

Watercare Services Limited – Quarterly Report

Quarter ended 31 March 2018



Watercare has provided water to Round the Bays participants for 25 years

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EXECUTIVE SUMMARY

Watercare's vision is "Trusted by our communities for exceptional performance every day".

To help Watercare live that vision, Watercare considers it is vital to be involved in the Auckland community and events that bring Aucklanders together.

This year's Round the Bays marked the 25th year that Watercare has provided water to thirsty participants. More than 400 Watercare staff and family members entered the race and operated water stops for more than 25,000 runners. The company also continues to host open days at treatment plants so members of the public and school children can learn more about how water is delivered to 1.5m Aucklanders every day, 24/7.

This quarter, Watercare also published *Sam and Flo's Amazing Watery Adventure* an illustrated storybook written by Watercare's education co-ordinator Sally Smith. Two copies of the book are being donated to every primary school in the Auckland region.

10 April – Auckland's extreme storm

The extreme storm on Tuesday evening, 10 April 2018, resulted in significant operational issues over multiple Watercare sites. Despite the scale of the power losses, which impacted all of Watercare's water treatment plants, as well as many of Watercare's wastewater sites and pump stations, continuity of service was maintained to all customers due to the resilience of Watercare's assets and systems, the contingency plans in place and the capability and experience of staff. A detailed update of the event will be provided in the next quarterly report.

Financial performance

Year to date revenue was \$472m. The result is approximately \$11m favourable to budget primarily due to water and wastewater revenue favourable by \$5.9m with volumes 1.5% higher than budget, vested assets revenue favourable by \$5.7m, and sundry customer charges favourable by \$1.3m. This is partially offset by IGC revenue unfavourable \$1.8m.

Operating expenses were \$221m, being \$1.4m favourable to budget reflecting \$3.5m favourable for maintenance, asset operating costs, professional services and other overheads. This is partially offset by \$1.4m unfavourable to budget for net labour due to lower capitalisations/recoveries. Interest expense is \$0.7m unfavourable mainly due to less capitalised interest due to lower capital expenditure.

Forecast 2017/2018 – Financial performance

Watercare's latest forecast for 2017/2018 projects revenue \$23m ahead of budget, with debt \$66m lower than budget.

Central Interceptor

On 8 March 2018, Watercare announced the appointment of the four short-listed construction contractors.

Staff from Watercare are continuing to work with Auckland Council to determine the viability of alternative funding mechanisms for the Central Interceptor, with Watercare being the appropriate agency to deliver the project.

Working with Auckland Council and other CCOs

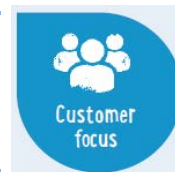
Following the review of the PwC report commissioned by the Independent Maori Statutory Board in November 2017, Watercare continues to work closely with Auckland Council and other CCOs to ensure that the vision for the city is achieved, including on a number of improvements to Maori outcomes.

During the quarter, Watercare has worked on the Council's "Consenting Made Easy" initiative and Watercare staff joined Council staff on the Pride Parade float. Watercare and Auckland Council also worked together on the Housing Infrastructure Fund (HIF) Whenuapai and Redhills Wastewater Scheme, and the Housing New Zealand/Homes.Land.Community redevelopment scheme in Northcote, Mt Roskill and Mangere. Watercare and Healthy Waters have started examining the Herne Bay and St Mary's Bay areas to determine the methodology to reduce overflows in this area, as part of the Western Isthmus Water Quality Improvement Project.

STRATEGIC PRIORITIES, FOCUS AREAS AND HIGHLIGHTS FOR THE QUARTER

1. Customer Focus

- We understand our customer needs and deliver value
- We consistently provide exceptional products and services
- We are trusted by our customers who understand our purpose and value our service



1.1 Consenting made easy

Following feedback from the developer communities, Watercare continues to work closely with Auckland Council on embedding the changes from the 'Consenting Made Easy' project to improve process and create efficiencies for development customers.

Last year, Watercare and Auckland Council agreed to a trial for Watercare to take ownership of the approvals process for all technical designs for the creation of public water and wastewater assets. The expectation is that utilising Watercare engineering specialists to complete the assessments will improve the efficiency of the process and consistency. A draft service level agreement between Watercare and Auckland Council was completed in March 2018 and will be circulated for feedback and finalisation in April 2018.

1.2 New online website functions

In March 2018, Watercare launched three new online tools on the Watercare website, which are all part of a series of initiatives by Watercare to be a more enabling and customer focused business.

Online water and wastewater connections

The first tool is a new self-service online application service for domestic connections. Within 2 weeks, 22% of domestic connection applications were being lodged via the online tool. Customer feedback has been very positive.

Online "Working near our assets" tool

The second tool allows customers wishing to work near Watercare's assets, including over or near water and wastewater pipes, to apply for approval online. It allows customers to upload plans and CCTV footage via the Watercare website.

"Report a fault" online

The third tool allows customers to "Report a fault" online. They can also upload photos and videos of the fault, via the website. The new functionality has been designed as a 'mobile first' experience, which allows customers to easily submit the required information online, as an alternative to phoning Watercare. The adoption rate by customers has been good and the feedback on usability has been positive. The new tool will also allow the faults team to manage faults much more easily.

1.3 Tapped In

Each quarter, Watercare includes a customer newsletter, *Tapped In*, with all invoices. The newsletter is designed to inform customers about Watercare's activities. In the Autumn edition, sent in late March 2018, customers were updated on major water and wastewater projects. The newsletter also provided customers with advice on how to read a water-efficiency label on an appliance and information about Watercare's largest dam, the Mangatangi Dam in the Hunua Ranges.

1.4 Children's book/education programme

On World Water Day, 22 March 2018, Watercare launched Sam and Flo's Amazing Watery Adventure—an illustrated storybook written by Watercare's education co-ordinator Sally Smith. The 20-page A3-sized book is beautifully illustrated by Auckland artist Emma Scheltema and tells the story of Sam and a water drop called "Flo" as they go on a fantasy quest to discover where drinking water comes from. The book is aimed at primary school-aged students but will also appeal to pre-schoolers and intermediate students.

Students at Botany Downs Primary School were the first to receive the book and every primary school in the Auckland region will receive two free copies. Other schools will be able to purchase the book from Watercare's website. This book is a part of Watercare's free education programme for schools across the region.



Watercare's education co-ordinator Sally Smith, with children from Botany Downs Primary School

1.5 Round the Bays

Watercare continued its involvement with Round the Bays for the 25th year. 400 Watercare staff entered the race or volunteered at seven water stops, providing water to more than 25,000 runners and walkers during the race on 4 March 2018.

1.6 Pride parade

On 17 February 2018, members of Watercare's Rainbow Network joined the Auckland Council float at the Auckland Pride Parade. Watercare's Rainbow Network will be sharing their knowledge to help Auckland Transport set up their own Rainbow Network, and is continuing to work on getting the Rainbow Tick for Watercare.



Watercare's Rainbow Network staff at the Pride Parade in February

1.7 Utilities Disputes Limited

Watercare has entered into a partnership with Utilities Disputes Limited (UDL), who provide independent arbitration services. Watercare is leading the water industry by using this independent service, aligning ourselves to other utility providers.

Watercare will receive valuable feedback from the UDL on how to improve customer service and avoid similar disputes occurring the future.

This service is free for customers and is an alternative to the Disputes Tribunal or Ombudsman. It gives Watercare customers another option. Customers may still go to the Disputes Tribunal or the Ombudsman with their complaints.

This service does not deal with any disputes for Infrastructure Growth Charges. A separate objection/appeal process modelled on the process under the Local Government Act 2002 for Development Contributions is in place.

1.8 WSAA and Water New Zealand survey results

Watercare was included in two large scale customer research surveys recently conducted by Water NZ and Water Services Association of Australia (WSAA).

The Water NZ survey incorporated most of the water utilities within New Zealand. The WSAA survey incorporated 38 water utilities across Australasia; Watercare and Wellington Water were represented from New Zealand.

These surveys were primarily designed to understand customer needs so water companies could prioritise their improvement efforts. A secondary purpose was to understand customers' views on environmental issues, especially those related to water, so water companies could understand the cultural context they are working within.

The surveys found that the majority of Aucklanders are happy with the service from Watercare and rate the quality of water they receive as higher than other New Zealanders rate their water quality.

Water NZ survey

Of the 1,642 Auckland respondents, 88 per cent rate the quality of water they receive as very good or good, compared to 78 per cent for the rest of New Zealand (out of 2,858 respondents).

69 per cent felt Watercare provides reliable services and responds quickly to faults. Those in the rest of New Zealand were far less trusting in the reliability of their water companies (48 per cent).

WSAA survey

In the WSAA survey, Watercare ranked in the top 5 of 38 water companies across Australasia in all of the main categories identified, which were: customer satisfaction (Watercare ranked 5), trust (Watercare ranked 3), value for money (Watercare ranked 4), community reputation (Watercare ranked 5), efficient and well managed (Watercare ranked 5) and effective planning for the future (Watercare ranked 4).

The surveys did highlight an area for improvement – Watercare’s processes for dealing with customer transactions. A range of technological and process improvements are underway that will transform the transactional experience for customers dealing with Watercare.

1.9 Water Utility Consumer Assistance Trust (WUCAT)

The Trust is continuing to work with Watercare’s customer-facing teams so they are better placed to assist and refer a customer in hardship to WUCAT. Watercare also continues to promote WUCAT’s services on the website and through the Watercare customer services team.

Details of the results of the Trust and the WUCAT meetings held during the quarter are set out in **Appendix A**.

2. Business Excellence

- We have a safe and engaged team
- We are a commercially-savvy business
- We are responsible stewards of our assets
- We continually strive for process excellence



2.1 Health and Safety

At the end of March 2018, the rolling 12 month Lost Time Injury Frequency Rate for employees was 4.11 per million hours, below the Statement of Intent target of equal to or less than 5. The rolling 12 month Total Recordable Injury Frequency Rate decreased to 11.16 per million hours, below the Statement of Intent target of equal to or less than 20.

2.2 People and capability

Watercare's Targeted Operating Model (TOM) has entered the implementation stage. This involves a review of the structure, capability and talent of Watercare and includes regular check-in sessions to maintain alignment across the Executive Management Team. This process will be complete by the end of April 2018 with further changes taking effect before the beginning of FY19.

This is a critical juncture in the TOM process, as upcoming decisions will affect the structure of Watercare, with the ultimate aim of enabling the company to deliver to the strategy of "Customer First".

In parallel with the TOM, Management are continuing transformational work around Watercare's culture. 150 people leaders across all areas of Watercare have now been through the Leadership programme, resulting in a large network of managers who have stronger cross-functional relationships. This is an important development as strengthening these network connections within the business will help the company through future structure changes.

The Leadership programme's next stage focuses on "Leading through change". This is designed to embed the first year's competencies of "Adapt" and "Take Action", which will be critical over the next three years and beyond.

There will be significant change over the coming months, so Management expects there to be a noticeable impact on the "Ask Your Team" business survey scheduled for May 2018.

While the company works through this transition, non-essential recruitment is on "lock down".

Watercare's Discrimination, Bullying and Harassment Policy underwent a refresh during the quarter as well.

2.3 Central Interceptor

Watercare is continuing its current procurement and delivery plan for the Central Interceptor.

On 8 March 2018, Watercare announced the appointment of the short-listed construction contractors for the Central Interceptor project (in alphabetical order):

- CPB Contractors
- Ghella-Abergeldie Harker Joint Venture
- Pacific Networks, comprising McConnell Dowell, Fletcher Construction and Obayashi
- VINCI Joint Venture, comprising VINCI Construction Grands Projets, HEB Construction and Solentache Bachy.

The project is meeting its timeframes.

Design and technical documentation was released to the four shortlisted contractors in mid-March. The Request for Proposal and Conditions of Contract are under preparation for release to the shortlisted respondents in May 2018. The contract is expected to be let in early 2019, with construction commencing in 2019 and to be completed in 2025.

Over the quarter, Watercare continued to explore alternative funding for new infrastructure and is continuing discussions with Auckland Council executives regarding the feasibility of a model (e.g. Special Purpose Vehicle) that would allow for a change in funding, which in turn would allow Council to free up debt capacity for other investment. Watercare continues to be recognised as the appropriate agency to deliver the Central Interceptor project. The Central Interceptor is included in Watercare's funding requirements and the costs are reflected in Watercare's price path.

2.4 Infrastructure projects

Work continued on a number of infrastructure projects during the quarter, including increasing the resilience of the Ardmore water treatment plant. A full update on major Watercare infrastructure projects is appended as **Appendix B**.

2.5 Mangere's Biological Nutrient Removal (BNR) now operating

The BNR went into trial service in January 2018, marking the end of a 4.5 year, \$141 million project. It consists of a new four-stage treatment reactor, two new 52-metre diameter clarifiers and associated pump stations, pipes and blower facilities.

The BNR increases Mangere plant's capacity, which currently treats 75 per cent of Auckland's wastewater, allowing it to treat the wastewater of another 250,000 Aucklanders. With the increased capacity, Watercare will be able to produce high-quality wastewater, even during and following heavy rainfall events.

Treating wastewater is essentially a natural process. 22 tonnes of microbes have been added to the plant to start that process. Staff are working on a 24/7 staff roster while the new plant starts up.

2.6 Maintenance Services Network (MSN) training facility

Watercare now has a purpose-built facility for MSN trainees at Mangere. The facility provides a realistic environment in which water and wastewater scenarios can be simulated (e.g. a burst water main, replacing a water meter, fixing a wastewater overflow etc).

Longer term, the facility will include a sealed road, footpaths and grass berms, as well as façade imitating a suburban street so staff can practice everything from door-knocking customers to explain what's going on, to reinstatement when the job is complete. There will be containers where trainees can work at height or in confined spaces.

The facility will be able to trigger a variety of different faults so trainers can easily assess the team's ability to safely assess, plan, expose, repair and reinstate the job in a timely manner.

Other utility providers have expressed interest in using the space to train their own employees. A multi-utility training area would allow different utility maintenance teams to learn from each other and master best practice for the location of services. The benefits the facility will provide for Watercare are reduced training time, improved quality and consistency in repairs and a reduction in safety incidents on site.

2.7 Anniversary weekend Milford Beach rising main wastewater pipe failure

Over Auckland Anniversary weekend, the Milford Branch rising main (approximately 450mm internal diameter) ruptured in the early hours of Sunday, resulting in a significant leak, causing undiluted wastewater to flow into 13 nearby residential properties and into the stormwater system.

Watercare's first priority was the health and safety of the residents and other affected members of the public. The normal first response to an incident like this is to contain the overflow. In this instance, due to the proximity of other utility services and the volume of the leak, the downstream Alma Road Pump station was required to be shut down which resulted in wastewater flowing into Wairau Creek and impacting water quality at Milford Beach. Some residents were evacuated and Watercare's Incident Controller worked with Auckland Council's Pollution Control team and the Safeswim Team to arrange inspections and signage on the beach.

Work between Watercare and Auckland Council was coordinated – Auckland Council's Pollution control staff took samples from the nearby Wairau Creek and also managed the impact on beach users.

Throughout Sunday, up to 35 people cleaned the affected sites and repaired the rising main. By 6.15pm, Sunday, service was restored and the Alma Road pump station re-started. Clean-up operations were substantially completed by 9pm, and further tidy up continued over the following days. This involved cleaning up lawns, gardens and carpets. Affected residents appreciated the efforts of all staff in the extreme heat, and provided them with cool drinks and refreshments throughout the day.

The permanent repair (involving concrete-encasing the repaired section of pipe) and reinstatement of the area was completed on 31 January 2018.

All residents affected by the incident have been met to ensure they are satisfied with the clean-up and reinstatement work and the general feedback received has been supportive of the effects undertaken to minimise the disruption.

2.8 Waikato District Council

Waikato District Council has released its draft Long Term Plans for public consultation. It is considering four different ways to provide water and wastewater services to residents. The preferred option is a professional Council-appointed Waters Governance Board, which would include Waikato-Tainui representation. Watercare would supply the District's water services through a contract of supply, but the Waikato District Council would retain ownership of the infrastructure, and provide background corporate support.

Watercare Management has had preliminary discussions with the Waikato City and District Councils regarding a contract of supply. Management is conscious that Watercare's primary responsibility is to serve the people of Auckland. However, at the same time, Watercare does draw water from the Waikato River and the water supply lakes in the Hunua Ranges, which are tributaries of the Waikato River. Watercare already services some townships in the North Waikato region, which are experiencing growth, and therefore Watercare has a strong role to play in the water utility sector in North Waikato.

2.9 Housing New Zealand/Homes.Land.Community (H.L.C.) redevelopment project

Housing NZ has mandated H.L.C. (formerly Hobsonville Land Company) to undertake three large-scale urban redevelopment projects to develop a combination of social, affordable end market priced houses (20,000 plus re-developed and new houses) in Northcote, Mt Roskill and Mangere. Auckland Council, via its Development Project Office, is coordinating a collaborative effort between H.L.C., Housing New Zealand, Auckland Council and the Council Group (including Watercare, ATEED and Healthy Waters) to deliver these major transformation projects over the next 10-15 years.

The Council and H.L.C. are currently working towards an umbrella Memorandum of Understanding (which will include all of the members of the Council family) to set up the basics of a working relationship for the improved and more efficient delivery of these programmes.

Watercare is also engaging directly with H.L.C. to undertake joint planning to identify water and wastewater infrastructure requirements to service these areas, both in the short to medium term.

1.10 Whenuapai and Redhills wastewater scheme, Housing Infrastructure Fund (HIF)

The Government HIF has allocated \$300m for a 10-year interest free loan to Auckland Council, including CCOs, to bring forward the transport, stormwater and wastewater infrastructure investments in Whenuapai and Redhills. Watercare's component is \$120m of the \$300m. Watercare has been successfully working with Auckland Transport and Auckland Council to align the respective investments in these areas.

The financing of this programme is being managed by the Ministry of Business Innovation and Employment (MBIE). Watercare's primary engagement with MBIE is via Auckland Council who are co-ordinating the application for financing from the HIF for the combined infrastructure programme. The detailed business case from Auckland Council to MBIE is due in April 2018 and MBIE approval is anticipated in the later part of the year.

3. Fully Sustainable

- We are a socially-responsible business
- We protect and enhance our natural environment
- We meet all our legal and regulatory obligations



3.1 Huia water treatment plant open days

On 1 and 5 March 2018, Watercare held drop-in sessions at Lopdell House in Titirangi where 140 members of the public came to talk with staff and subject matter experts about plans to replace the aging Huia water treatment plant.

Watercare staff from operations, planning and stakeholder liaison teams along with experts on ecology, plant design, heritage, landscape and traffic were available to answer questions on all aspects of the proposed plant and how it might affect local residents, as well as vegetation.

Main concerns from residents included the selection of the Manuka Road site in Waima, and the effect on vegetation caused by construction, including management of kauri dieback. Questions and answers from the drop in sessions have been loaded onto Watercare's Huia web page.

Since its launch last year, the Huia web page has been viewed nearly 6,000 times and Watercare has responded to 1,600 emails sent to the huiawtpproject@water.co.nz email address.



Watercare's Lower Nihotupu Dam spilling. Water from this dam flows to the Huia water treatment plant

3.2 World Water Day celebrations - open day at Lower Huia dam

In celebration of World Water Day on 22 March 2018, Watercare staff gave 12 guided tours to 108 visitors at the Lower Huia Dam. Guests included school groups, engineers and local residents, who walked up to the top of the dam, along the spillway and valve tower, and learnt about the history of the dam, including its construction. The tour finished at the pump station, which pumps water to the Huia water treatment plant.



Watercare dam engineer, Jessan Revalde shows Silverdale Primary School children how the Van Dorn water sampler works at the Lower Huia Dam Valve Tower

3.3 Climate Change adaptation and mitigation

Watercare has a number of climate change initiatives already underway, including energy efficiency, energy neutrality and a transition from commercial to native forestry in the Hunua ranges (in the order of 5 million native plants). Details of these initiatives were set out in a letter to the Mayor sent during the quarter; the Mayor was very complimentary of Watercare's work to date and plans for the future.

Currently, Watercare is drafting a climate change mitigation and adaptation strategy, which should be finalised by mid-late 2018. This strategy will provide a road-map for Watercare to achieve Net Zero Carbon by 2050 (mitigation). It will also assess the actions Watercare needs in relation to its physical assets, to ensure these remain fit for purpose in a changing climate over the next decades (adaptation).

In preparing the strategy, Management are working to ensure that there is alignment with the Auckland Council Chief Sustainability Office, which is leading the regional climate change work.

3.4 Energy efficiency

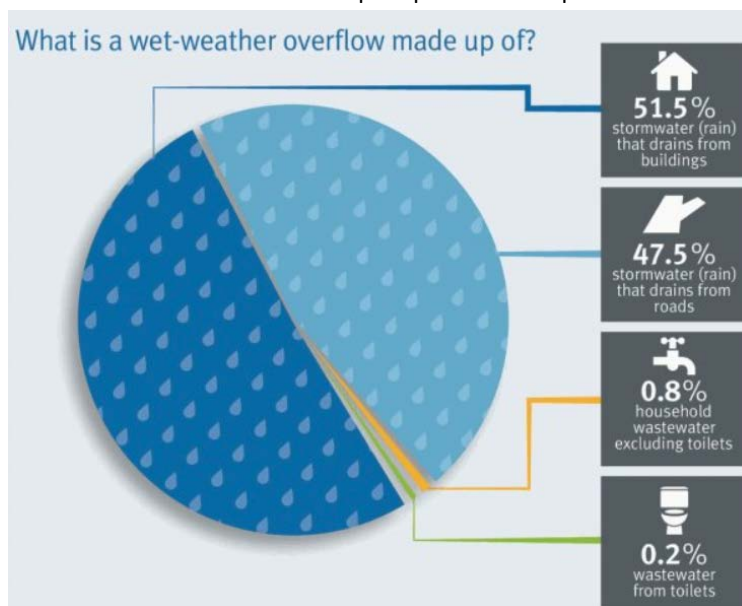
In March 2018, Watercare's Newmarket fleet welcomed a further five fully electric Hyundai Ioniqs, replacing six petrol and hybrid cars. Watercare's Newmarket fleet of pool cars is now 30% fully electric. Over the coming year, electric vehicle charging stations will be installed at four Watercare treatment plants, leading the way for more electrification of the vehicle fleet.

3.5 Safeswim Programme

Safeswim water quality alerts have significantly increased the media interest in wastewater overflows across the region, especially during January when there were a number of High Risk alerts after heavy rainfall. Watercare continue to work with Auckland Council, Healthy Waters and Safeswim representatives to reduce these impacts where possible.

A collaborative 'Stream Health' group has been established to review certain high priority sites with a view to improving asset condition and water quality in their receiving environments. Watercare is also working with Auckland Council to increase robustness and confidence in the model, in preparation for the next swimming season.

During the quarter, Watercare has fielded numerous enquiries regarding wet-weather overflows. The following graphic is available on the Watercare website and helps explain the composition of wet-weather overflows.



3.6 Strategic Consents

During the quarter, the following progress was made on a number of Watercare's strategic consents. A list of key projects is appended as **Appendix C**.

3.7 Statutory Planning

Watercare has made a number of submissions in relation to various Acts and Plans. A list of key submissions made over the quarter is appended as **Appendix D**.

4. Financial Responsibility

- We are a minimum-cost service provider
- We are financially stable over the long term



Financial Performance

\$'m	FY18 Q2 YTD Actual	FY18 Q2 YTD Budget	Variance YTD Favourable/ (unfavourable)
Operational			
Revenue	472	461	11
Expenditure excluding depreciation	221	222	1
Depreciation and amortisation	165	170	5
Capital Expenditure	238	267	29
Net borrowings - AC	1,321	1,385	64
Net borrowings – External	298	275	(23)

Revenue

Year to date revenue was \$472m. The result is approximately \$11m favourable to budget primarily due to water and wastewater revenue favourable \$5.9m with volumes 1.5% higher than budget, vested assets revenue favourable \$5.7m, and sundry customer charges favourable \$1.3m. This is partially offset by IGC revenue unfavourable \$1.8m.

Expenditure

Operating expenses were \$221m, being \$1.4m favourable to budget reflecting \$3.5m favourable for maintenance, asset operating costs, professional services and other overheads. This is partially offset by \$1.4m unfavourable to budget for net labour due to lower capitalisations/recoveries. Interest expense is \$0.7m unfavourable mainly due to less capitalised interest due to lower capital expenditure.

Depreciation and amortisation

Depreciation and amortisation is \$4.5m favourable to budget.

Capital expenditure

Year to date capital expenditure is under budget by \$28m (11%) due primarily to:

- Timing delays as a result of extended contract negotiations, further assessment of alternate construction methodologies, and dependencies on other projects;
- Consenting delays or purchase deferrals including 175MLD Expansion Stage, Waitakere North Western Strategy, Huia and Nihotupu No.1 Replacement Stage 2 and Helensville wastewater treatment plant improvements;
- Project efficiencies and favourable contract negotiation which have reduced forecast spend including the Pukekohe Wastewater Rising Main and Massey/Swanson Siphon Replacements; and
- Reprioritisation of some electrical and control system projects resulting in a deferral of budgeted projects including Mangere Digester Electrical Upgrade, Electrical Infrastructure Upgrade, Rosedale wastewater treatment plant and DTMAN Electrical Reticulation Upgrade.

The underspend has not impacted on Watercare's overall risk profile. Delays and shifting priorities will not adversely impact on Watercare meeting its operational requirements or increase risks to the business.

Borrowings

Overall net borrowings were \$41m below budget due primarily to lower capital expenditure.

FUTURE OUTLOOK

1. Tradewaste Bylaw review

Watercare is continuing to work with staff from the Auckland Council Social Policy and Bylaws team to review the Tradewaste Bylaw. In late 2017, Watercare identified a number of improvements to the Bylaw, including clarifying some definitions to minimise confusion, reducing unnecessary regulation and strengthening grease waste management requirements.

During the third Quarter, Watercare undertook the Special Consultative Procedure and engaged with key stakeholders in the research and engagement phase to receive their input and feedback on proposed changes to the Bylaw. The feedback is currently being reviewed and Watercare will report to the Auckland Council Regulatory Committee before 9 August 2018.

Assuming the Regulatory Committee decides to amend the Bylaw, it is anticipated that the statutory consultation will be completed by 30 May 2019, with the new Bylaw coming into force after that.

2. Section 17A Value For Money Reviews

Three Waters (and the Auckland Waters Strategy)

Over the quarter, Watercare, Auckland Council and Auckland Transport have continued to work together to identify programmes of work where Watercare has worked jointly with Council and other CCOs to obtain savings. They are also working on identifying future opportunities for collaboration, which could achieve further savings in relation to the “three waters”. The group is due to report back to Appointments, Performance Review and Value for Money Committee in June 2018.

Communications & Engagement

Auckland Council and the CCOs have now met and agreed a framework to guide Council Group communications and engagement collaboration. The Auckland Council Communications team is leading the finalisation of this framework and Watercare will work with Council where required.

Procurement

Over the quarter, Watercare assisted the Value for Money team by providing further information to help the team finalise the report, including the recommendations.

Customer Service Review and Information and Communication Technology Review

The next two s17A reviews are “Customer Service” and “Information and Communication Technology” (ICT). Watercare has reviewed the proposed Terms of Reference for each review and provided feedback to Council.

PERFORMANCE MEASURES

Measure	2017/18 Target	Jan 2018	Feb 2018	Mar 2018
The extent to which Watercare's drinking water supply complies with part 4 of the Drinking Water Standards (bacteria compliance criteria)	100%	100%	100%	100%
The extent to which Watercare's drinking water supply complies with part 5 of the Drinking Water Standards (protozoal compliance criteria)	100%	100%	100%	100%
Average number of wet weather overflows per engineered overflow point per discharge location in the transmission system	≤ 2 overflows per year	Annual Measure	Annual Measure	Annual Measure
The number of dry weather overflows from Watercare's sewerage system, expressed per 1000 sewerage connections to that sewerage system	≤10	0.5	0.5	0.5
Compliance with Watercare'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 Watercare in relation to those resource consents	a) ≤2 b) ≤2 c) ≤2 d) 0	0	0	0
Median response time for attendance for urgent call-outs: from the time that Watercare receives notification to the time that service personnel reach the site.	≤ 60 mins	53 mins	57 mins	58 mins
Median response time for resolution of urgent calls-outs: from the time that Watercare receives notification to the time that service personnel confirm resolution of the fault or interruption	≤ 5 hours	3.0 hours	3.0 hours	3.0 hours
Median response time for attendance for non-urgent call-outs: from the time that Watercare receives notification to the time that service personnel reach the site	≤ 3 days	2.8 days	2.9 days	3.1 days ¹
Median response time for resolution of non-urgent call-outs: from the time that Watercare receives notification to the time that service personnel confirm resolution of the fault or interruption	≤ 6 days	3.8 days	4.1 days	4.3 days
Percentage of customers surveyed satisfied with Watercare's delivery of water and wastewater services	≥80%	80.0%	82.7%	82.4%
The total number of complaints received by Watercare 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) Watercare's response to any of these issues.	≤ 10 per 1000 connections to Watercare's networked reticulation system	5.1	5.1	5.0

¹ Following the Network Efficiency Review, the job KPI targets were extended to provide better planning, which leads to reduced cost per job. This has adversely affected performance against the target of less than 3 days for all non-urgent call outs. This measure was not altered following the review, but will be reviewed next year. Customer satisfaction has not been adversely impacted

Measure	2017/18 Target	Jan 2018	Feb 2018	Mar 2018
Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance - from the time that Watercare receives notification to the time that service personnel reach the site	≤ 60 mins	51 mins	51 mins	51 mins
Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution - from the time that Watercare receives notification to the time that service personnel confirm resolution of the blockage or other fault	≤ 5 hours	3.2 hours	3.2 hours	3.2 hours
The total number of complaints received by Watercare about any of the following: a) sewerage odour; b) sewerage system faults; c) sewerage system blockages; and d) the territorial authority's response to issues with its sewerage system.	≤ 50 per 1000 connections to Watercare's sewerage system	22.3	22.3	23.1
Percentage of complaints being 'closed and resolved' within 10 working days (12 month rolling average)	≥95%	99.1%	99.0%	98.6%
Percentage of the 19 Iwi groups throughout Auckland that Watercare have entered into a Memorandum of Understanding with (target for end of FY17/18)	≥75%	Annual measure	Annual measure	Annual measure
Lost-time injury frequency rate per million hours worked (12 month rolling average)	≤5	4.1	3.51	4.11
Percentage of voluntary leavers relative to number of permanent staff (12 month rolling average)	≤12%	12.71%	13.54%	13.75% ²
Total recordable injury frequency rate per million hours worked (12 month rolling average)	<20	14.05	12.29	11.16
Minimum funds flow from operations to interest cover (FFO) before any price adjustment	≥2.5	4.09	4.12	4.17
Percentage of household expenditure on water supply services relative to the average household income	≤1.5%	0.94%	0.95%	0.93%
The average consumption of drinking water per day per resident (gross PCC) (12 month rolling average)	268 + / - 2.5%	276	276	277 ³
The percentage of real water loss from Watercare's networked reticulation system (rolling 12 month average)	≤13%	13.1% ⁴	Two-month lag on data sourced from meter readings	

² The increasing trend in voluntary staff turnover is not unusual given the time of year and the tight labour market for operational staff.

³ Water use in the first quarter of 2018, continued to be extremely high due to the hot weather. In December 2017, January and March 2018, water use repeatedly surpassed a record breaking 13,000,000 m³ /day. This usage has combined to raise the rolling 12 month average to 277 litres. The 2018 census results will assist Watercare to provide better data on this score, as it will provide actual "usually resident" population numbers.

⁴ Due to the way this score is calculated, the impact of the unusually hot summer should smooth out over the coming months.

CONTRIBUTION TO MĀORI OUTCOMES

Kei aku iti kei aku rahi

Tēnā koutou, tēnā koutou, tēnā koutou katoa

tuiā ngā Iwi o Tāmaki herenga waka, tui tuiā Tāmaki Makaurau.

During the quarter, Watercare continued work to embed Auckland Council’s Whiria te muka tangata (Māori Responsiveness Framework, including the three goals of Auckland Council) within the company. In terms of empowering the organisation (goal 1), Watercare’s infrastructure project teams have been obtaining Mana whenua input into the planning process as early as possible. Instead of meeting technical experts in isolation, and then Iwi in isolation, Watercare’s planning process now involves bringing both parties together at the outset to ensure more collaboration on projects. This will ensure that Māori participation is effective (goal 2). An example of this is the Army Bay wastewater discharge consent, where Ngāti Whanaunga, Ngāti Manuhiri, Ngai Tai Ki Tāmaki and Te Kawerau a Maki have been heavily involved in the planning process.

Also during the quarter, Watercare welcomed Richard Waiwai to Watercare as Poutiaki, Tikanga Māori /Principal Advisor. Richard has previously worked with Watercare as a cultural advisor and has extensive background working with whānau, hapū, Iwi, mandated tribal organisations, the Waitangi Tribunal and Government. Richard’s day-to-day involvement with Watercare will help the company incorporate Māori concepts and values into all of Watercare’s project processes, as set out in the Whiria te muka tangata framework. Watercare is committed to ensuring Māori are relevant, Māori decision making is incorporated, and Māori capacity and capability is realised, with a pono (honest) continuation to improve and enhance Watercare’s processes and procedures to include Māori.

Initiative - Water Supply and Wastewater	How it contributes to Māori outcomes	Progress	Q3 Spend
<p>Mana Whenua Kaitiaki Forum</p> <p>Māori knowledge and world views are respected and its validity and value acknowledged</p>	<p>MO3 Rangatiratanga self-determination</p> <p>MO4 Te Tiriti o Waitangi/the Treaty of Waitangi</p> <p>MO7 Mātauranga Māori – Māori knowledge wisdom</p> <p>MO8 Mana Whenua – customary authority</p>	<p>The planned Kaitiaki Managers’ Hui was held and valuable information conveyed on Inflow and Infiltration of pipes programme.</p> <p>The Hui also clarified Mana whenua engagement and general progress of Central Interceptor Project and presentation of Asset Management Plan.</p> <p>A draft Māori Responsiveness Plan (MRP) has been completed for consideration by the Watercare board. The policy considers Council policy on engagement with Māori.</p>	<p>\$41,130</p>

Initiative - Water Supply and Wastewater	How it contributes to Māori outcomes	Progress	Q3 Spend
<p>Iwi Engagement on Watercare Projects</p> <p>Robust engagement framework for Iwi Authority resource management staff to be actively involved in the planning and operational performance of water and wastewater infrastructure</p>	<p>MO1 Kaitiakitanga – guardianship including stewardship</p> <p>MO2 Mātauranga Māori – Māori knowledge wisdom</p> <p>Waahi tapu –sacred ancestral sites and places of significance to iwi, hapū and whānau</p> <p>MO7 Mātauranga Māori – Māori knowledge wisdom</p>	<p>Cultural activities continued throughout the period. Watercare completed its first 10 week te reo Māori course, which was fully subscribed. Participants came from Rosedale, Mangere and Newmarket and increased their understanding and confidence of te reo, providing the building blocks to pursue the next level of learning. The next cohort of participants will start lessons during the fourth quarter.</p> <p>One-on-one te reo education continues as business needs arise.</p> <p>A site blessing was held at the Pukekohe wastewater treatment plant to herald the start of the upgrade works.</p> <p>Mark Ford Scholarship Recipient, Dylan Taute, was announced.</p> <p>Relationship meetings were held with Ngāti Paoa, Te Kawerau a Maki and Ngāi Tai ki Tāmaki.</p> <p>In relation to Kaitiakitanga outcomes, Watercare continues to work with Te Taniwha o Waikato (“TTOW”), a cluster of 9 marae (from Rangiriri to Port Waikato) in relation to the planned upgrade of the Pukekohe wastewater treatment plant.</p> <p>Watercare also continues to meet with the leaders of the 19 Iwi of Tāmaki, face-to-face, on a regular basis.</p>	<p>\$265,918</p>

KEY LOCAL BOARD ISSUES

In January, representatives from Franklin Local Board joined Watercare executives at a dawn site blessing at the Pukekohe wastewater treatment plant in preparation for upcoming upgrades.

Otara Local Board received a workshop presentation on the proposed \$29m Otara wastewater upgrades.

Watercare joined Franklin Local Board members, Healthy Waters and Safeswim staff at a residents meeting in Clarks beach to discuss local wastewater issues.

Watercare joined the Takapuna Devonport Local Board, Healthy Waters and the Medical Officer of Health at a public meeting in Milford to discuss the response to wastewater overflows and a recent break in a local rising main. Updates have also been provided to the Takapuna Devonport Local Board on water quality matters in Castor Bay.

Veolia representatives joined Watercare for a presentation to the Papakura Local Board on local and transmission water and wastewater projects. Good examples of developer cooperation with both Watercare and Veolia were discussed.

In February, the Franklin Local Board received a presentation from Watercare on the water and wastewater servicing proposed for Clevedon and the safe management of chlorine at Ardmore water treatment plant which is a requirement of the Major Hazard Facilities legislation.

Rodney and Hibiscus and Bays Local Boards received a presentation from Fulton Hogan on the Mildale Wastewater Tunnel. Watercare attended in support and to answer any questions.

A meeting was held with the Chair and Deputy Chair of the Upper Harbour Local Board along with parks staff to discuss works in Centorian Reserve, Rosedale.

The Waitakere Ranges Local Board members were provided with information and updates on the Huia water treatment plant replacement project open days held in early March which was attended by more than 140 people.

In the interests of no surprises, the Mangere Otahuhu Local Board members were kept informed of the water supply situation associated with the recent New Zealand Fire Service response to the industrial fire in Otahuhu. The fire caused a significant increase in water demand which had the potential to result in some discolouration in water supply for surrounding residents.

Local boards also received notification of the Central Interceptor contractor short list.

In March, Local Boards have been undertaking public consultation for the Long Term Plan and in response Watercare has provided feedback on several questions raised by the public on water and wastewater issues.

Work continues on obtaining Local Board landowner approvals for the Sidmouth Street Pump Station upgrades on Mairangi Bay Reserve in preparation for works starting late 2018.

QUARTERLY RISK MANAGEMENT UPDATE

Risk Management Governance

Watercare has an established risk management policy and framework which follows the guidance of the ISO 31000 risk management standard. Risks are therefore identified and evaluated using likelihood and consequence scores, and ranked. The highest ranked and significant emerging risks are reviewed by senior management and the Board via management and Board level reporting.

There have been no substantial changes to Watercare's risk in the reporting period. The Internal Audit function produces an annual plan which is approved by Watercare's Audit and Risk Committee and there is quarterly reporting by management against the plan for the Committee.

The Audit and Risk Committee maintains oversight of progress by management in implementing the recommendations arising from Internal Audit's work. The Committee is satisfied that all matters raised are being addressed by management.

Risk reporting to Auckland Council

Following a request from Auckland Council Audit and Risk Committee Chair, Quarterly Risk Reports are now being sent to Auckland Council. The last report was sent in February 2018 and the next report will be provided in May 2018.

Whistle-blower service update

Watercare's Confidential Whistle-Blower service is managed by PwC. The Audit and Risk Committee receives regular reports on the use of the whistle-blower service.

As at 31 March 2018, no whistle-blower calls had been received.

Disclosures

The Watercare Executive Management Team regularly gives consideration as to the possibility of events that would trigger a requirement for continuous disclosure. There were no such events during the reporting period.

Appendix A – WUCAT and Restrictions

Summary for the Water Utility Consumer Assistance Trust since 2011/12 start			
Financial year	Trust approved applications (includes WSL additional write offs)		\$000's
June 2012	33		\$29
June 2013	172		\$196
June 2014	123		\$114
June 2015	150		\$149
June 2016	118		\$90
June 2017	115		\$97
June 2018 (YTD)	107		\$103
Total	818		\$778
Summary of WUCAT Arrangement Approvals			
No. of Arrangements Entered Into	No. of Arrangements Fully Satisfied	No. of Arrangements Still Being Met	No. of Arrangements Lapsed Unfulfilled
818	625	88	105
Amount of Relief Approved \$	Amount of Relief Fully Earned \$	Relief Yet to be Fully Earned \$	Relief Voided due to Lapsed Unfulfilled Arrangement \$
\$778K	\$605K	\$102K	\$71K

The results of the last 3 WUCAT meetings have seen 20 applicants successfully complete the budget process and have \$23K of hardship relief approved by the Trust.

WUCAT Summary last 3 meetings		
Month	Trust approved applications	\$000's
January 2018	0	\$-
February 2018	13	\$6
March 2018	7	\$17
Total	20	\$23

Restrictions

The status of restrictions as at 31 March 2018 was as follows:

Restriction Summary Year ending	Commercial		Residential		Total	
	Restriction	De-restriction	Restriction	De-restriction	Restriction	De-restriction
30 June 2012	1		5		6	0
30 June 2013	13	11	6	4	19	15
30 June 2014	20	20	17	14	37	34
30 June 2015	31	30	53	39	84	69
30 June 2016	8	9	16	17	24	26
30 June 2017	15	11	19	13	34	24
30 June 2018 (YTD)	14	7	38	23	52	30
TOTAL	102	88	154	110	256	198
Restrictions Currently	14		44		58	

Appendix B - Infrastructure project updates

1. Hunua No. 4 watermain

Section 11 of the Hunua No 4 watermain is the last section of a watermain stretching 31km from Redoubt Road to the Khyber Pass Road reservoirs, thereby increasing resilience to the water transmission network. Watercare is responding to Auckland Council queries regarding the construction consent application. Negotiations are nearing completion for construction-related property purchases. Construction is planned to commence in June 2018 and be completed by June 2020.

2. Army Bay wastewater treatment plant outfall replacement and UV plant upgrade

This project will increase the outfall capacity of the plant from the current 300l/s to 1900l/s catering for growth in the Hibiscus Coast area. The design build solution will see a new trenchless technology, direct pipe, being introduced into the New Zealand market. The enabling works are currently underway and the two deep shafts have been completed. The Tunnel Boring Machine “Blanche” is currently being assembled and drilling is planned to commence in May 2018. An update on the project and “Blanche” has been uploaded to YouTube. The project is on track to be completed in December 2018.



New tunnel boring machine, “Blanche”, Army Bay

3. Wairau Eastern rising main

This project provides a duplicate rising main from the Wairau wastewater pump station. The contractor utilised a trenchless technology, pipe jacking, for the majority of the route to minimise disruption along this heavily trafficked corridor. The construction for the replacement of the Wairau Eastern rising main section along Wairau Road is underway with all four tunnelling sections completed. The remaining open cut section is scheduled to be completed by June 2018. Overall completion is scheduled for September 2018.

4. Pukekohe wastewater treatment plant upgrade

This project provides an upgrade to accommodate growth in the area and improves the water quality discharged to the Waikato River. The design is complete, the construction works are out for tender with a staged implementation of plant upgrades to progressively meet growth needs.

5. Upper Glen Eden storage tank and branch sewer upgrade

This new storage tank and sewer upgrade is to accommodate growth and reduce overflows. The construction of the storage tank and associated pipelines are complete.

6. Warkworth water treatment plant

This project will provide a new source of water and associated treatment plant to service projected population growth and pressure on surface water supply in Warkworth. Construction is under way with site civil, building, process and mechanical works near completion. Construction of the new water treatment plant is expected to finish in mid-2018, with commissioning later in the year.

7. North Harbour 2 watermain and Northern Interceptor

The North Harbour 2 Watermain is a 33km trunk main from the proposed Huia water treatment plant to Albany reservoirs, serving Auckland's north. The advance works in Sinton Road and Ockleston Landing are underway to avoid clashes with planned developments. The balance of the Greenhithe Bridge Watermain Duplication (GBWD) project is currently in tender stage, with award expected in late 2018. The future stages of the watermain will be phased as required. Close co-operation continues with stakeholders, particularly with the NZ Transport Authority where major upgrades at Squadron Drive interchange have been advanced to dovetail with the Watercare's major projects.

The Northern Interceptor will cater for growth in the area and enable wastewater flows, which otherwise go to the Mangere wastewater treatment plant, to be directed to the Rosedale wastewater treatment plant. The future works will be phased with growth over several decades. Phase 1, a pipeline from Hobsonville to Rosedale, is currently in the tender phase combined with the GBWD. The North Shore Memorial Park advanced works are nearing completion.

The Phase 2 portion of the Northern Interceptor, a gravity tunnel from Westgate to Hobsonville may be expedited through the Housing Infrastructure Fund initiative.

8. Wynyard Quarter pump station and rising main

The Wynyard Quarter pump station and rising main will provide additional wastewater capacity to service new residential and commercial developments in the area. Construction of the rising main is complete, with the pump station in its final stages of construction prior to commissioning. Auckland Transport, Panuku and Watercare have collaborated on the architectural design of the pump station control building.

9. Rosedale wastewater treatment plant upgrade

The liquid and solid streams of the Rosedale plant are being progressively upgraded to cater for growth. The design for the liquid stream upgrade is complete with the construction tender received and under evaluation.

The design of the solid stream upgrade commenced in November 2017, with construction currently programmed to commence in July 2018. The overall plant upgrade is due to be completed by 2021.

10. Pukekohe East reservoir

This reservoir is being constructed to increase the resilience of the water supply system to North Franklin and Auckland. The major design build package is currently out to tender with construction due to commence later in the year and be completed in 2021.

11. Albany Pinehill water main and pumping station

The project is to construct a new watermain and pump station to pump water from Albany Reservoir to Pinehill Reservoir, to provide additional redundancy in the Albany area and an alternative supply to Pinehill reservoir. The pipeline construction is underway. The pump station site has been prepared for construction. Watercare is collaborating with NZTA and contributing towards a shared path bridge across State Highway 1, beneath which the pipeline will be supported.

12. Local network watermain renewal programme

The programme is to replace watermains across multiple sites. 34 sites have been completed this financial year, with a further 12 sites under construction.

13. Local network wastewater renewal programme.

The programme is to replace wastewater pipes, pipe bridges and undertake lining of pipes. For the current financial year 96 sites across multiple locations across Auckland have been completed.

14. Glendowie branch sewer upgrade

This project will provide additional network capacity for the projected population growth in Point England (including Tamaki Regeneration Company) and reduce network overflows. The work comprises the construction of a new wastewater pump station (500 L/sec) to replace an existing facility, a new storage tunnel (approx. 2m dia, 1km long) and local network upgrades. Contract award is expected in April 2018 and construction commencing in May 2018. Collaboration discussions are currently underway between Healthy Waters and Watercare regarding the possible inclusion of new stormwater works in the Watercare contract, in order to minimise disruption from construction activities.

15. Waikato water treatment plant 175 MLD upgrade

The expansion of the Waikato water treatment plant to 175MLD will provide additional system resilience. The project is being delivered in staged work packages based on priority.

The installation of a sand removal system, the upgrade of critical process ventilation, the installation of a new clarifier, two new membrane trains and the upgrade of the raw and treated water pump stations have been completed and commissioned.

16. Ardmore water treatment plant - treated water resilience project

This project will improve the disinfection process and flows within the existing treated water tanks and filters. These improvements will enable process units to be removed from service for maintenance while maintaining output from the plant. The construction works are currently being tendered.

17. Ardmore water treatment plant - sludge handling systems upgrade

Two manually operated sludge presses, installed in the mid 1980s, will be replaced. The new units will be automated and will enable greater sludge throughput to better cater for the high solids loadings experienced during major storm events, e.g. the Tasman Tempest of March 2017.

Orders have been placed for the dewatering units and detailed design is underway. The first dewatering unit will be commissioned in the 2018/19 summer and the second over winter 2019.

18. Ardmore water treatment plant - second protozoa barrier (UV light dosing)

An ultraviolet dosing system is planned for installation to treat the A block filtered water flow. This is in response to the Tasman Tempest event when high solids loadings in water entering the plant necessitated a reduction in plant throughput to enable the water to be treated to Drinking Water Standards. The UV dosing will enable higher plant flows to be maintained during extreme events.

A design/build contractor has been engaged. The project is now in the detailed design stage. The UV reactors have been ordered and will be commissioned in summer.

19. Central Interceptor

An update on this project is set out on pages 8-9.

20. Mangere water treatment plant - BNR upgrade

An update on this project is set out on page 9.

Appendix C – Strategic consents

During the quarter, the following progress was made on a number of Watercare’s strategic consents.

Waiuku/Clarks Beach Wastewater Treatment Plant (WWTP)

A new sub regional wastewater treatment plant is proposed to be built on Watercare land at Waiuku to service growth within the Waiuku, Clarks Beach and Kingseat communities. The proposal includes a new discharge through a diffuser structure mid channel of the Waiuku River. A consent was granted with a 35 year term in December 2017. A comprehensive appeal has been lodged against the decision by The Manukau Harbour Restoration Society Incorporated. A Court date has not yet been determined but meetings have been held with the appellant in an attempt to resolve the appeal. This included a formal Court mediation on 10 April which has resulted in a reduction of the areas of concern down to one item. Expert conferencing is now planned for late April and a further mediation session is arranged for early May 2018.

Huia Water Treatment Plant Replacement Project

The design team have been reviewing the layout of the proposed plant and reservoirs following the completion of the ecological and topographical surveys of the sites. The Titirangi Protection Society and others have appealed the decision of the Environment Court that ruled in favour of Watercare (that the designation was still relevant and Watercare could rely on it to build the new plant and reservoir on the designated sites). In addition, the Society has filed an application for a Judicial Review of the designation process undertaken by Auckland Council. The High Court has set down the Hearing date for 8 May 2018. Watercare is working closely with Auckland Council who are also a party to the action. In the interim, Community Consultation technical work continues so that applications can be filed following the High Court decision.

Army Bay

The required specialist studies for Legal, Planning, Engineering and Environmental reports for the AEE consent application are continuing. Early discussions have commenced with Councillors and Local Boards. Iwi consultation has commenced and a Long List Options Workshop was held on 7 December 2017. Community open days were held in February 2018. Technical and short list workshops were completed in March 2018. A further three short list workshops with Mana whenua and all experts are planned for April and May 2018, and further public open days are planned for June 2018.

Clevedon Wastewater Servicing

The project options assessment was completed in October 2014 and identified the preferred option as conveyance to Mangere WWTP via Takanini branch sewer. Watercare will deliver the design and consents as funded by the developer, through a design and build contract. A consent application was lodged on 18 December 2017. A s92 request was received in February and March for issues relating to sediment control, trimming of a heritage tree, and pipe bridge design. A response has been provided. An archaeology authority application was lodged on 15 March 2018. Ngai Tai ki Tamaki approved a draft condition in relation to the CIA recommendations on 15 March 2018. Watercare is now awaiting a response from Council.

Appendix D - Statutory Planning

Watercare has made a number of submissions (or involvement) in relation to various Acts and Plans.

Waikato Regional Council Regional Plan Change (“Healthy Rivers”) Number 1

The Waikato Regional Council has completed processing public submissions on its Proposed Regional Plan Change (“Healthy Rivers”) Number 1. A summary of all submissions was released on 28 November. Watercare made a submission on this plan change. Proposed Plan Change Number 1A (which covers the area of Watercare’s Waikato River take, and the discharge from the Pukekohe WWTP) was notified on 10 April 2018 and Watercare is currently reviewing this. These two proposed plan changes are focused on water quality improvements within the Waikato and Waipa Rivers, and their associated catchment areas, and would require Watercare to continue to improve the quality of its wastewater discharge from the Pukekohe WWTP and water discharged from the Waikato WTP. Hearings for these plan changes are expected to commence late 2018.

Watershed Maps

Auckland Council’s Healthy Waters did a soft launch of a series of Watershed Maps on 20 November. These ten “Current State Story Maps”, which cover the entire Auckland region, are part of Council’s implementation of the National Policy Statement for Freshwater Management. Watercare provided feedback during the development of these maps and associated text, which has been taken into account. These maps indicate the quality of freshwater and marine water resources within the region, and describe the many contaminant sources from various land uses that affect these waters. “Load-contaminant” models are now being developed for all catchments, which will be used to develop limits for proposed plan changes anticipated from 2021.

Feedback to Waikato District Council’s District Plan Review

Watercare submitted feedback to Waikato District Council’s (WDC) review of its District Plan in January 2018. Watercare’s main feedback points were to emphasise that WDC needs to satisfy itself that any new developments can be serviced for water and wastewater, and that infrastructure related provisions should be relatively consistent to minimise cross-boundary issues. In addition to this, the draft Plan growth assumptions do not appear to match the “Future Proof” and the “Programme Business Case” growth projections for the district.