100%	≥98% to <100%	<98%	100%	101%	101%	101%	100%	99%	100%	100%	100%	100%	100%	100%	100%	100%	101%
5d	Infrastructure growth charge revenue against budget YTD %		≥100%	≥95% to <100%	<95%	164%	156%	206%	189%	167%	173%	164%	156%	156%	149%	146%	147%	102%	102%	102%
5e	Controllable costs against budget YTD %		≤100%	>100 to ≤102%	>102%	98%	96%	98%	99%	99%	99%	98%	99%	99%	101%	101%	94%	94%	94%	94%
5f	Total contribution against budget YTD (\$ millions)		+	-\$0.1m to -\$2m	> -\$2m	3.60	7.30	15.87	18.18	18.48	22.37	26.79	27.94	26.76	24.98	22.53	26.13	3.09	3.09	3.09
5g	Net surplus / deficit before tax against budget YTD (\$ millions)		+	-\$0.1m to -\$2m	> -\$2m	-1.40	-14.70	-4.63	-22.12	-28.00	-43.59	-80.04	-74.28	-76.19	-67.08	-63.05	-66.59	-21.81	-21.81	-21.81
5h	Total net borrowing against budget YTD (\$ millions)		-	\$0.1m to \$10m	> \$10m	-8.10	-19.50	-20.60	-20.40	-25.50	-29.70	-34.80	-49.30	-71.70	-71.20	-86.10	-79.40	-22.40	-22.40	-22.40
<b>6 Fully Sustainable</b>																				
6a	The average consumption of drinking water per day per resident (gross PCC) (12 month rolling average)	☑	272 +/- 2.5%			270	270	270	269	267	266	273	273	273	273	273	271	271	271	271
6b	Per capita consumption (litres / person / day) - Residential Monthly PCC		Information only			140	140	141	144	156	163	170	170	163	155	151				Reporting lag - data sourced from meter readings
6c	Non-Domestic Monthly Water Volume		Information only			2,837,670	2,801,523	2,701,694	2,889,481	2,858,163	2,892,951	2,898,831	3,079,838	3,344,422	2,864,637	2,910,993				Reporting lag - data sourced from meter readings
6d	Non-Revenue Water Percentage		Information only																	16.72%
6e	The percentage of real water loss from the local authority's networked reticulation system (rolling 12 mth average)	☑	≤13%	>13 to 13.2%	>13.2	13.97%	13.40%	13.30%	13.45%	13.58%	13.66%	13.89%	13.66%	13.66%	13.50%	13.31%	12.95%	12.89%	12.89%	12.89%
<b>7 Policy Compliance</b>																				
7a	Compliance with Treasury Policy		Within policy	Planned outside policy	Unplanned outside policy	Within policy	Within policy	Within policy	Within policy	Within policy	Within policy	Within policy	Within policy	Within policy	Within policy	Within policy	Within policy	Within policy	Within policy	Within policy

4

## Watercare Services Limited

**Subject:** Chief Executive Report – July 2015

**Date:** 12 August 2015

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### 1. CUSTOMER SERVICES

Performance against Statement of Intent measures for July was good with all customer service performance metrics above target for the month. The rolling 12 month average result for resolution of complaints within 10 working days was 98.3% against a target of 95%.

Customer satisfaction was steady in July with all metrics exceeding 80% for billing, general and faults enquiry types.

### 2. INFRASTRUCTURE AND PLANNING

The capital programme is forecast to be on budget at year end.

Watercare staff continued to engage with Auckland Council on Special Housing Areas, the Unitary Plan and the Long Term Plan. The Draft Future Urban Land Supply Strategy has been released by Auckland Council for consultation. The Strategy aims to provide 20 years forward supply of development capacity at all times, with an identified 11,000 hectares of land suitable for around 110,000 dwellings. The timeframes for release of land are already being tested through developers seeking earlier start dates. This is creating some uncertainty around timing of developments across the high growth regions. Given the long lead times for water and waste water infrastructure builds it is placing some increased focus on infrastructure in general, giving rise to increased engagement with developers and planners to support and enable priority for housing growth.

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

### 3. SERVICE DELIVERY

#### Rainfall and Water Resources

The Auckland region experienced below average rainfall in all catchments, except for the Waitakere Ranges, in July:

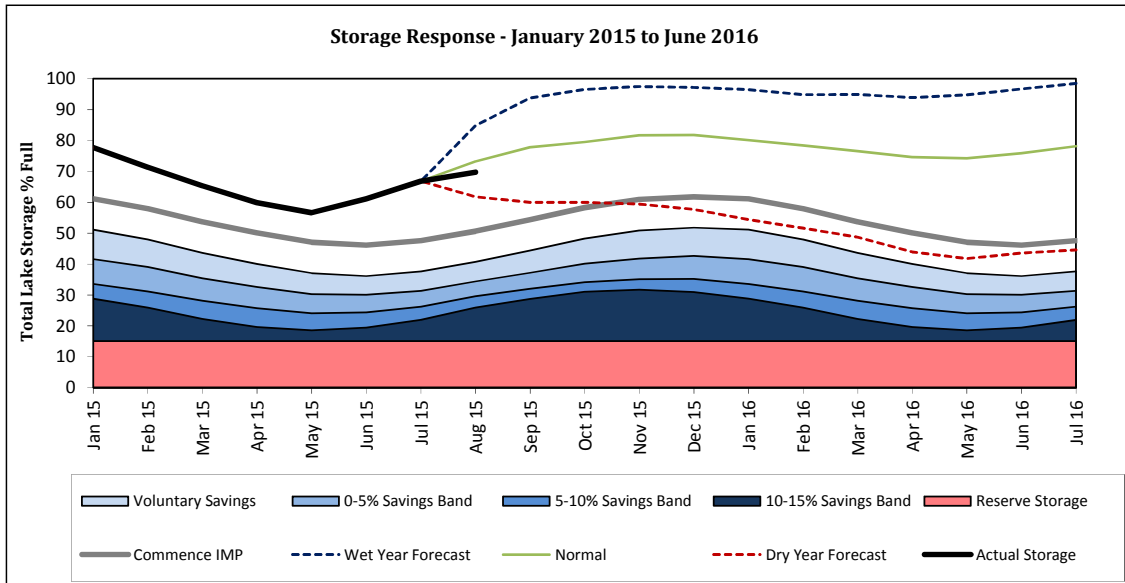
Waitakere Ranges	105% of average
Hunua Ranges	78% of average
Northern Non-metropolitan	54% of average
Southern Non-metropolitan	96% of average

Metropolitan total system storage increased in July from 66.8% to 69.7%. This is below the modelled average storage for the end of July (73.2%). Weather forecasts for August 2015 indicate rainfall is expected to be below normal, and temperature near or below average. Longer term, for August – October 2015, temperatures are most likely to be near or below average, with rainfall most likely to be near or below normal.

International guidance indicates that El Nino is virtually certain (97% probability) to continue over the next three months. The occurrence and persistence of El Nino increases the likelihood of near or below normal rainfall. Current weather patterns of near or below average rainfall are likely to continue through spring. There is also a higher likelihood of below average rainfall during the coming summer.

Based on analysis of rainfall throughout the country, it is NIWAs view that rainfall intensity has not increased and is similar to rainfall patterns experienced during the late 1980s – early 1990s. Rainfall intensity during the last 10-15 years has been settled with few high intensity rainfall events. NIWA continues to investigate rainfall event frequency and is developing rainfall distribution models. It is expected that these models will be available early next calendar year.

As a consequence of the predictions for below average rainfall, the Waikato WTP continues to be operated at higher flows to conserve stored water levels. As of 11 August storage levels had reached 73.6%.



**Real Water Losses**

The 12 month rolling average for real losses is 12.89% against a Statement of Intent Target of 13%.

#### 4. FINANCE

##### Financial Performance

	Current Month			Year to Date			Full Year		
	Actual	Budget	Var	Actual	Budget	Var	Forecast	Budget	Var
<b>Figures (\$millions)</b>									
Revenue	46.07	44.25	1.83	46.07	44.25	1.83	539.00	537.17	1.83
Operating Expenses	16.20	17.16	0.95	16.20	17.16	0.95	211.85	212.77	0.91
Depreciation	17.92	17.92	0.00	17.92	17.92	0.00	217.12	217.12	0.00
Interest expense	6.39	6.70	0.31	6.39	6.70	0.31	77.90	78.21	0.31
<b>Total Contribution</b>	<b>5.55</b>	<b>2.47</b>	<b>3.09</b>	<b>5.55</b>	<b>2.47</b>	<b>3.09</b>	<b>32.12</b>	<b>29.07</b>	<b>3.05</b>
Non-operating costs/(income)	0.37	0.19	(0.18)	0.37	0.19	(0.18)	3.18	3.00	(0.18)
Financial instruments revaluation - loss/(gain)	24.72	-	(24.72)	24.72	-	(24.72)	24.72	-	(24.72)
<b>Operating Surplus / (Deficit) Before Tax</b>	<b>(19.54)</b>	<b>2.28</b>	<b>(21.81)</b>	<b>(19.54)</b>	<b>2.28</b>	<b>(21.81)</b>	<b>4.22</b>	<b>26.07</b>	<b>(21.85)</b>
Deferred Tax - Expense/(Credit)	(6.08)	0.82	6.89	(6.08)	0.82	6.89	14.60	21.49	6.89
<b>Net Surplus / (Deficit) After Tax</b>	<b>(13.46)</b>	<b>1.46</b>	<b>(14.92)</b>	<b>(13.46)</b>	<b>1.46</b>	<b>(14.92)</b>	<b>(10.37)</b>	<b>4.58</b>	<b>(14.96)</b>
<b>FFO Ratio</b>				3.69	3.31		3.28	2.94	
<b>Operating EBITDAF</b>	29.87	27.09	2.78	29.87	27.09	2.78	327.14	324.40	2.74
<b>EBITDA</b>	4.78	26.90	(22.12)	4.78	26.90	(22.12)	299.25	321.40	(22.16)
<b>EBIT</b>	(13.15)	8.97	(22.12)	(13.15)	8.97	(22.12)	82.12	104.28	(22.16)

##### Month – Total Contribution of \$5.55 m - favourable variance to budget of \$3.09m

Total revenue was favourable \$1.83m to budget largely due to vested asset income favourable by \$1.3m and water and wastewater revenues, favourable by \$0.5m.

Operating expenses were favourable \$0.95m to budget with favourable variances for unplanned maintenance and professional services partially offset by unfavourable variances for chemical costs and energy costs due to continued high utilisation of Waikato river source.

Depreciation was consistent with budget.

Interest expense was \$0.31m favourable to budget.

##### Month – Net Deficit after Tax of \$13.46m – unfavourable variance of \$14.92m

The unfavourable variance of \$14.92m is primarily due to an unfavourable revaluation of financial instruments of \$24.72m resulting from the substantial decrease in medium to long term swap rates during July 2015 partially offset by the \$3.09m year to date favourable operating contribution.

##### Financial Position

\$million	Actual Jun-15	Actual Jul-15	Monthly Movement	Budget Jul-15	Var from Budget
Non Current Assets	8,604.9	8,612.2	7.3	8,752.0	(139.8)
Current Assets	79.5	73.5	(6.1)	81.9	(8.4)
<b>Total Assets</b>	<b>8,684.4</b>	<b>8,685.7</b>	<b>1.4</b>	<b>8,833.9</b>	<b>(148.2)</b>
Other Liabilities	281.6	295.1	13.5	286.2	8.9
Deferred Tax Liability	1,011.1	1,005.1	(6.2)	1,052.0	(46.9)
Borrowings - Short Term	197.9	222.9	25.0	200.2	22.7
Borrowings - Long Term	1,319.1	1,301.4	(17.7)	1,346.8	(45.4)
Shareholders Funds	5,874.7	5,861.2	(13.4)	5,948.7	(87.5)
<b>Total Liabilities and Shareholders Funds</b>	<b>8,684.4</b>	<b>8,685.7</b>	<b>1.4</b>	<b>8,833.9</b>	<b>(148.2)</b>

The major movements in the Statement of Financial Position as at 31 July 2015 compared with 30 June 2015 were the increase in non-current assets reflecting capital expenditure net of depreciation in the month, an increase in borrowings (\$7.3m) and an increase in other liabilities (\$13.5m) - reflecting derivative liability revaluation.

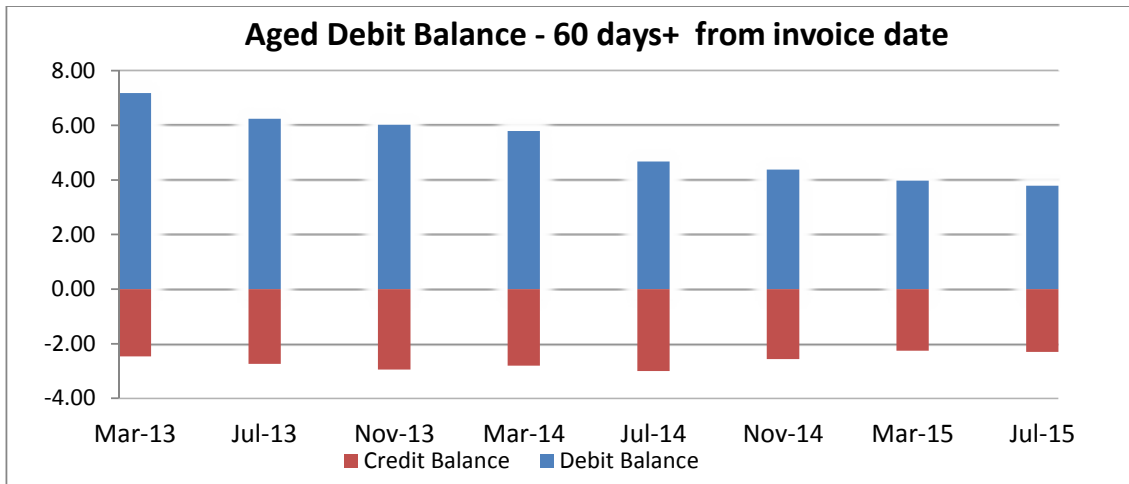
Compared with budget the material variances are largely in respect of the property, plant and equipment, deferred tax, derivative financial instruments (Other liabilities) and debt. Net debt at \$1,524m is \$22.6m beneath budget. The variances primarily reflect a different opening position on 1 July 2015 than that assumed when the budget was set, including a lower level of revaluation of property, plant and equipment than expected.

**Receivables**

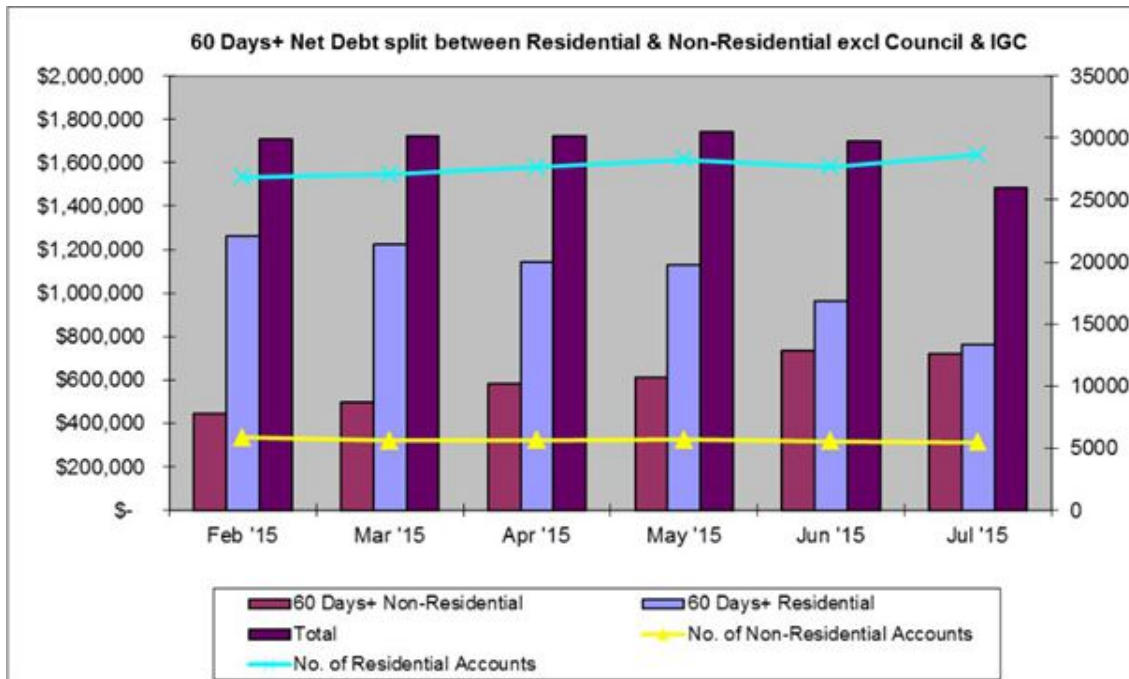
The gross 60+ day debit debt at the end of July was \$3.8m compared with \$4.6m at 30 July 2014 and \$3.9m at the end of June 2015. 60+ day credit balances have decreased by \$0.7m since June 2014 to \$2.3m.

Receivables before provision for doubtful debts at 31 July totalled \$25.4m (compared with \$32.0m at the end of June). The Auckland Council component of total debt was \$0.56m (compared with \$0.75m at June).

The trend of 60+ day balances is shown below:



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



### Water Utility Consumer Assistance Trust (WUCAT)

The following tables summarise the results of the Trust:

Jul 2015

WUCAT Summary		
Financial year	Board approved applications (includes WSL additional write offs)	\$000's
Jun-12	33	\$ 29
Jun-13	172	\$ 196
Jun-14	123	\$ 114
(YTD) Jun-15	162	\$ 157
<b>Total</b>	<b>490</b>	<b>\$ 495</b>

WUCAT Summary last 3 meetings		
Month	Board approved applications	\$000's
May-15	3	\$ 3.01
Jun-15	8	\$ 7.54
Jul-15	13	\$ 7.93
<b>Total</b>	<b>24</b>	<b>\$ 18</b>

490 applicants have successfully completed the budget advisor review process and these applicants have had \$495k of hardship relief approved by the Trust. This has resulted in \$405k being written-off as payment plans have been completed. For various reasons, 39 applicants did not fully complete their agreed payment plans. These applicants have foregone \$38k of approved hardship relief. A further 35 applicants continue with their payment arrangements, with a further \$52k of approved hardship write-offs to be granted once they successfully complete their plan.

The results of the last 3 WUCAT meetings have seen 24 applicants successfully complete the budget process and have \$18k of hardship relief approved by the Trust.

### Restrictions

Four new water restrictions were actioned during the month and two restrictions were removed.

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

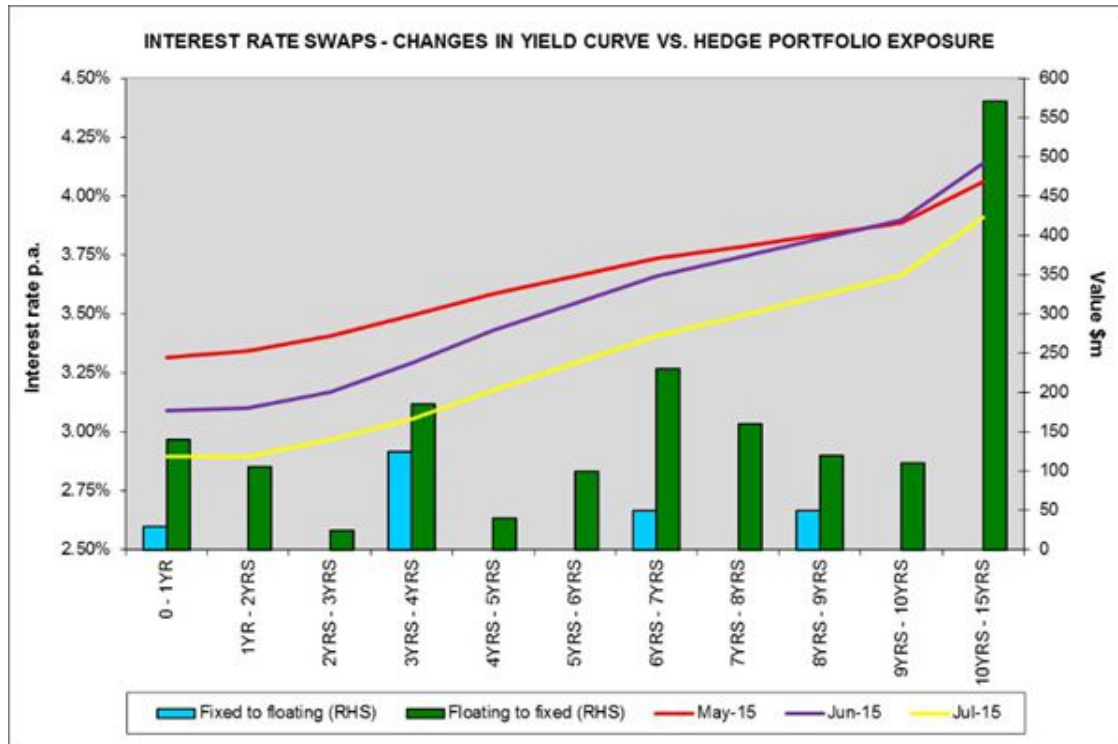
Restriction Summary Year-ending	Commercial		Residential		Total	
	Restriction	De-restriction	Restriction	De-restriction	Restriction	De-restriction
30-Jun-12	1		5		6	0
30-Jun-13	13	11	6	4	19	15
30-Jun-14	20	20	17	14	37	34
30-Jun-15	31	30	53	39	84	69
30-Jun-16	1	2	3	0	4	2
<b>Total</b>	<b>66</b>	<b>63</b>	<b>84</b>	<b>57</b>	<b>150</b>	<b>120</b>
<b>Restrictions currently</b>	<b>3</b>		<b>27</b>		<b>30</b>	

The following restrictions remain in place:

- Four residential restrictions remain in place on vacant properties. Communications are ongoing with these customers and if the properties are tenanted in future, further discussions will be required.
- A further 23 residential restrictions remain in place on occupied properties and communication continues with these customers.

- Three commercial properties remain restricted at the end of June and communication continues with these customers. One of these commercial properties is currently vacant.

## 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	6.39	6.70	0.31	6.39	6.70	0.31	77.90	78.21	0.31
Capitalised Interest	1.12	1.23	0.11	1.12	1.23	0.11	18.39	18.50	0.11
Gross Interest	7.51	7.93	0.42	7.51	7.93	0.42	96.29	96.71	0.42
Less Interest Income	0.02	-	(0.02)	0.02	-	(0.02)	0.02	-	(0.02)
<b>Net Interest</b>	<b>7.50</b>	<b>7.93</b>	<b>0.43</b>	<b>7.50</b>	<b>7.93</b>	<b>0.43</b>	<b>96.27</b>	<b>96.71</b>	<b>0.44</b>

For the month net interest is favourable to budget \$0.43m; largely due to lower debt than budgeted.

## Capital Expenditure

Capital expenditure for the month was \$21.7m against a budget of \$30.6m.

Summary Capital Expenditure (\$millions)	Month July 2015			Year to Date			Full Year		
	Actual	Budget	Var	Actual	Budget	Var	Forecast	Budget	Var
Infrastructure Wastewater Projects	11.9	14.5	2.6	11.9	14.5	2.6	214.8	216.7	1.9
Infrastructure Water Projects	8.0	10.9	2.9	8.0	10.9	2.9	120.7	118.2	(2.5)
Operations	1.0	3.1	2.1	1.0	3.1	2.1	33.9	37.3	3.4
Maintenance Services	0.1	0.4	0.3	0.1	0.4	0.3	4.9	4.7	(0.2)
Information Services	0.4	1.0	0.6	0.4	1.0	0.6	7.2	7.4	0.2
Other Projects	0.3	0.7	0.4	0.3	0.7	0.4	11.1	12.4	1.3
<b>TOTAL</b>	<b>21.7</b>	<b>30.6</b>	<b>8.9</b>	<b>21.7</b>	<b>30.6</b>	<b>8.9</b>	<b>392.6</b>	<b>396.7</b>	<b>4.1</b>
Includes:									
Water Projects Capitalised Interest	0.5	0.6	0.1	0.5	0.6	0.1	8.1	8.2	0.1
Wastewater Projects Capitalised Interest	0.6	0.7	0.0	0.6	0.7	0.0	10.3	10.3	0.0
<b>Total Capitalised Interest</b>	<b>1.1</b>	<b>1.2</b>	<b>0.1</b>	<b>1.1</b>	<b>1.2</b>	<b>0.1</b>	<b>18.4</b>	<b>18.5</b>	<b>0.1</b>

## 5. BOARD CORRESPONDENCE

There was no board correspondence during the month.

## 6. EXECUTION OF DOCUMENTS

There were seven documents executed during July in accordance with the delegated authority provided to the Chief Executive by the Board in relation to deeds, instruments and other documents. These included approval of three easements, three Public Works Act 1981 Notices to acquire land and one telecommunications licence.

There were six capex approvals totaling \$4.418m signed in accordance with the delegated authority provided to the Chief Executive by the Board in relation to capex approvals below a threshold of \$15m.

Summary of Capital Projects approved by Chief Executive – July 2015		
C-12262-03	Replacement of station wagon DWG983	\$47,000
C-12356	Mangere WWTP Screenings Area Control Cabinets	\$872,000
C-12497	Lower Huia Raw Watermain & Access Rd Reinstatement	\$1,878,317
C-12580-02	Wellsford WWTP Improvements Project	\$663,000
C-12598	Army Bay Wastewater Network - Flow Monitoring and Model Calibration	\$870,000
C-12638	Mangere WWTP Cellular Site Implementation	\$88,000

There were six contracts over \$100,000 awarded during July in accordance with the delegated authority provided to the Chief Executive by the Board in relation to capex and opex contract approvals.

Summary of Contract Awards – July 2015		
6/07/2015	Service Engineers Limited	Rosedale WWTP Biogas Flare Pipe Installation
7/07/2015	Service Engineers Limited	Tender for installation of biogas treatment plant and balance of plant
9/07/2015	Brian Perry Civil Limited	CT5890 Ardmore WTP Service Air Upgrade
13/07/2015	UGL (NZ) Limited	Contract 61179 - Clarks Beach Wastewater Treatment Plant Electrical Upgrade
27/07/2015	Beca Survey	Huia No.1 Watermain Replacement Topographic Survey
31/07/2015	City Care Ltd	Pukekohe District Meters

## 7. COMMUNICATIONS

### Media summary

In July, the communications team briefed key media on the actions Watercare is taking to protect the city's water supply during the Auckland Council's 1080 application in the Hunua Ranges. Reporters were made aware of the company's intention to publish the results of its water testing on its website post the application.



Favourable coverage was gained in numerous suburban newspapers as a result of proactive media engagement. We will provide a summary of this media engagement on the day of the board meeting. Of particular note, there was a feel-good story on pupils from St Heliers Primary School teaming up with Watercare on an art project that celebrates healthy beaches and waterways. The resulting artwork was professionally printed and is on display at a local park.

Watercare featured three times in the NBR, twice in articles and once in a letter to the editor. The articles both suggested Watercare 'stymies' growth in Auckland. Unfortunately, the reporter was unresponsive to feedback from the communications team. A letter to the editor from Raveen Jaduram clearly communicated Watercare's role as an enabling organisation.

### Customer Communications Programme

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

Month	Activity	Status
July	<p>The winter edition of <i>Tapped In</i> was distributed to both domestic and non-domestic customers. It focused on the water situation: per person demand is falling but the population is growing; we are seeking permission to increase our take from the Waikato River; we have improved the water supply in Franklin. In addition, featured the Watercare education programme, the price rise and 1080 in the Hunua Ranges.</p> <p>Below are two excerpts taken from customer feedback:            "I value the factual and informative nature of the material in this publication. It demonstrates how water payments are applied effectively and what can be expected in the future." <i>Anne</i></p> <p>"I just wanted to let you know how impressed I am by your latest newsletter. It is informative and easy to read. The graph on historic and projected consumption is particularly readable. I am delighted to hear Aucklanders are top of the efficient water user list – something to tell the rest of the country, I think!" <i>Kate</i></p>	Distribution complete
August	<p>Domestic customers in Mangere are receiving Mangere Matters. This publication focuses on the return of the migratory birds to the Manukau Harbour as well as an article by Gary Taylor from the Environmental Defence Society in support of the Central Interceptor project.</p> <p>All domestic customers outside of Mangere are receiving a flyer on the Watercare Coastal Walkway. We have also included information on Ambury Farm Day which is in September.</p> <p>Non-domestic customers are receiving a brochure with information regarding how to understand their bills. This is to support the next stage of the transition to the standardised wastewater tariff.</p>	Being distributed
September	Domestic and non-domestic customers will receive the spring issue of <i>Tapped In</i> with a wastewater focus. Of particular note, it will feature a cross-section of a house with pull-out information on how customers can protect both their own plumbing and our wastewater network. For example, it will suggest customers dispose of fat in the rubbish bin rather than their kitchen sink.	Planned
October	Domestic customers will receive a flyer on saving water in the home.	Planned
November	Domestic customers will receive a flyer on ways to pay their bill with information on the hardship trust.	Planned
December	Domestic and non-domestic customers will receive the summer issue of <i>Tapped In</i> with a waterwise focus.	Planned
January	Domestic customers will receive a flyer on saving water in the garden.	Planned

February	Domestic customers will receive a flyer on checking for leaks.	Planned
March	Domestic and non-domestic customers will receive the autumn issue of Tapped In.	Planned

### Internal communications

Staff continued to receive weekly emails from the chief executive as well as the monthly publication YourSource. The topic for the HomeSafe notice – a monthly H&S publication – was occupational overuse syndrome.

### Stakeholder communications

In July, four schools participated in our education programme. The number was lower than usual due to school holidays (3 - 20 July). The programme is in demand and the education coordinator is fully booked for term one of 2016 already.

Community newsletters and/or flyers were produced and distributed for the Albany Reservoir Project and the St Heliers wastewater pipeline project. An art project involving St Heliers Primary School was also undertaken and, as mentioned above, gained favourable media coverage.

A communications and stakeholder engagement plan was developed to support the Pukekohe wastewater pipe and treatment plant project.

## 8. WORKING WITH LOCAL BOARDS

Watercare continues to work with Local Boards to explain how water and wastewater infrastructure is being delivered in support of a growing Auckland Region. In addition to a general presentation, information has also been provided on the next water supply for Auckland. Workshops were held with the Puketapapa and Manurewa Local Boards and presentations have been planned with other local boards including Rodney. A site visit has also been arranged for members of the Rodney Local Board to visit some of the key wastewater sites early in the New Year.

The 'Mangere Matters' newsletter was distributed to the nine local boards around the Manukau Harbour and to the Manukau Harbour Forum.

Information on a local wastewater project adjacent Galloway Crescent was shared with Howick Local Board and the Local Board advisor for Auckland Transport in the interest of no surprises.

Watercare and Auckland Transport also met with Shale Chambers, Chairman of the Waitemata Local Board, to discuss an issue with regards construction of a wastewater pipe to service the latest Wynyard Quarter development. The timing of city transformation and Auckland Transport initiatives has necessitated a rethink resulting in a proposal to place infrastructure along the edge of Victoria Park. Watercare continues to work with Parks and the Local Board in order to reach a satisfactory resolution.

Information was shared with the Orakei Local Board on an initiative to place art work from year 7 St Heliers Bay school pupils around the playground adjacent the Madills Farm wastewater storage tank construction site. The Takapuna Devonport Local Board and parks also worked with Watercare to enable a Children's learn to ride mural to be painted on the Forrest Hill Reservoir.

The Hibiscus and Bays Local Board also issued landowner approval for temporary works in the Montrose Terrace Park, Mairangi Bay. The temporary occupation of a small section of the reserve has helped with delivery of the wastewater pipe drilling operation in Sidmouth Street reducing the impacts on local residents.

A full schedule of local board interactions over the month is attached as Appendix D.

## **9. STATUTORY PLANNING**

### **Auckland Proposed Unitary Plan**

Hearings by the Independent Hearing Panel on the Regional and District Plan provisions of the Proposed Auckland Unitary Plan are now almost complete. The key hearing remaining of most importance to Watercare are water (discharge and water allocation), and residential development. Designation work is now underway; we are working with submitters to resolve submissions on Watercare's designations. A status report on designations was provided to the Hearing Panel on 7 August 2015. Council is also beginning work on the submissions related to rezoning and precincts; this topic will be heard early next year.

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

Watercare has made submissions on three private plan changes: Snells-Algies, Three Kings, and Tamaki Campus. Snells-Algies remains on hold; Three Kings has been heard and a decision is pending; and further submissions for the Tamaki Campus plan change will be requested soon.

### **Maori Engagement**

Work is underway with staff of the Maunga Authority to prepare a Relationship Agreement to facilitate Watercare's projects and operations on the Maunga that are owned by the Tupuna Taonga Tamaki Makaurau Trust. The Maunga Authority is the administering body of those Maunga.

### **Te Toa Takatini Leadership Group**

The leadership group includes managers from the major units of the Auckland Council and the larger CCO's. The Group identified the following priority areas:

- I. Strengthening Maori business
- II. Waka strategy
- III. Property and infrastructure development
- IV. Maori education
- V. Building internal Council capacity

Watercare contributes to the priorities by assisting rural Marae that have water supply or wastewater issues (priority iii) and through the establishment and resourcing of the Mana Whenua Kaitiaki Forum (priority v).

A meeting of Waikato Tainui and Watercare Board members is planned to be held in Hamilton on 28 August 2015.

**10. WATER SERVICES ASSOCIATION OF AUSTRALIA (WSAA) EFFICIENCY BENCHMARKING**

Watercare is participating (alongside many of Australia’s largest water companies) in the Water Services Association of Australia (WSAA) cost efficiency benchmarking study. The study will allow like-for-like comparison with peers across the water industry. The industry report will be available in the second quarter of 2015/16.

**11. AUCKLAND COUNCIL 1080 PROGRAMME IN THE HUNUA RANGES**

Auckland Council has received approval for, and commenced the first stage of its 1080 application programme on Auckland Council land in the Hunua Ranges. The pre-feed (non-toxic) bait release was completed during late July with the toxic bait releases in the two operational blocks scheduled for August 2015. Watercare has developed and implemented a series of detailed operational plans to ensure that risk to both the water sources and the treated water systems have been mitigated. This activity is weather dependant, and to date a suitable weather window has not been available to undertake the first application of 1080.

.....  
R Jaduram  
CHIEF EXECUTIVE

# **WATERCARE SERVICES LIMITED**

## **Management Report**

**Jul-15**

**4**

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<b>2 Treasury Management</b> <ul style="list-style-type: none"> <li>● Treasury Risks &amp; Interest Rate Performance</li> <li>● Counterparty Exposures, Debt Concentration &amp; Covenant Compliance</li> <li>● Foreign Exchange &amp; Commercial Paper Maturity</li> </ul>	 A5 A6 A7
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**WATERCARE SERVICES LIMITED****Jul-15****4****Key Financial Indicators**

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

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

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

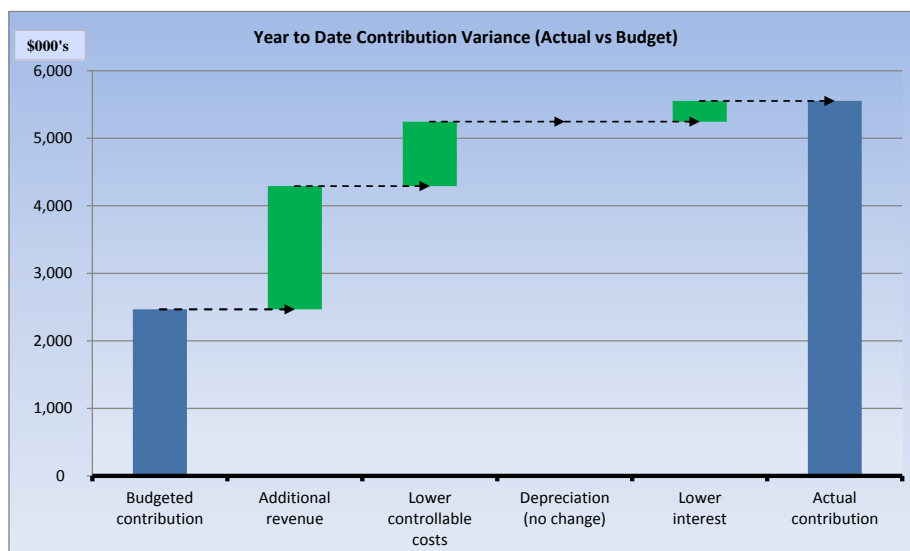


Non compliance

<b>WATERCARE SERVICES LIMITED</b>									
<b>STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE</b>									
<b>Jul-15</b>									
<b>(\$000's)</b>									
	Current Month				Year to Date				Full Year
	Actual	Budget	Variance	Result	Actual	Budget	Variance	Result	Budget
Wastewater revenue	24,792	24,332	460	✓	24,792	24,332	460	✓	300,286
Water revenue	11,383	11,390	(7)	✗	11,383	11,390	(7)	✗	142,982
Infrastructure growth charge revenue	6,331	6,177	154	✓	6,331	6,177	154	✓	57,520
Other revenue	1,399	1,485	(86)	✗	1,399	1,485	(86)	✗	26,044
Revenue from exchange transactions	43,905	43,384	521	✓	43,905	43,384	521	✓	526,832
Vested assets revenue	2,167	861	1,305	✓	2,167	861	1,305	✓	10,338
Revenue from non-exchange transactions	2,167	861	1,305	✓	2,167	861	1,305	✓	10,338
<b>Total revenue</b>	<b>46,071</b>	<b>44,245</b>	<b>1,826</b>	<b>✓</b>	<b>46,071</b>	<b>44,245</b>	<b>1,826</b>	<b>✓</b>	<b>537,170</b>
Labour	6,075	6,288	213	✓	6,075	6,288	213	✓	78,478
Contract labour	176	206	31	✓	176	206	31	✓	2,274
Oncosts	209	293	84	✓	209	293	84	✓	3,718
Labour recoveries	(2,912)	(3,236)	(323)	✗	(2,912)	(3,236)	(323)	✗	(39,436)
Net labour	3,547	3,551	5	✓	3,547	3,551	5	✓	45,035
Materials & cost of sales	146	173	27	✓	146	173	27	✓	2,106
Planned maintenance	1,035	1,012	(23)	✗	1,035	1,012	(23)	✗	16,002
Unplanned maintenance	2,465	2,917	452	✓	2,465	2,917	452	✓	32,542
Asset operating costs - chemicals	754	605	(150)	✗	754	605	(150)	✗	10,653
Asset operating costs - energy	1,631	1,520	(111)	✗	1,631	1,520	(111)	✗	17,801
Operating costs - other	3,381	3,352	(29)	✗	3,381	3,352	(29)	✗	42,855
Depreciation and amortisation	17,925	17,925	-	↔	17,925	17,925	-	↔	217,122
Asset operating costs	27,191	27,331	140	✓	27,191	27,331	140	✓	336,975
Communications	153	168	15	✓	153	168	15	✓	2,019
Professional services	708	1,263	555	✓	708	1,263	555	✓	14,637
Interest	6,389	6,696	306	✓	6,389	6,696	306	✓	78,207
General overheads	2,384	2,598	214	✓	2,384	2,598	214	✓	29,117
Overheads	9,634	10,724	1,090	✓	9,634	10,724	1,090	✓	123,980
<b>Total expenses</b>	<b>40,518</b>	<b>41,779</b>	<b>1,261</b>	<b>✓</b>	<b>40,518</b>	<b>41,779</b>	<b>1,261</b>	<b>✓</b>	<b>508,096</b>
<b>Total contribution/(loss)</b>	<b>5,553</b>	<b>2,466</b>	<b>3,087</b>	<b>✓</b>	<b>5,553</b>	<b>2,466</b>	<b>3,087</b>	<b>✓</b>	<b>29,074</b>
Gain/loss on disposal of fixed assets	365	190	(175)	✗	365	190	(175)	✗	3,000
Gain/loss on revaluation of financial instruments	24,723	-	(24,723)	✗	24,723	-	(24,723)	✗	-
Non operating (costs)/revenue	25,088	190	(24,898)	✗	25,088	190	(24,898)	✗	3,000
Net surplus/(deficit) before tax	(19,535)	2,276	(21,812)	✗	(19,535)	2,276	(21,812)	✗	26,074
Deferred tax	(6,076)	816	6,892	✓	(6,076)	816	6,892	✓	21,490
Net surplus/(deficit) after tax	(13,460)	1,460	(14,920)	✗	(13,460)	1,460	(14,920)	✗	4,584

**Key: Financial performance result**

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



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

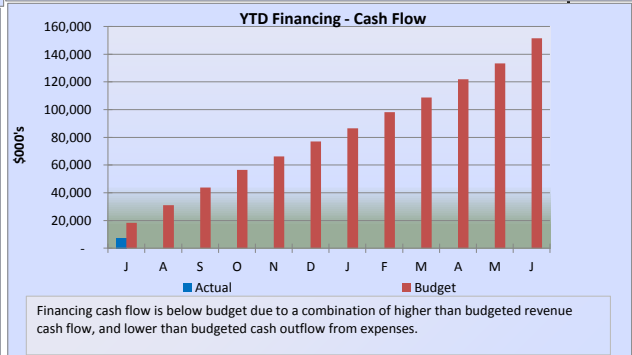
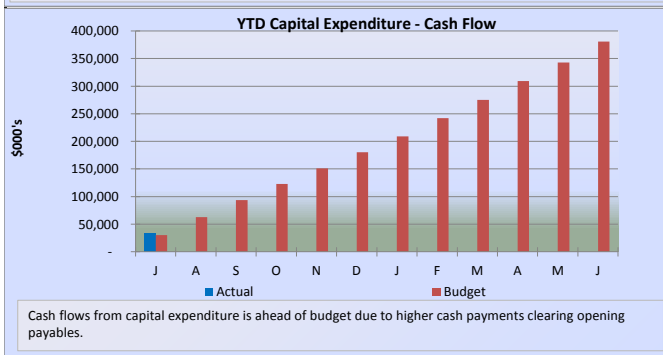
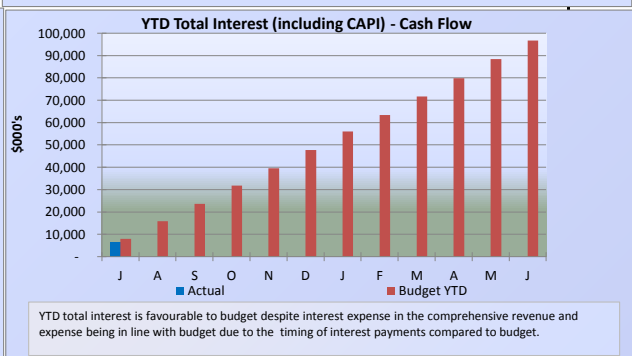
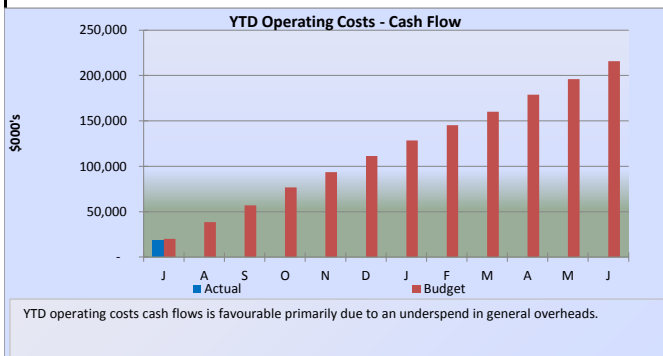
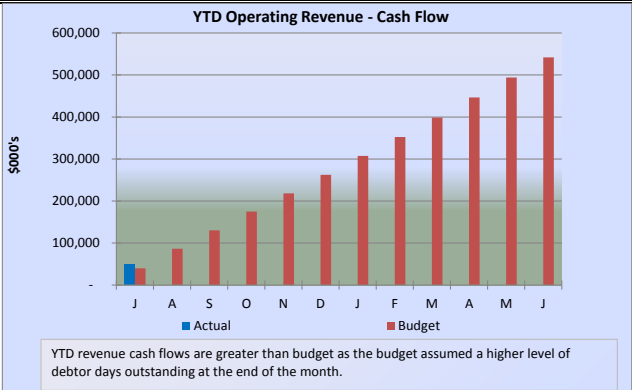
Jul-15

(\$000's)

NZ \$000s	Current Month				Year to Date			
	Actual	Budget	Variance	Result	Actual	Budget	Variance	Result
<b>Operating Cash flow:</b>								
Operating Revenue	47,949	39,785	8,164	✓	47,949	39,785	8,164	✓
Operating Costs	(18,495)	(20,000)	1,505	✓	(18,495)	(20,000)	1,505	✓
Interest Paid	(5,372)	(6,696)	1,323	✓	(5,372)	(6,696)	1,323	✓
<b>OPERATING CASH FLOW</b>	<b>24,082</b>	<b>13,090</b>	<b>10,992</b>	<b>✓</b>	<b>24,082</b>	<b>13,090</b>	<b>10,992</b>	<b>✓</b>
<b>Investing Cash flow:</b>								
Capital Expenditure	(33,370)	(30,254)	(3,116)	✗	(33,370)	(30,254)	(3,116)	✗
Capitalised Interest (CAPI)	(1,122)	(1,233)	111	✓	(1,122)	(1,233)	111	✓
<b>INVESTING CASH FLOW</b>	<b>(34,492)</b>	<b>(31,487)</b>	<b>(3,005)</b>	<b>✗</b>	<b>(34,492)</b>	<b>(31,487)</b>	<b>(3,005)</b>	<b>✗</b>
<b>Financing Cash flow:</b>								
Bonds/Term Debt Issued/(Repaid)	-	-	-	✓	-	-	-	✓
Short Term Advances/(Repaid)	7,500	7,500	-	✓	7,500	7,500	-	✓
Commercial Paper Issued/(Repaid)	63	63	-	✓	63	63	-	✓
Auckland Council Borrowings/(Repaid)	(199)	10,834	(11,033)	✗	(199)	10,834	(11,033)	✗
<b>FINANCING CASH FLOW</b>	<b>7,364</b>	<b>18,397</b>	<b>(11,033)</b>	<b>✓</b>	<b>7,364</b>	<b>18,397</b>	<b>(11,033)</b>	<b>✓</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(3,046)</b>	<b>-</b>	<b>(3,046)</b>	<b>✗</b>	<b>(3,046)</b>	<b>-</b>	<b>(3,046)</b>	<b>✗</b>
Opening Cash Balance/(Overdraft)	2,792	-	2,792	✓	2,792	-	2,792	✓
<b>Ending Cash Balance/(Overdraft)</b>	<b>(254)</b>	<b>-</b>	<b>(254)</b>	<b>✗</b>	<b>(254)</b>	<b>-</b>	<b>(254)</b>	<b>✗</b>

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

Reconciliation Operating Cashflow (\$000's)					
	Current Month		Year to Date		
	Actual	Budget	Actual	Budget	Variance
Net Surplus (Deficit) After Tax	-	-	-	-	-
Add back non cash items:					
Depreciation and amortisation	27,191	27,331	27,191	27,331	(140)
Financial instruments revaluation	25,088	190	25,088	190	24,898
Vested assets revenue	(2,167)	(861)	(2,167)	(861)	(1,305)
Other non-operating exp/(inc)	24,723	-	24,723	-	24,723
Income Tax Expense/(Benefit)	(13,460)	1,460	(13,460)	1,460	(14,920)
Movements in Working Capital	(37,294)	(15,029)	(37,294)	(15,030)	(22,264)
<b>OPERATING CASH FLOW</b>	<b>24,082</b>	<b>13,090</b>	<b>24,082</b>	<b>13,090</b>	<b>10,992</b>



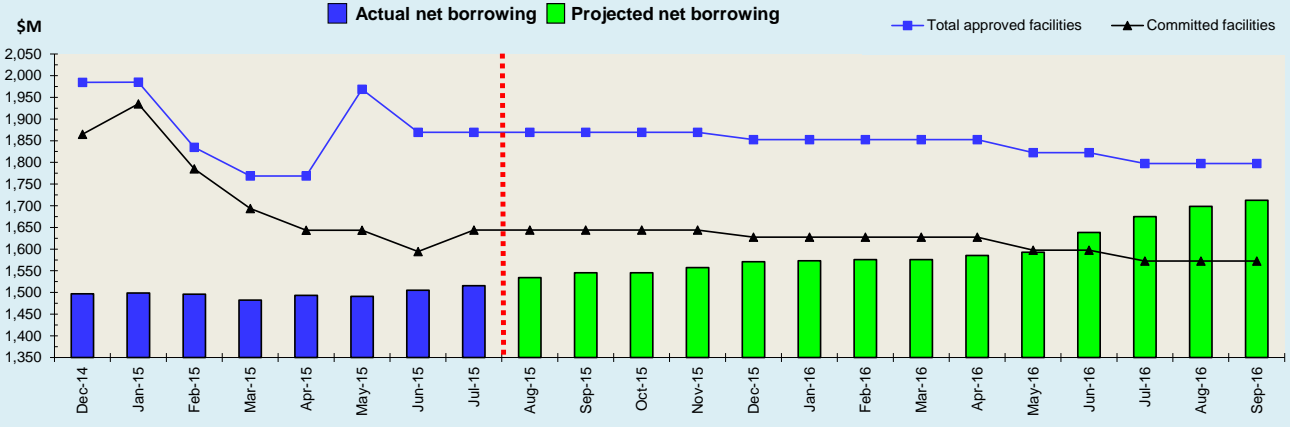


<b>WATERCARE SERVICES LIMITED</b>		<b>Jul-15</b>		
<b>STATEMENT OF FINANCIAL POSITION</b>		<b>(\$000's)</b>		
<b>June 2015 Actual</b>		<b>July</b>		
		<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
	<b>Current assets</b>			
2,792	Cash and cash equivalents	(254)	-	(254)
47,826	Trade and other receivables from exchange transactions	43,485	51,401	(7,917)
19,524	Unbilled revenue accrual	20,788	20,294	495
3,000	Prepaid expenses	3,623	3,093	530
4,058	Inventories	4,090	4,539	(449)
2,310	Derivative financial instruments	1,725	2,526	(801)
79,511	<b>Total current assets</b>	73,458	81,853	(8,395)
	<b>Non-current assets</b>			
8,172,155	Property, plant and equipment	8,166,370	8,183,754	(17,384)
383,539	Construction/work-in-progress	402,317	426,707	(24,390)
(27,673)	Provision for depreciation	(36,268)	(47,127)	10,859
8,528,021	<b>Total property, plant and equipment</b>	8,532,419	8,563,334	(30,915)
40,184	Intangible assets	40,184	41,853	(1,670)
23,692	Prepaid expenses	23,655	23,680	(25)
3,884	Inventories	4,001	3,504	497
9,086	Derivative financial instruments	11,944	7,794	4,150
8,604,867	<b>Total non-current assets</b>	8,612,203	8,640,166	(27,963)
8,684,378	<b>Total assets</b>	8,685,661	8,722,019	(36,358)
	<b>Current liabilities</b>			
148,693	Commercial paper	148,756	148,640	116
30,264	Bonds (18/05/16)	30,265	30,263	2
18,918	Auckland council loan	43,877	21,266	22,610
197,875	<b>Total debt current</b>	222,898	200,170	22,728
19,407	Trade and other payables for exchange transactions	12,750	28,582	(15,832)
10,380	Interest accrued	13,236	16,179	(2,943)
58,862	Other accrued expenses	49,152	50,805	(1,653)
6,926	Provision for staff benefits	6,976	4,746	2,230
5,170	Other provisions	5,170	9,149	(3,979)
22,179	Derivative financial instruments	24,183	19,441	4,742
320,799	<b>Total current liabilities</b>	334,366	329,072	5,294
	<b>Non-current liabilities</b>			
30,000	Bonds (26/10/18)	30,000	30,000	-
75,000	Bonds (26/10/18)	75,000	75,000	-
20,667	Bonds (26/10/18)	20,644	20,689	(45)
150,000	Term loan (13/10/16)	150,000	150,000	-
-	Bank revolving credit facility	7,500	-	7,500
1,043,422	Auckland council loan	1,018,263	1,060,910	(42,647)
1,319,089	<b>Total debt non-current</b>	1,301,407	1,336,599	(35,192)
18,700	Other accrued expenses	18,640	28,836	(10,196)
3,484	Provisions - non current	3,484	-	3,484
1,267	Provision for staff benefits	1,267	1,467	(200)
135,247	Derivative financial instruments	160,238	137,203	23,035
1,011,130	Deferred tax liability	1,005,052	1,020,659	(15,607)
2,488,917	<b>Total non-current liabilities</b>	2,490,089	2,524,764	(34,675)
2,809,715	<b>Total liabilities</b>	2,824,455	2,853,836	(29,381)
	<b>Equity</b>			
260,693	Issued capital	260,693	260,693	-
1,812,971	Revaluation reserve	1,812,974	1,812,974	-
3,856,351	Retained earnings	3,800,999	3,793,056	7,943
(55,352)	Current year earnings after tax	(13,460)	1,460	(14,920)
5,874,663	<b>Total equity</b>	5,861,206	5,868,183	(6,977)
8,684,378	<b>Total equity and liabilities</b>	8,685,661	8,722,019	(36,358)

TREASURY RISKS AND INTEREST RATE PERFORMANCE

Jul-15

4



Interest rates

	Actual YTD	Benchmark YTD	Year end forecast
Weighted averages (excl. fees and margins)	4.98%	4.58%	4.91%
Weighted averages (incl. fees and margins)	6.05%	N/A	5.95%

Debt (\$m)

	Actual	Budget	Variance
Short-term borrowings	223.2	200.2	23.0
Long-term borrowings	1,301.4	1,346.8	(45.4)
<b>Total gross debt</b>	<b>1,524.6</b>	<b>1,546.9</b>	<b>(22.4)</b>
Less cash & deposits	-	-	-
<b>Total net borrowing</b>	<b>1,524.6</b>	<b>1,546.9</b>	<b>(22.4)</b>

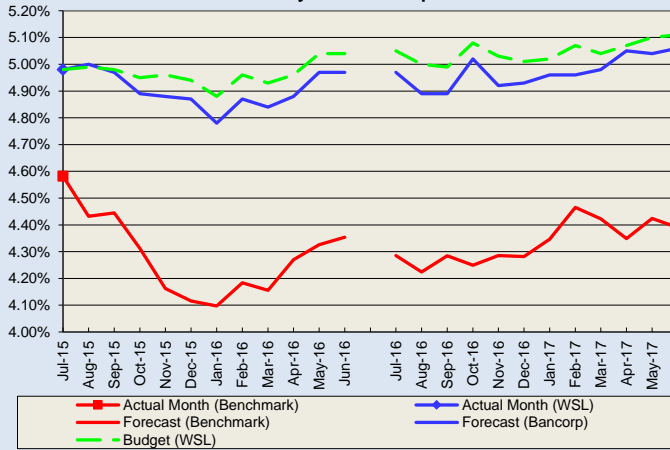
Committed facilities

- Westpac Term Loan facility	\$150 million
- BNZ CP Standby facility	\$175 million
- Westpac Revolving Credit facility	\$60 million
- Medium term notes	\$155 million
- Auckland Council	\$1,104 million
<b>Total committed facilities as at 31 July</b>	<b>\$1,644 million</b>

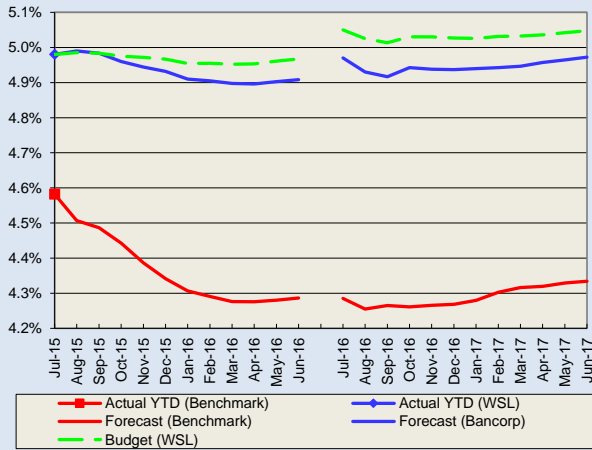
Additional approved facilities

- Approved new funding from Auckland Council	\$150 million
- Approved CP issuance, over and above CP Standby facility	\$75 million
<b>Total approved facilities as at 31 July</b>	<b>\$1,869 million</b>

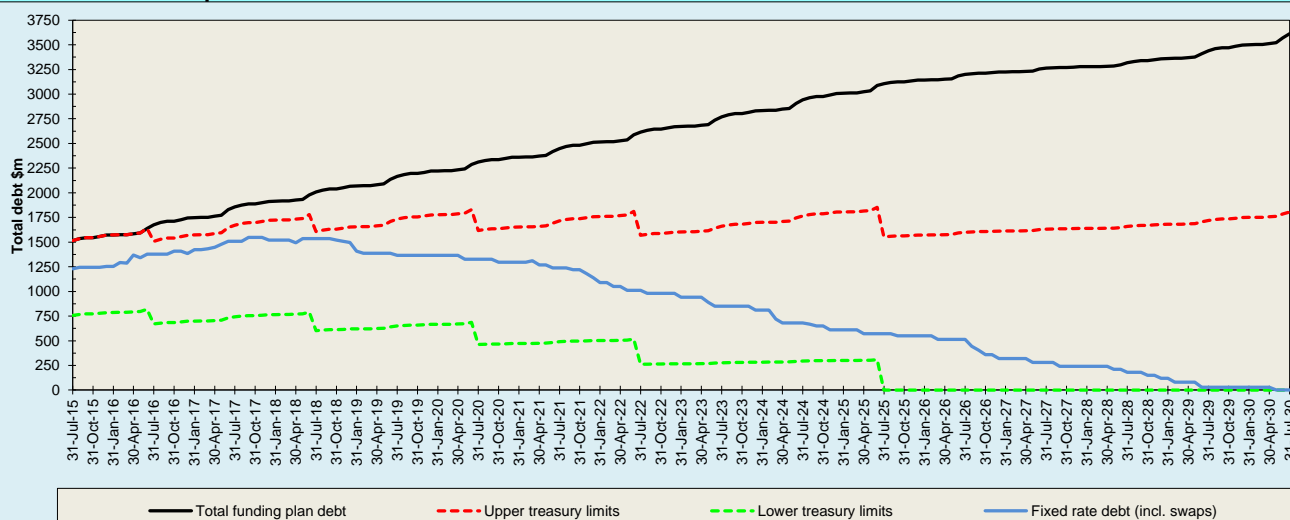
Monthly interest rate performance



Year to date interest rate performance



Forecast total debt profile



COUNTERPARTY EXPOSURES, DEBT CONCENTRATION & COVENANT COMPLIANCE							Jul-15		
<b>Counterparty exposures</b>		<b>S&amp;P credit rating</b>	<b>Face value</b>	<b>Credit exposures</b>	<b>Limit</b>	<b>Limit OK / exceeded</b>			
		<b>Short / long term</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>				
<b>Obligations of registered banks</b>									
ANZ Bank		A1+ / AA-	700,907	3,539	100,000	Limit OK	✓		
Bank of New Zealand		A1+ / AA-	661,453	19,410	100,000	Limit OK	✓		
Commonwealth Bank of Australia		A1+ / AA-	115,000	1,667	100,000	Limit OK	✓		
Kiwibank		A1 / A+	0	0	75,000	Limit OK	✓		
Westpac Institutional Bank		A1+ / AA-	565,295	30	100,000	Limit OK	✓		
			<b>2,042,655</b>	<b>24,645</b>					
<i>Note: Credit exposures are the aggregate of direct exposures, 10% of the 'face' value of forward foreign exchange contracts, 15% of the 'face' value of electricity hedging contracts, and the sum of the MTM value of interest rate derivative contracts plus a 3% 'risk' factor (if this produces a positive value).</i>									
<b>Debt concentration</b>		<b>\$000</b>							
<b>Committed debt facilities</b>		<b>Maturity</b>	<b>0-12 months</b>	<b>12-24 months</b>	<b>24-36 months</b>	<b>36-48 months</b>	<b>48-60 months</b>	<b>&gt; 60 months</b>	<b>Total</b>
Westpac Term Loan facility		13/10/16		150,000					150,000
BNZ CP Standby facility		1/07/17		175,000					175,000
Westpac Revolving Credit facility		30/11/18				60,000			60,000
Medium-term notes		Various	30,000			125,000			155,000
Auckland Council		Various	41,692	54,668	78,368	82,243	200,000	647,243	1,104,214
<b>Total committed debt facilities</b>			<b>71,692</b>	<b>379,668</b>	<b>78,368</b>	<b>267,243</b>	<b>200,000</b>	<b>647,243</b>	<b>1,644,214</b>
Approved new funding from Auckland Council								150,000	150,000
Approved CP issuance, over and above CP Standby								75,000	75,000
<b>Total committed and approved debt facilities</b>			<b>71,692</b>	<b>379,668</b>	<b>78,368</b>	<b>267,243</b>	<b>200,000</b>	<b>872,243</b>	<b>1,869,214</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			✓	✓	✓	✓	✓		
<b>Drawn bank facilities</b>		<b>Maturity</b>	<b>0-6 months</b>	<b>6-12 months</b>	<b>12-18 months</b>	<b>18-24 months</b>	<b>24-30 months</b>	<b>&gt; 30 months</b>	<b>Total</b>
Westpac Term Loan facility (\$150m)		13/10/16			150,000				150,000
BNZ CP Standby facility (\$175m)		1/07/17							0
Westpac Revolving Credit facility (\$60m)		30/11/18						7,500	7,500
			<b>0</b>	<b>0</b>	<b>150,000</b>	<b>0</b>	<b>0</b>	<b>7,500</b>	<b>157,500</b>
<b>Treasury policy for drawn bank facilities</b>			<b>&lt;= 250,000</b>	<b>&lt;= 250,000</b>	<b>&lt;= 250,000</b>	<b>&lt;= 250,000</b>	<b>&lt;= 250,000</b>	<b>&lt;= 250,000</b>	
Treasury policy compliance			✓	✓	✓	✓	✓	✓	
<b>Other facilities</b>									
BNZ overdraft		On demand	2,000						2,000
			<b>2,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,000</b>
<b>Counterparty exposure in relation to borrowing facilities</b>		<b>Westpac</b>	<b>BNZ</b>	<b>ANZ</b>	<b>CBA</b>	<b>Kiwibank</b>			
Term loan facility		150,000							
Revolving credit facility		60,000							
CP standby facility			175,000						
		<b>210,000</b>	<b>175,000</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>Treasury policy</b>		<b>&lt;= 500,000</b>	<b>&lt;= 500,000</b>	<b>&lt;= 500,000</b>	<b>&lt;= 500,000</b>	<b>&lt;= 500,000</b>			
Treasury policy compliance		✓	✓	✓	✓	✓			
<b>Compliance with financial covenants and ratios under the Negative Pledge Deed and Guarantee Facility Deed</b>									
<b>Covenant / ratio</b>		<b>Benchmark/target measure</b>		<b>Outcome</b>		<b>Compliance</b>			
Security interests / total tangible assets - maximum		5%		0.00%		✓			
Total liabilities / total tangible assets - maximum		60%		32.67%		✓			
Total liabilities (including contingent) / total tangible assets - maximum		65%		32.67%		✓			
Shareholders funds - minimum (\$000)		500,000		5,861,206		✓			
EBITDA : funding costs ratio - minimum		1.75		4.34		✓			
Funds from operations : interest cover ratio - minimum		2.00		3.69		✓			
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%		✓			
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<b>FOREIGN EXCHANGE, COMMERCIAL PAPER &amp; ELECTRICITY HEDGING</b>							<b>Jul-15</b>				
<b>Foreign currency exposures (NZ\$000) including hedging for chemical purchases</b>							<b>USD</b>	<b>AUD</b>	<b>Total</b>		
Total exposure to be hedged							2,282	373	2,655		
Foreign exchange hedging							2,282	373	2,655		
Percentage cover							100%	100%	100%		
<b>Treasury policy</b>							<b>100%</b>	<b>100%</b>	<b>100%</b>		
Treasury policy compliance							✓	✓	✓		
<b>Hedging for chemical purchases (US\$000)</b>					<b>Sep-15</b>	<b>Mar-16</b>	<b>Sep-16</b>	<b>Mar-17</b>	<b>Total</b>		
Chemicals forward foreign exchange hedging					1,000				1,000		
<b>Treasury policy</b>									<b>&lt;= 5,000</b>		
Treasury policy compliance									✓		
<b>Commercial paper maturities</b>											
<b>Issue #</b>	<b>\$000</b>	<b>BKBM</b>	<b>Interest rate</b>	<b>Bid cover (x)</b>	<b>Term (days)</b>	<b>Maturity date</b>					
280	50,000	3.490%	3.538%	3.62	92	25-Aug-15					
281	50,000	3.238%	3.265%	2.82	92	22-Sep-15					
282	50,000	3.080%	3.151%	1.32	92	30-Oct-15					
<b>150,000</b>		<b>3.318%</b>									
<p style="text-align: center;"><i>Note: BKBM is the banks' mid-rate for bank bills of a similar term on the CP issue date.</i></p>											
	<b>Aug-15</b>	<b>Sep-15</b>	<b>Oct-15</b>	<b>Nov-15</b>	<b>Dec-15</b>	<b>Jan-16</b>	<b>Beyond Jan-16</b>	<b>Total</b>			
Outstanding CP	50,000	50,000	50,000	0	0	0	0	<b>150,000</b>			
Uncommitted short-term debt								<b>0</b>			
	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>150,000</b>			
<b>Treasury policy for maximum amount of CP outstanding</b>								<b>&lt;= 250,000</b>			
Treasury policy compliance								✓			
<b>Undrawn committed standby facilities</b>		<b>1 month</b>	<b>1-2 months</b>	<b>2-3 months</b>	<b>3-4 months</b>	<b>4-5 months</b>	<b>5-6 months</b>	<b>&gt; 6 months</b>			
Undrawn committed standby facility - CP facility		175,000	175,000	175,000	175,000	175,000	175,000	175,000			
50% of CP and other short-term debt repayable within 60 days		50,000	50,000	25,000	0	0	0				
<b>Treasury policy:</b> Undrawn standby facilities >= 50% of outstanding CP and other uncommitted short-term debt repayable within 60 days											
<b>Treasury policy compliance</b>		✓	✓	✓	✓	✓	✓				
<b>Electricity hedging (NZ\$000)</b>		<b>0-6 months</b>	<b>6-12 months</b>	<b>12-18 months</b>	<b>18-24 months</b>	<b>24-30 months</b>	<b>30-36 months</b>	<b>36-42 months</b>	<b>42-48 months</b>		
Contract maturity											
Contract length											
<b>Total value of outstanding contracts</b>			<b>0</b>								
<b>Treasury policy for maximum value of outstanding contracts</b>			<b>&lt;= 10,000</b>								
Treasury policy compliance			✓								
										Page A7	

**ANNUAL SUPPLEMENTARY INFORMATION SCHEDULE**  
**JUNE 2015**

	Six months to December 2014	Six months to June 2015	Full Year June 2015
<b>1. Professional services - legal (opex)</b>			
<b>Firm</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Simpson Grierson	195	245	440
Russell McVeagh	186	171	357
Meredith-Connell	125	34	159
Dawson Harford & Partners	100	60	160
Greenwood Roche Chisnall	53	52	105
John G Walton	23	-	23
Berry Simons Environmental Law	13	-	13
Buddle Findlay	-	8	8
Harmos Horton Lusk	7	5	12
<b>Total</b>	<b>701</b>	<b>576</b>	<b>1,277</b>

	Six months to December 2014	Six months to June 2015	Full Year June 2015
<b>2. Professional services - legal (capex)</b>			
<b>Firm</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Russell McVeagh	231	89	320
John G Walton	113	38	151
Greenwood Roche Chisnall	47	78	125
Simpson Grierson	43	69	112
Others	8	-	8
<b>Total</b>	<b>442</b>	<b>274</b>	<b>716</b>

	Six months to December 2014	Six months to June 2015	Full Year June 2015
<b>3. Professional services business (opex)</b>			
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
	4,728	4,502	9,230

**Note:**

The top 100 consultants and costs are detailed in section 7

Professional services business (opex) include following:

- specialist technical advice from external experts such as engineers, valuers, planners etc.
- specialist business consultation eg. IT consultation, customer surveys etc.
- specialist accounting, tax, treasury and risk & assurance advice
- specialist advice relating to human resource matters
- specialist consultation relating to communication

	Six months to December 2014	Six months to June 2015	Full Year June 2015
<b>4. Capitalised consulting costs</b>			
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Wastewater collection system	6,361	5,876	12,237
Wastewater treatment plant	6,021	3,652	9,673
Wastewater demolition	4	2	6
Wastewater shared services	126	186	312
<b>Total wastewater projects</b>	<b>12,512</b>	<b>9,716</b>	<b>22,228</b>
Treated water network	4,133	2,619	6,752
Water treatment plant	1,201	648	1,849
Water sources	119	48	167
Water shared services	275	117	392
Water demolition	4	-	4
<b>Total water projects</b>	<b>5,732</b>	<b>3,432</b>	<b>9,164</b>
Plant & equipment replacement	668	670	1,338
Process improvement	180	383	563
<b>Total shared services</b>	<b>848</b>	<b>1,053</b>	<b>1,901</b>
<b>Grand total</b>	<b>19,092</b>	<b>14,201</b>	<b>33,293</b>

**Note:**

The amounts above are based on accrued accounting extracted as per general ledger.

**ANNUAL SUPPLEMENTARY INFORMATION SCHEDULE**  
**JUNE 2015**

		Six months to December 2014	Six months to June 2015	Full Year June 2015
<b>5. Inter entity payments &amp; receipts (excluding GST)</b>				
<b>Inter entity payments</b>				
<b>Vendor</b>	<b>Payment description</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Auckland Council	Inter entity loan repayment	48,634	87,761	136,395
Auckland Council	Interest payment on inter entity loan	20,722	23,824	44,546
Auckland Council	Property rates	964	995	1,959
Auckland Council	Resource & network consents (\$686k capitalised)	524	353	877
Auckland Council	Watercare debt guarantee fee	409	459	868
Auckland Council	Annual water, wastewater, coastal, earthwork and landfill discharge fee	720	-	720
Auckland Council	Waitakere Headworks rent	292	293	585
Auckland Council	Interest payment on swap instruments (net)	171	83	254
Auckland Council	Other expenses - building WOF, venue/equipment hire & other	16	28	44
Auckland Transport	Contribution towards capital projects and watermain relocations	2,831	589	3,420
Auckland Transport	Road opening notices, site visits, corridor access, permit, parking charges etc. (\$258k capitalised)	153	256	409
Watercare Harbour Clean Up Trust	Sponsorship	125	125	250
Watercare Utility Consumer Assistance Trust	Administration costs	70	40	110
<b>Total payments</b>		<b>75,631</b>	<b>114,806</b>	<b>190,437</b>
<b>Inter entity receipts</b>				
<b>Customer</b>	<b>Receipt description</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Auckland Council	New loans/borrowings	100,000	240,000	340,000
Auckland Council	Water/wastewater charges & other revenues (including tradewaste, IGC, development connections, network extension, compliance testing etc.)	3,022	4,531	7,553
Auckland Council	Development contributions collected on-behalf of Watercare	461	1,227	1,688
Auckland Council	Lab testing services	399	519	918
Auckland Council	Cost recoveries for joint drainage and other works	10	30	40
Auckland Tourism , Events and Economic Development Ltd (ATEED)	Standpipe hireage, water and wastewater charges	3	-	3
Auckland Transport	Water/wastewater & other revenues	107	96	203
Auckland Transport	Rental for Khyber Pass carpark lease	54	74	128
Auckland Transport	Opex and capex cost recoveries	2	-	2
Auckland Transport	Lab test charges	1	-	1
Ports of Auckland Ltd	Subvention receipt (sale of tax losses)	-	8,450	8,450
Westhaven (Marina) Trust	Subvention receipt (sale of tax losses)	-	15	15
Ports of Auckland Ltd	Water/wastewater & other revenues	100	121	221
Ports of Auckland Ltd	Lab testing services	5	6	11
Regional Facilities Auckland Ltd	Water/wastewater & other revenues	294	377	671
Waterfront Development Agency Ltd	Water/wastewater & other revenues	233	195	428
<b>Total receipts</b>		<b>104,691</b>	<b>255,641</b>	<b>360,332</b>

## ANNUAL SUPPLEMENTARY INFORMATION SCHEDULE JUNE 2015

### 6. Top 50 supplier payments for the year ended 30 June 2015 (excluding inter entities)

(Note: figures exclude GST)

Supplier name	Six months to December 2014	Six months to June 2015	Full Year June 2015
	\$000	\$000	\$000
Fulton Hogan/John Holland Joint Venture	22,212	20,307	42,519
Lend Lease Infrastructure Services	12,126	14,074	26,200
Fulton Hogan	11,877	7,675	19,552
Steelpipe Limited	6,093	6,942	13,035
HEB Construction Limited	8,389	4,285	12,674
City Care	5,670	6,121	11,791
McConnell Dowell Constructors Limited	6,652	5,080	11,732
Pipeline & Civil Limited	6,840	3,795	10,635
Beca Infrastructure Limited	6,747	3,467	10,214
Ixom Operations Pty Ltd	4,081	5,038	9,119
Trustpower Limited	3,928	4,348	8,276
Hawkins Infrastructure	4,397	1,805	6,202
Pipeworks Rehabilitation Solutions	3,590	2,386	5,976
Downer New Zealand Limited	3,106	2,608	5,714
Drill Tech (1996) Limited	3,524	1,978	5,502
Aecom New Zealand Limited	2,549	1,661	4,210
Jacobs New Zealand Limited	1,423	2,695	4,118
Contact Energy (Power)	1,890	1,886	3,776
MWH New Zealand Limited	1,812	1,555	3,367
Construction Techniques Limited	859	2,501	3,360
Canadian Pacific Construction	1,621	1,684	3,305
Vector Limited	1,501	1,581	3,082
Cassidy Construction Limited	1,355	1,416	2,771
City Contractors Civil Engineering	2,092	665	2,757
Hydrotech Drainage & Plumbing	1,361	1,381	2,742
GHD Limited	1,457	941	2,398
Opus International Consultants Limited	1,716	559	2,275
Smythe Contractors Limited	2,199	-	2,199
ABB Limited - Electrical Services	1,172	1,022	2,194
Datacol New Zealand Limited	1,107	1,084	2,191
Stockman General Contractors	1,599	527	2,126
Tonkin & Taylor Limited	960	1,141	2,101
Revera Limited	1,077	924	2,001
Civil Underground Limited	1,220	724	1,944
McMillan Drilling (N I) Limited	346	1,526	1,872
McDonalds' Lime Limited	985	876	1,861
Cardlink Systems Limited	1,003	808	1,811
All Drains Limited	964	827	1,791
Filtration Technology Ltd	508	1,147	1,655
Mott MacDonald New Zealand Limited	797	813	1,610
Meridian Energy Limited	821	786	1,607
Solution Dynamics Limited	706	828	1,534
Tunnel & Civil Limited	805	718	1,523
Rohits Civil & Infrastructure Ltd	61	1,438	1,499
Brian Perry Civil	564	925	1,489
New Zealand Post	735	750	1,485
Asmuss Water Systems Limited	1,433	2	1,435
March Cato Limited	1,289	142	1,431
Auckland Sandblasters Limited	705	636	1,341
Service Engineers Limited	976	333	1,309
<b>Total top 50 supplier payments</b>	<b>150,900</b>	<b>126,411</b>	<b>277,311</b>

**Note:**

These amounts reflect payments made during the year and therefore do not necessarily reconcile to the accrual based report/schedule extracted from the general ledger.

## ANNUAL SUPPLEMENTARY INFORMATION SCHEDULE

### JUNE 2015

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## 7. Top 100 consultants cost for the year ended 30 June 2015

(Note: figures exclude GST)

Supplier Name	Six months to	Six months to	Full Year	Supplier industry category							
	December 2014	June 2015	June 2015	L	E	A	IS	Comms	C/E	Ppty	HR
Beca Infrastructure Limited	6,747	3,467	10,214		X						
Aecom New Zealand Limited	2,549	1,661	4,210		X						
Jacobs New Zealand Limited	1,422	2,696	4,118		X						
MWH New Zealand Limited	1,812	1,555	3,367		X						
GHD Limited	1,457	941	2,398		X						
Opus International Consultants Limited	1,716	559	2,275		X						
Tonkin & Taylor Limited	960	1,141	2,101		X						
Mott MacDonald New Zealand Limited	797	813	1,610		X						
Harrison Grierson Consultants Limited	715	445	1,160		X						
Ergo Consulting Limited	604	534	1,138		X						
Mcmahon Engineering Consultancy Limited	451	577	1,028		X						
Damwatch Engineering Limited	309	668	977		X						
Russell Mcveagh	413	305	718	X							
Infor Global Solutions NZ Limited	367	335	702				X				
Field Force 4 Limited	33	666	699				X				
Simpson Grierson	233	379	612	X							
Finao Limited	352	260	612				X				
Controlweb Limited	343	218	561		X						
AWT New Zealand Limited	461	56	517		X						
ACH Consulting Limited	282	177	459		X						
Mechanical Technology Limited	249	161	410		X						
Pattle Delamore Partners Limited	197	182	379		X						
Greenscene Limited	220	151	371						X		
Project Max Limited	186	181	367						X		
Hunter H2O (formerly Hunter Water Australia Pty Limited)	137	207	344		X						
Field Services Limited	292	46	338		X						
Water Engineering Consultants	210	124	334		X						
Novo Technical Services	184	126	310		X						
AR Civil Consulting Limited	173	134	307		X						
Intergen Limited	133	172	305				X				
Aurecon New Zealand Limited	178	112	290		X						
Greenwood Roche Chisnall	137	142	279	X							
NZ Controls Limited	137	129	266		X						
Accon Limited	103	114	217							X	
Tamaki Control Limited	86	129	215		X						
Rocket Projects Limited	155	57	212				X				
Porter Contract Services	118	93	211		X						
Coffey Geotechnics (NZ) Limited	134	69	203		X						
John G Walton	141	56	197	X							
Watershed Consultation Limited	132	63	195		X						
Ernst & Young	188	5	193			X			X		
Thomas Civil & Environmental	121	64	185		X						
Conject Pacific Limited	77	108	185				X				
H2Ope Limited	100	82	182		X						
Resolve Group Limited	42	138	180		X						
Resource Development Consultants Ltd (RDCL)	-	168	168		X						
Dawson Harford & Partners	108	60	168	X							
Blue Barn Consulting Limited	112	55	167		X						
Hydraulic Analysis Limited	92	74	166		X						
Meredith-Connell	128	33	161	X							
Pricewaterhousecoopers	99	62	161			X	X		X		
M & T Consultants Limited	87	73	160		X						
TNS New Zealand Pty Limited	80	79	159						X		
Delta Water Solutions Limited	94	59	153		X						
Theta Consultancy Services	42	111	153				X				
CSE-W Arthur Fisher Limited	29	118	147		X						
SNW Consulting Limited	42	101	143		X						
Worleyparsons New Zealand Limited	48	88	136		X						

**Note:**

These amounts are payments (excluding GST) made during the year.

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Continued on Page 5

## Supplier industry category:

L - Lawyer  
 E - Engineer  
 A - Accounting/Tax/Audit  
 IS - Information Technology  
 Comm - Communications  
 C/E - Commercial/Economic  
 Ppty - Property  
 HR - Human Resources



## ANNUAL SUPPLEMENTARY INFORMATION SCHEDULE JUNE 2015

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## 7. Top 100 consultants cost for the year ended 30 June 2015

(Note: figures exclude GST)

Supplier Name	Six months to	Six months to	Full Year	Supplier industry category							
	December 2014	June 2015	June 2015	L	E	A	IS	Comms	C/E	Ppty	HR
	\$000	\$000	\$000								
Lambda Communications Limited	65	61	126		X						
Colin R Fricker	88	36	124		X						
Bioresearches Group Limited	61	63	124						X		
Pipetech Consulting Limited	54	70	124		X						
Mitchell Partnerships Limited	71	46	117						X		
Europa Assets Limited	25	88	113		X						
Ecomatters Environment Trust	51	61	112						X		
Auckland Uniservices Limited	68	37	105						X		
Streamlined Environmental Limited	15	89	104						X		
National Inst. of Water & Atmospheric Research (NIWA)	29	73	102						X		
Peter Ross Consulting Ltd	-	98	98								X
Gleeson & Associates Limited	49	48	97		X						
First 4 Safety Limited	46	51	97						X		
Morphum Environmental Limited	75	20	95		X						
Synergine Group Limited	89	4	93						X		
Boffa Miskell Limited	46	45	91		X						
Stategy Squared Limited	34	56	90						X		
Aon New Zealand	66	23	89						X		
Enviromex NZ Limited	51	36	87						X		
Bond Construction Management Limited	57	29	86						X		
Aquatic Environmental Sciences Limi	32	52	84						X		
Wilson Bell Consulting Limited	-	82	82						X		
Traffic Design Group Limited	32	49	81		X						
Mills Consulting Group Limited	36	41	77		X						
Stellar Projects Limited		76	76		X						
MTL Civil Limited	54	7	61		X						
Align Limited	39	19	58							X	
Marshall Day Acoustics Ltd	18	37	55						X		
Riley Consultants Limited	28	25	53		X						
JKD Consulting Limited	50	2	52						X		
Clough & Associates Limited	23	27	50						X		
Grant Thornton New Zealand Limited	28	20	48						X		
Bruce Kohn Communications Limited	24	24	48					X			
Holmes Consulting Group Limited	47	-	47		X						
Cawthron Institute Limited	25	22	47						X		
Bear Enterprises Limited	23	23	46						X		
Arup New Zealand Limited	42	-	42		X						
Modus Project Mgmt Limited	37	4	41							X	
Branz Limited	37	4	41						X		
Gribble Churton Taylor Ltd	14	26	40							X	
Discovery Marine Limited	39	-	39						X		
Archaeology Solutions Limited	28	7	35						X		
<b>Total</b>	<b>28,510</b>	<b>22,960</b>	<b>51,470</b>								

**Note:**

These amounts are payments (excluding GST) made during the year.

Supplier industry category:  
L - Lawyer  
E - Engineer  
A - Accounting/Tax/Audit  
IS - Information Technology  
Comm - Communications  
C/E - Commercial/Economic  
Ppty - Property  
HR - Human Resources

# WATERCARE SERVICES LIMITED

## Management Report

Jul-15

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*Confidential*

**Management Report**  
*Monthly Statistics Update*

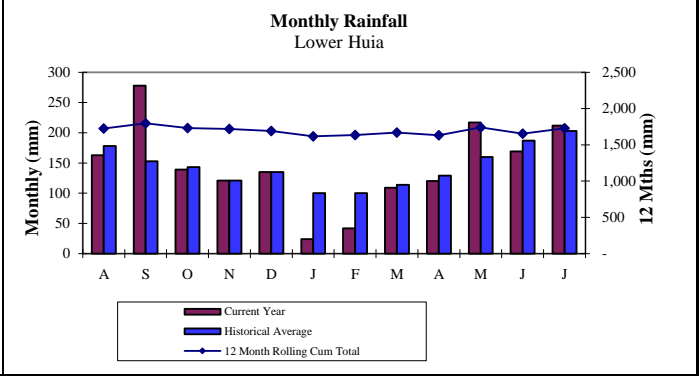
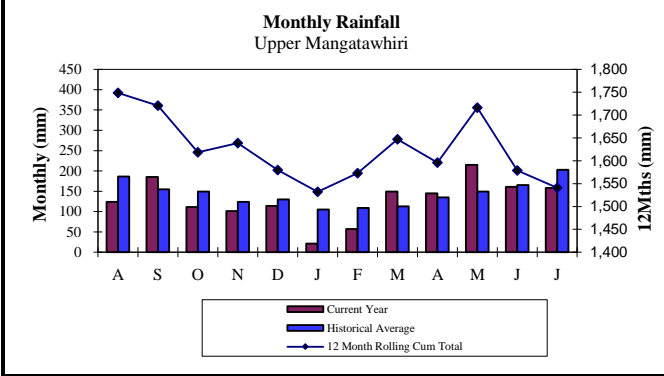
**WATERCARE SERVICES LIMITED**

**Jul-15**

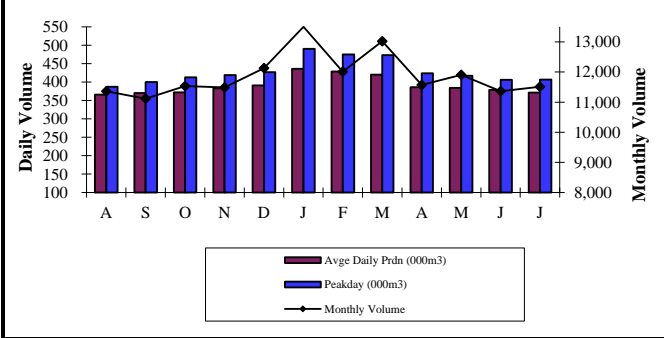
**4**

**Rainfall**

Rainfall	Current Month	12 Mth Cumulative Rolling	Rainfall	Current Month	12 Mth Cumulative Rolling
Actual - Upper Mangatawhiri	158 mm	1541 mm	Actual - Lower Huia	212 mm	1729 mm

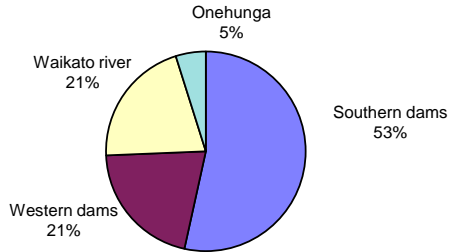


**Water Production - Metropolitan Supply**



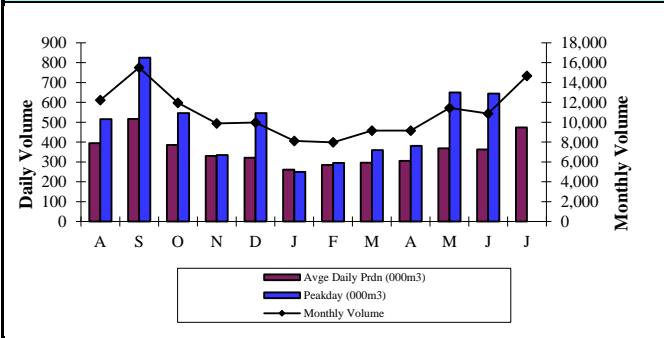
	Current Month	12 Month Rolling Ave
Monthly Volume (000m <sup>3</sup> )	11,509	11,876
Average Daily Production	371	391
Peak Day	407	428

**Treated water volumes for the month**



Treated water volumes (000m <sup>3</sup> )	Current Month	Year to Date
Southern dams	6,152 53%	6,152 53%
Western dams	2,406 21%	2,406 21%
Waikato river	2,391 21%	2,391 21%
Onehunga aquifer	560 5%	560 5%
<b>Total</b>	<b>11,509 100%</b>	<b>11,509 100%</b>

**Wastewater Treatment - Metropolitan Treatment**

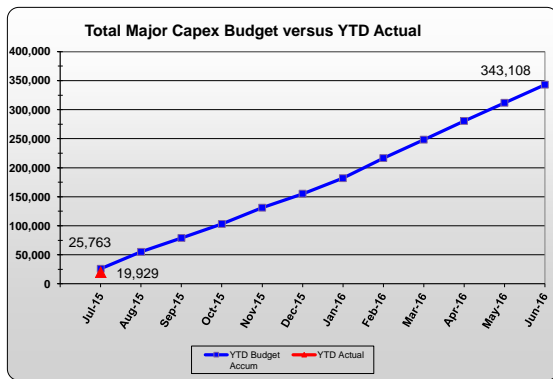


	Current Month	12 Month Cumulative Ave
Monthly Volume (000m <sup>3</sup> )	14,671	10,913
Average Daily Production	473	358
Peak Day Mangere	0	446

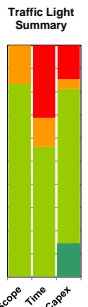
Period 01 - July 2015

**CAPITAL EXPENDITURE - Major Project Performance**  
(\$'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-10370	Mt Hobson Upgrade	5,610	6,820	2,510	2,404	(106)				
C-11619	North Harbour Watermain Duplication	240,000	240,000	7,263	7,265	2				
C-12066	Huia No 1 Watermain Replacement	42,103	42,086	4,625	4,423	(202)				
C-12278	Albany Pinehill WM & PS	14,850	14,659	773	914	141				
C-10049P	Hunua No 4 Programme	-	385,392	50,587	50,514	(73)				
C-11995	Waikato VSD Replacements	2,334	2,127	595	395	(200)				
C-12220	Mt Albert Level of Service Upgrade	2,900	1,935	459	400	(59)				
C-10183	Ardmore rapid restart & sludge handling	6,900	19,094	437	158	(279)				
C-11681	Albany Second Reservoir	6,500	4,964	349	71	(278)				
C-11981	Riverhead Reservoir	9,385	5,050	352	378	25				
	Water Projects >\$2m		722,126	67,951	66,921	(1,030)				
	Other Water Projects		517,332	39,174	37,086	(2,088)				
C-12112	I000 Water Capitalised Interest			8,097	8,174	77				
	<b>Total Water Projects</b>		<b>1,239,458</b>	<b>115,222</b>	<b>112,181</b>	<b>(3,041)</b>				
<b>Wastewater Projects (&gt;\$2m)</b>										
C-11472	Sidmouth WW PS Mairangi Bay Upgrade	8,225	8,225	218	207	(11)				
C-11421	Fred Thomas Drive WW PS & Storage Tank	16,246	18,746	6,977	6,976	(1)				
C-11470	Glen Eden Storage & Pipe Upgrade	13,490	13,489	4,797	4,795	(2)				
C-11983	Rosedale WWTP Expansion Project	41,980	63,954	2,814	2,985	171				
C-10976	Glendowie Branch Sewer Upgrade	12,455	17,753	984	880	(104)				
C-10923	Upgrade of North Shore TSS	3,998	5,975	2,767	2,786	19				
C-12003	Otara Sewer System Upgrade TSS	18,310	18,304	623	626	3				
C-11436	Northern Interceptor - Stage 1	148,200	148,015	3,507	4,414	907				
C-11827	Pukekohe Trunk Sewer Upgrade	32,959	35,554	4,767	4,755	(12)				
C-12192	Wynyard Quarter Wastewater Pump Station	14,036	14,228	8,252	7,454	(798)				
C-10006	Central Interceptor Feasibility Design	426,000	980,470	14,471	14,471	0				
C-11923	Upgrade Pukekohe WWTP	-	57,510	5,219	5,422	203				
C-11281	Army Bay WWTP Outfall Upgrade	27,500	27,500	856	758	(98)				
C-11468	Manukau North Future Upgrades	6,428	9,114	4,693	4,693	0				
C-12290	Wynyard Quarter Gravity Sewer	7,084	7,084	2,392	743	(1,649)				
C-12199	Northern Networks Generator Connections	2,143	1,754	978	575	(403)				
C-10922	Wairau (HSPS05) Rising Main Replacement	5,450	9,020	2,644	3,508	864				
C-11455	Pump Station CI Pipework Replacement	2,017	1,817	1,568	1,319	(249)				
C-12338	Local Sewer Planned Replacement	3,000	3,364	2,438	600	(1,838)				
C-11077	Mangere WWTP BNR Capacity	122,000	141,040	51,710	51,500	(210)				
C-12212	Mangere WWTP Solids Stream Upgrade	74,800	74,800	12,344	11,960	(384)				
C-11067	North Shore PS09 rising main	7,031	12,534	3,087	2,978	(109)				
C-10952	Helensville WWTP Upgrade	-	8,232	1,744	1,866	122				
C-11423	Rosedale WWTP Cogeneration Upgrade	2,898	5,424	3,624	3,624	(362)				
C-11769	Orewa West Wastewater Network	5,684	14,875	2,040	2,510	470				
C-11474	Sunnynook Road Sewer Upgrade	2,872	3,597	475	235	(240)				
C-11467	Tamaki South East Extension	5,071	2,564	1,131	743	(388)				
C-12071	Alexander Rising Main Replacement	3,635	2,350	750	750	(0)				
C-11813	Mangere WWTP Rehab.Prim.Sed Tks 11 & 12	2,478	2,822	1,106	709	(397)				
C-10925	Kohimarama Storage Tank & Branch Sewer	10,255	12,554	2,034	2,740	706				
C-11539	Eastern Interceptor Rehab Prgm - Stg 1	6,379	8,518	1,143	1,391	248				
C-11711	Mangere WWTP Cogeneration Replacement	3,053	2,656	7	0	(7)				
C-10277	Reconstruction of Eastern Interceptor	3,690	2,922	170	0	(170)				
C-12106	St Heliers network Upgrade	2,529	5,437	4,818	3,620	(1,198)				
C-12048	Blackbridge Local Network Upgrade	2,520	2,914	707	679	(28)				
	Wastewater Projects >\$2m		1,725,114	157,853	152,909	(4,943)				
	Other Wastewater Projects		373,967	46,699	53,489	6,789				
C-12113	J000 Wastewater Capitalised Interest			10,293	10,327	34				
	<b>Total Wastewater Projects</b>		<b>2,099,081</b>	<b>214,845</b>	<b>216,725</b>	<b>1,880</b>				
<b>Other Infrastructure Projects</b>										
C-10126	Networks Controls Upgrade	17,893	19,647	3,231	3,500	269				
C-11825	Radio Bearer Expansion	1,675	2,056	518	450	(68)				
	Other Infrastructure Projects		68,414	9,831	10,252	420				
	<b>TOTAL INFRASTRUCTURE</b>		<b>3,428,655</b>	<b>343,648</b>	<b>343,108</b>	<b>(540)</b>				
<b>Other Projects</b>										
c-12488	Waikato 175MLD Expansion Stage Ultimate	3,690	7,700	11,018	12,000	982				
	Other Projects		144,649	38,058	41,617	3,559				
	<b>TOTAL ALL</b>		<b>3,581,004</b>	<b>392,724</b>	<b>396,725</b>	<b>4,001</b>				



WSL Capex Summary	Month		Year to Date	
	Actual	Budget	Actual	Variance
Water Treatment	505	505	967	462
Water Distribution	6,943	6,943	9,354	2,411
Wastewater Treatment	4,258	4,258	6,663	2,404
Wastewater Collection	6,940	6,940	6,601	(338)
Infrastructure Shared Service	161	161	945	784
Capital Interest	1,122	1,122	1,233	111
<b>TOTAL INFRASTRUCTURE</b>	<b>19,929</b>	<b>19,929</b>	<b>25,763</b>	<b>5,834</b>
Operations	1,037	1,037	3,140	2,103
Information Services	450	450	966	516
Shared Service-Other	316	316	756	441
<b>TOTAL NON INFRASTRUCTURE</b>	<b>1,803</b>	<b>1,803</b>	<b>4,863</b>	<b>3,060</b>
<b>TOTAL ALL</b>	<b>21,732</b>	<b>21,732</b>	<b>30,626</b>	<b>8,894</b>



Local Board Interaction (as at 11 August 15)

Local Board	Chair	Deputy Chair	June-15	July-15	August-15
Albert - Eden	Peter Haynes	Glenda Fryer	Site visit to Hunua 4 Watermain project (17 June). Update on the Mt Albert reservoir roof replacement and dog exercise area (18 June). Note to Graeme Easte about challenges undertaking work on the Maunga (18 June).		
Devonport - Takapuna	Joseph Bergen Watercare Rep (5 May 2015 to end of the 2013-2016 term)	Grant Gillion (5 May 2015 to end of the 2013-2016 term)	Responded to escalation regarding overflow from fat blockage. Local media release prepared with quote from the Local Board Chair (3 June).	Working with the Local Board and Parks regarding children's learn to ride painting on top of Forrest Hill Reservoir (14 July).	
Franklin	Andy Baker	Jill Naysmith	Water supply discussion with Cr Cashmore, Alan Cole and growers representatives (5 June). Rural Franklin Water Supply Celebration (11 June). Information on Water Grading in Franklin to Alan Cole (17 June). Drop-in evening for public regarding Runciman Reservoirs proposal (18 June). Escalation of works over issue at TePuru (19 June). Local Board half day workshop at Watercare (30 June).	Mangere Matters Newsletter (30 July 2015)	Notification of herbicide detection in Cosseys Reservoir (3 August)
Great Barrier	Izzy Fordham	Susan Daly	Information on Hunua 4 and NZTA project sent to Chair in response to questions on potential traffic delays to Auckland Airport. (16 June).		
Henderson - Massey	Vanessa Neeson	Shane Henderson	Response to customer complaint regarding wet weather overflows (9 June).		
Hibiscus and Bays	Julia Parfitt	Greg Sayers	Local Board Workshop (24 June).	Finalised landowner approval for temporary use of Montrose Terrace Reserve for rising main project (7 July). Update on rising main works including public fliers (8 July).	
Howick	David Collings	Adele White			
Kaipatiki	Kay McIntyre	Ann Hartley			
Mangere - Otahuhu	Lydia Sosene	Carrol Elliott	Information on Central Interceptor geotechnical investigation in the Onehunga News sent to Chair and Carrol Elliot (8 June). Hunua 4 flyer sent to representatives explaining timing of the remaining works area in Mangere (16 June).	Mangere Matters Newsletter (30 July 2015)	

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

Local Board	Chair	Deputy Chair	June-15	July-15	August-15
Manurewa	Angela Dalton	Simeon Brown		Response to escalation regarding IGC's (3 July). Local Board Briefing (21 July). Mangere Matters Newsletter (30 July 2015)	
Maungakiekie - Tamaki	Simon Randall	Chris Makoare	Briefing with members on servicing proposed growth in Onehunga (5 June). Information on pending Hunua No. 4 works in Mt Smart Road sent to local board members and ward councillors (12 June). Local Board Workshop regarding Glendowie Branch Sewer Upgrade (23 June).	Mangere Matters Newsletter (30 July 2015)	
Orakei	Desley Simpson	Kit Parkinson, Colin Davis (Watercare Rep)		Information in response to Local Board questions on a watermain break in St Heliers (13 July). Sent information on kids art work placed at Madills Farm Park (20 July).	
Otara - Papatoetoe	Fa'anānā Efeso (Efeso) Collins	Ross Robertson			
Papakura	Bill McEntee	Michael Turner		Mangere Matters Newsletter (30 July 2015)	
Puketapapa	Julie Fairey	Harry Doig		Local Board Briefing on managing growth in Auckland (1 July). Mangere Matters Newsletter (30 July 2015)	
Rodney	Brenda Steele	Stephen Garner	Briefing to Local Board on community group connections to water and wastewater services in Riverhead (15 June). Update to the Chair on water investigation in Helensville (18 June).	Information on 2015/16 water and wastewater revenue in Rodney (13 July). Information on servicing new growth in Warkworth (20 July).	Steven Garner assisted Watercare with public Unitary Plan designation discussions (11 August).
Upper Harbour	Lisa Whyte (5 May 2015 to end of the 2013-2016 term)	Brian Neeson (5 May 2015 to end of the 2013-2016 term)	Local Board Workshop (2 June). Working with Parks staff on Local Board Open Space Plans and synergies with Watercare projects (30 June).		
Waiheke	Paul Walden	Shirin Brown			
Waitakere Ranges	Sandra Coney	Denise Yates		Mangere Matters Newsletter (30 July 2015)	
Waitemata	Shale Chambers	Pippa Coom		Briefing with Chair regarding Wynyard development and opportunity for pipe construction in Victoria Park (15 July).	
Whau	Catherine Farmer	Susan Zhu			

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

<b>Local Board</b>	<b>Chair</b>	<b>Deputy Chair</b>	<b>June-15</b>	<b>July-15</b>	<b>August-15</b>
<b>Manukau Harbour Forum</b>	Jill Naysmith		Presentation: Mangere Wastewater Treatment Plant Upgrades and improvements in the Health of the Manukau Harbour (8 June).	Mangere Matters Newsletter (30 July 2015)	