

MINUTES

SUBJECT	WATERCARE SERVICES BOARD MEETING
VENUE	Hobson Room, Jubilee Building, 545 Parnell Road, Parnell, Auckland
DATE	29 May 2014
TIME	09:00
STATUS	Open Session

	Present:	In Attendance:	Public in Attendance:
	D Clarke (Chairman) N Crauford P Drummond C Harland J Hoare S Huria T Lanigan A Delany (Board Observer)	R Chenery R Fisher D Hawkins R Jaduram R Klein (part of meeting - 10am) T Langridge B Monk R O'Connor J Redwood D Sellars G Wood D Worsnop	5 Members of the public
1.	Apologies <ul style="list-style-type: none">• M Allen• M Ford		
2.	Minutes of Previous Meeting <ul style="list-style-type: none">• The Board resolved that the Minutes of the public section of the Board meeting held on 1 May 2014 at 09:30, be confirmed as correct.		
3.	Directors Corporate Governance Items <ul style="list-style-type: none">• Corporate Planner 2014 The Corporate Planner for 2014 was noted. Susan Huria advised that a meeting of the Organisation Committee is to be held at Watercare Services Limited on 30 June 2014 at 09:00.• Disclosure of Interests David Clarke advised of amendments to his declarations which should now read:<ul style="list-style-type: none">➤ Chairman, TRGG Limited➤ Trustee, South Auckland Foundation. Catherine Harland added the following to her declarations:<ul style="list-style-type: none">➤ Member, Auckland Regional Amenities Funding Board➤ Consultant, Martin Jenkins and Associates Limited. Nicola Crauford is no longer associated with the Institution of Professional Engineers, but added the following to her declarations:<ul style="list-style-type: none">➤ Director, Capacity Infrastructure Limited.		

4.	<p>Chief Executive's Report</p> <ul style="list-style-type: none"> Customer Services <p>Trish Langridge advised that there are a total of 62 people in Customer Services including the Call Centre. Nine vacancies in the Call Centre have now been filled. The vacancies arose as a result of the move from East Tamaki.</p> <p>Trish Langridge advised that there is a regular Customer Satisfaction Survey which is reported quarterly, and that she will present the latest results at the June meeting. Alex Delany will present on Customer Services at other organisations at the August meeting.</p> <ul style="list-style-type: none"> Infrastructure and Planning <p>The Chairman requested an explanation of what the consequences would be for the business if there is a period of El Nino.</p> <ul style="list-style-type: none"> Working with Local Boards <p>Raveen Jaduram and Craig Mclroy, Auckland Council, attended a public meeting covered by the Orakei Local Board. Watercare explained its position on the third pipe at Stonefields which was accepted by the large majority of the 100 residents present.</p> <ul style="list-style-type: none"> Statutory Planning <p>In answer to a question on progress with the replacement of the ocean outfall pipe at Snells-Algies, Rob Fisher advised that management were looking, on a regional basis, at the wastewater treatment plants at Warkworth, Omaha and Snells-Algies.</p>
5.	<p>Watercare Utility Consumer Assistance Trust</p> <ul style="list-style-type: none"> John Lusk, Chairman of the Trust, outlined the structure of the Trust which was formed in October 2011 and its working. <p>He said monthly billing has been a positive and there has been a reduction in applications because people were better able to budget to pay their water charges.</p> <p>There are five Trustees: three appointed representatives from community groups and two appointed by Watercare. The Trust is funded by Watercare on an annual basis. All funds are effectively 'write-offs' by Watercare. The Trust is now providing assistance where there are leaks and people cannot afford to fix them.</p> <p>Mr Lusk advised that around 1000 forms have been issued of which only 660 have proceeded further in the process. Watercare has assisted in undertaking a survey of people who drop out of the process so that the Trust can understand the reasons for their drop out. Reasons for drop out include people selling their house and clearing the arrears.</p> <p>The Trust employs an administrator to assist people and also to ensure Local Boards, community organisations, WINZ, etc. are aware of the services provided by the Trust. We intend to use churches as another means of communication with the public.</p> <p>Around 330 applications have been approved and only 5 have been declined. This equates to around \$300,000 of write-offs.</p> <p>Mr Lusk says the Trust should continue operating as it is, and there is really nothing more that Watercare can do in this regard.</p>
6.	<p>Statement of Intent</p> <ul style="list-style-type: none"> Rebecca Chenery gave a presentation on the response of the company to the Auckland Council comments on the draft SOI. <p>The Board requested that information be included to respond to matters relating to the capture of financial information in relation to projects and programmes that contribute to Watercare's responsiveness to Maori.</p> <p>Following discussion, the Board approved the recommended amendments to the 2014-17 SOI.</p>

7.	<p>Audit and Risk Committee Update</p> <ul style="list-style-type: none"> Julia Hoare spoke to the minutes of the last Audit and Risk Committee. <p>Deloitte were present at the meeting and talked through the audit programme. They have no current issues and consider that Watercare is providing good support.</p> <p>The programme for the Annual Report is:</p> <ul style="list-style-type: none"> 31/7 – Extra Audit and Risk meeting and Board meeting to sign off the year-end pack to go to Auckland Council 19/8 – Auditors review final year-end accounts and Annual Report 21/8 – Board to approve the Annual Report. <p>Brian Monk advised that once again, Watercare had achieved the Gold Standard from the Australasian Awards for the 2013 Annual Report. Further, the Watercare Annual Report is one of the finalists in the Sustainability Awards.</p>
8.	<p>2014/15 Budget</p> <ul style="list-style-type: none"> Brian Monk spoke to the paper. The Board had previously considered a high level top down version of the budget in March 2014. The version on the paper was a bottom up budget. It has been subject to review by the Acting Chief Executive and CFO applying the principles of the top down review arrived at meeting the revenue, operating costs and capital expenditure outcomes input to Auckland Council's Annual Plan in March 2014. <p>The differences from the earlier version of the budget were largely due to the inclusion of the vested asset income and a reduction in the capital expenditure. Costs remained broadly in line.</p> <p>The Chairman noted that the budget will result in a loss for the year of \$4.54m after tax.</p> <p>The Board approved the capital expenditure budget including capitalised interest of \$329.1m and operating budget of a net deficit before tax of \$0.02m for the year ended 30 June 2015.</p>
9.	<p>Water Resources Update</p> <ul style="list-style-type: none"> David Worsnop spoke to the paper. He said an analysis had been undertaken using records of 100 years for western lakes and 50 years for southern lakes. <p>Rainfall for May to July 2014 will be near normal according to NIWA; however, looking ahead, there is a 50% chance of an El Nino phase occurring.</p> <p>The Chairman noted that if Watercare was to run the take from the Waikato River at the maximum 150MLD and an 82/83 summer scenario applied, we would be very close to having to ask Aucklanders for voluntary savings in water use.</p>
10.	<p>Water Demand Management</p> <ul style="list-style-type: none"> Raveen Jaduram advised that Watercare works with customers to reduce their water usage, for example, with industries showing them how to recycle water to get demand down. <p>There was a discussion on unaccounted for water losses which occur because of factors such as leakage, lost meters, meters unread, illegal meters and unlawful tapping of water.</p> <p>A paper will be brought to the Board on this issue.</p> <p>Roseline Klein gave a presentation on Water Demand Management. She advised that in Auckland, the residential per capita consumption in 2012 was 157 litres per person per day which is the lowest rate in any of the major centres of New Zealand.</p> <p>She explained that this was a more relevant statistic for water efficiency than the gross per capita consumption which includes non-domestic water use and unaccounted for water. Watercare is an enabling agency in relation to water and wastewater services to achieve Auckland's growth vision if it were to discourage the establishment of new or expanded 'wet' industries. The gross per capita consumption reduction could be contrary to that goal.</p>

11.	<p>Auckland Trade Waste Bylaw 2013 – Delegation of Powers</p> <ul style="list-style-type: none"> • The Board approved <ul style="list-style-type: none"> (i) The delegation of enforcement, inspection, licensing and administration related to the Trade Waste Bylaw 2013 and all associated powers and duties of the Council under that bylaw 2013 and all associated powers and duties of the Council under that Bylaw to the Chief Executive. (ii) That the Chief Executive may sub delegate those powers. <p>The Board noted that powers under the Bylaw relating to amendments to:</p> <ul style="list-style-type: none"> ➤ the controlled substance standards, and ➤ the setting of trade waste fees remained the province of the Board.
12.	<p>General Business</p> <ul style="list-style-type: none"> • The Board received a report from Susan Huria on the staff survey. She said the results are positive and will be reported to the next Board meeting. • The meeting closed at 11:00.

CERTIFIED AS A TRUE AND CORRECT RECORD

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Chairman