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**CHESTERMERE UTILITIES INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2017**

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This management's discussion and analysis (MD&A) should be read in conjunction with the audited financial statements of Chestermere Utilities Inc. (CUI) for the 12 months ended December 31, 2017. Financial information in this MD&A is based on the audited financial statements, which were prepared in accordance with International Financial Reporting Standards (IFRS) and are presented in thousands of Canadian dollars (\$000s) unless otherwise stated. The Finance and Audit Committee of the Company's Board of Directors reviewed the contents of the MD&A and recommended its approval by the Board of Directors. This MD&A was approved and authorized for issue by the Board of Directors on March 28, 2018.

Certain information in this MD&A is forward-looking as it relates to anticipated financial performance, events or strategies. The purpose of this information is to provide CUI's stakeholders with management's assessment of future plans and possible outcomes. Whether actual results, performance or achievements will conform to the Company's expectations and plans is subject to a number of known and unknown risks and uncertainties which could cause actual results to differ from expectations and are discussed in the Risk Management section herein. Readers are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date made. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

#### **OVERVIEW**

CUI is a wholly-owned subsidiary of the City of Chestermere (City). CUI directly, and through third party service providers; owns and operates the infrastructure required to provide safe and efficient water, wastewater, storm water, solid waste and recycling services to residents and businesses located in Chestermere, AB (Core Operations<sup>1</sup>). CUI is also responsible for planning, building, owning (financing) and operating necessary expansions to its systems to facilitate investment in, and growth of, the City of Chestermere. (Developer Operations<sup>2</sup>).

Net income was \$3,831 for the 12 months ended December 31, 2017, compared with net income of \$1,339 for the same period last year. The increase of \$2,492 in the period is primarily due to increased revenue from Core Operations and decreased financing expenses related to the renegotiation of the EPCOR contract. Partially offsetting these gains was the decreased value of assets contributed by developers and higher expenses from Core Operations.

Net income from Core Operations was \$1,213 for the 12 months ended December 31, 2017 compared with a net loss of (\$598) for the same period last year. The increase of \$1,811 in the period is due primarily to higher regulated rates and lower amortization, salary and financing expenses. These gains are partially offset by increased costs associated with water and sanitary services received from the City of Calgary and increased contracted services expenses.

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<sup>1</sup> Core Operations, formerly known as rate base operations refers to CUI's day to day provision of water, wastewater, storm water and solid waste services to CUI's existing customers under the authority its Franchise Agreement with the City of Chestermere and its associated Water, Wastewater, Storm Drainage and Waste Management Bylaws.

<sup>2</sup> Developer Operations, formerly known as non-rate base operations refers to CUI's activities in support of ensuring the orderly and cost-effective expansion of water, wastewater, storm water and solid waste systems to support the long-term growth targets of the City under the authority of its Franchise and Capital Project and Funding Agreements and the CUI Exclusivity Bylaw.



## MANDATE

In November 2016 the City of Chestermere approved a new Mandate to guide the work of CUI. The Mandate included the following three key objectives;

- Achieve full cost recovery and financial sustainability,
- Ensure well management utilities, and
- Support municipal growth and investment.

In response, Management developed priorities and plans for 2017 in which it sought to balance the complex and often competing, attributes of each of the key objectives.

## KEY PERFORMANCE INDICATORS

Consistent with its Mandate and business plan, CUI's operational and financial performance is measured through a variety of measures that are approved by the Board of Directors. In 2017 these financial and non-financial measures fell into four broad categories. CUI's top priority is the ensuring the safety of its employees and the community it serves. In 2017 CUI delivered on this commitment with no lost time incidents and a significant decrease in its total reportable incident frequency. The other performance categories included; operational efficiency, financial sustainability and stakeholder relations. There were specific measures set within each of these categories for each line of business.

## SIGNIFICANT EVENTS

### EPCOR Operations and Maintenance Agreement

At the end of 2016 the Company announced that it had successfully concluded negotiations with EPCOR to change the scope of its 20-year operations and maintenance agreement (Agreement). The key changes were the transfer of the Agreement to CUI and the termination of EPCOR's right to finance all CUI's water and wastewater capital expenditures over \$50. During 2016 the Corporation made a lump sum payment of \$14,957 to EPCOR as full and final settlement of all amounts owing under this Agreement. This payment included a termination fee of \$1,800.

Terminating the financing provision in the Agreement has allowed CUI to secure market-based financing to support its capital program. In support of its objective to create the conditions for long term financial sustainability and provide stable rates for its regulated customers, CUI has secured two, 20-year interest rate swap agreements with Toronto Dominion bank resulting in significantly reduced borrowing costs and providing long term cost certainty. Management conservatively estimates the Corporation will avoid, over the remaining life of the Agreement, in excess of \$15,000 (net of the termination fee) in financing expenses as a result of renegotiating this Agreement.

### Capital Program Delivery

The Corporations' capital program plan for 2017 included 17 distinct projects with an estimated spend of \$21,000 to be delivered to varying degrees of completion in 2017. The program scope was modified on a number of occasions throughout the year to ensure that priority system issues were addressed in a timely manner and within the planned spending envelop. No unplanned outages, health safety or environmental incidents resulted from the reprioritization of the program.

## FINANCIAL INFORMATION

(\$000s)	2017	2016	2015
<b>For the period ended December 31,</b>			
Revenues	\$ 17,580	\$ 17,308	\$16,009
Net income	3,831	1,339	1,652
Total assets	111,476	90,222	84,990
Loans and borrowings	26,759	17,812	8,609



### Capital Spending & Investment (\$000s)

For the period ended December 31,	2017	2016
Water Services <sup>3</sup>	\$ 19,364	\$ 7,886
Solid Waste Services <sup>4</sup>	861	158
Corporate Services	16	179
<b>Total capital spending &amp; investment</b>	<b>\$ 20,241</b>	<b>\$ 8,223</b>

Note: the above numbers included developer contributed assets of approximately \$3,726 in 2017 and \$5,481 in 2016.

### RESULTS FROM DEVELOPER OPERATIONS

#### FINANCIAL INFORMATION

(\$000s)	2017	2016	2015
<b>For the period ended December 31,</b>			
Contributed assets	\$ 3,726	\$ 5,481	\$ 5,293
Contributed asset amortization	(766)	0	0
Off-site levy revenue	41	14	50
Off-site levy expense	(383)	(2,046)	(581)

### RESULTS FROM CORE OPERATIONS

CUI presents income from its Core Operations as three segments;

- Water Services - includes the Water, Wastewater and Storm Water lines of business,
- Solid Waste Services which includes Collection and Recycle Depot lines of business, and
- Corporate Services which includes Board and other corporate services which are shared across all lines of business i.e.) finance, customer service and health and safety.

Results are presented in this manner to distinguish the performance of the Company's regulated business serving existing customers (Core Operations) from its activities in support of future customers (Developer Operations) as well changes in fair market value of financial instruments.

All of CUI's revenue associated with its Core Operations is earned through rates and fees that are approved by the City of Chestermere in its role of regulator. In 2015 CUI determined that it's rates were not being calculated in a manner consistent with utility industry best practice. Since having made that finding, a number of changes have been implemented to establish which costs are to be included in the specific revenue requirement for each line of business. Establishing an accurate accounting of the revenue requirement on a line of business basis is key to ensuring that rates recover the full cost of providing those services to CUI customers. The resulting key methodology changes since 2015 are:

- Alignment of expenses to each line of business,
- Creation of a Corporate Service budget for expenses which are shared across all segments,
- Calculation of amortization for non-contributed assets, and
- Determination of a modest return on investment for non-contributed assets.

<sup>3</sup> Water Services includes, Water, Sanitary and Storm water

<sup>4</sup> Solid Waste Services includes, curbside collection of Organics, Recycling and solid waste and the recycle depot operations.



## Total Revenues from Core Operations (Unaudited, \$000s)

Revenues for the period ended December 31, 2016	\$ 11,740
Higher Water Services segment	1,982
Lower Solid Waste Services segment	(41)
Other	58
Increase / Decrease in revenues from Operations	1,999
Revenues for the period ended December 31, 2017	\$ 13,739

Operational revenues were higher compared with the same period last year primarily due to the net impact of the following:

- 2017 Water Services rate increases, higher water and sanitary billed, and 1.5% growth.
- 2017 Solid Waste Services rate decrease offset by 1.5% growth.
- 2017 Other, Gain on investments.

## LINE OF BUSINESS RESULTS

### 1. WATER SERVICES

The primary objective for CUI's Water Services segment (Water, Wastewater and Storm water) is to ensure the safe and reliable provision of these vital services to its customers in compliance with all regulatory requirements.

#### 1. i. Water

CUI's water system distributes water throughout the City from a central reservoir and pump station. Treated water is supplied to the reservoir from The City of Calgary (under the terms of a 20-year serving agreement) via two supply mains. The reservoir at the corner of Merganser Dr. West and Rainbow Rd has a total storage capacity of 13,600 m<sup>3</sup>. The distribution system includes 75 KM of water mains, and the associated valves and fire hydrants as well as individual service connections.

EPCOR is under contract to CUI to ensure the safe and reliable operations of the water system. Services provided under this agreement include: regular bacteriological and water quality testing, installation and replacement of water meters, meter reading, water service connection / disconnection and water service repairs.

#### Unaccounted for Water Mitigation Program

At the end of 2016 CUI reported an unaccounted-for water (UfW<sup>5</sup>) rate of 25.5 %. The rate of UfW in Chestermere is unusually high for a community of its size and age. CUI conservatively estimates the total expense of UfW since 2013 through the end of 2016 at \$1,500. Over the years, CUI has undertaken a number of initiatives to reduce UfW and its financial impact. Unfortunately, despite these efforts, the UfW rate increased to 29 % by the end of Q1, 2017. Upon learning of these results, CUI retained the Alberta Urban Municipalities Association (AUMA) and Associated Engineering (AE) to conduct a review of CUI's billing system. The AUMA/AE report revealed a number of anomalies in the billing system, many of which predate the creation of CUI.

In response to the findings in the AUMA/AE report, CUI developed a comprehensive Water Losses Mitigation Program ("Program") and began execution of that Program in Q4 2017. The objective of the Program is to reduce the UfW rate to the industry standard rate of 15% by the end of 2018. The Program is expected to cost about \$550 and will yield an annual improvement in results of about \$400.

<sup>5</sup> Unaccounted for Water is an industry term also commonly known as water losses.



Initial efforts reversed the early trend in 2017 and resulted in a slight decrease to the Corporation's average UfW rate for 2017 of 25.1%. Not reflected in the annual average UfW rate are the following accomplishments:

- Identification and repair of 14 physical leaks; eliminating approximated 107,000 m3 of real losses,
- Identification of approximately 35,000 m3 of unbilled water from prior periods, and
- Expected recovery of approximately \$110 of unbilled revenue from prior periods

#### Water Results (Unaudited, \$000s)

For the period ended December 31,	2017	2016
Revenues	\$ 5,069	\$ 3,773
Expenses	(4,256)	(4,184)
<b>Operating Income (Loss)</b>	<b>\$ 813</b>	<b>\$ (411)</b>

Water revenues increased due to 2017 rate increases, higher water billed due to weather and 1.5% growth. Water expenses increased due to increased costs related to the water losses mitigation program and increased City of Calgary rates relating to the purchases of water.

#### 1. ii. Wastewater

CUI's wastewater system is comprised of a 74 KM network of gravity sewer, more than 20 KM of forcemain (FM) and 13 lift stations (LS). Currently all the City's wastewater is collected at LS 10 and pumped to the City of Calgary (under the terms of a 20-year servicing agreement) for treatment through a 450 mm FM. A 250 mm FM is inactive and on standby for use in emergency situations. Early in 2018, LS 13, LS 13 FM and a new gravity sanitary trunk (also known as Rainbow Road sanitary trunk, RRST) will be operational and a portion of Chestermere's wastewater will be pumped through this LS 13 FM to Calgary. LS 13 will receive wastewater from the existing lift stations; LS 4 (including wastewater from LS 1, 2, and 3) and LS 12 (including LS 5). LS 10 will continue to receive wastewater from the remaining lift stations.

EPCOR is under contract to CUI to ensure the safe and reliable operation of the wastewater system. Services provided under this agreement include: ensuring that lift stations and backup generators are tested for operational readiness, conducting preventative maintenance on the collection system and ensuring that effluent discharged to the City of Calgary meets their effluent standards.

#### Wastewater Results (Unaudited, \$000s)

For the period ended December 31,	2017	2016
Revenues	\$ 5,509	\$ 5,169
Expenses	(4,243)	(4,561)
<b>Operating Income (Loss)</b>	<b>\$ 1,266</b>	<b>\$ 608</b>

Sanitary revenues increased due to higher consumption and 1.5% growth. Sanitary expenses increased due to the unplanned purchase of chemicals used to manage the level of hydrogen sulfide in the wastewater and higher repair and maintenance costs relating to lift stations. This amount was offset by lower amortization costs due to change in assumptions. In 2016 all amortization was included in Core Operations. In 2017 a portion of the amortization was moved to Developer Operations as it was related to growth projects.



### 1. iii. Storm Water

CUI's storm water system is comprised of a 61 KM network of storm gravity sewers, 1 KM of storm forcemain, 950 catch basins, 13 storm sceptors, six vortechs and seven other chambers within its storm water network. Storm water entering CUI's collection system is ultimately discharged into Chestermere Lake under the terms of a long-term servicing agreement with the Western Irrigation District.

#### Storm Water Results (Unaudited, \$000s)

For the period ended December 31,	2017	2016
Revenues	\$ 1,253	\$ 907
Expenses	(615)	(890)
<b>Operating Income (Loss)</b>	<b>\$ 638</b>	<b>\$ 17</b>

Storm water revenues increased due to 2017 rate increases and 1.5% growth Storm water expenses decreased due to lower amortization costs as a result of planned operations and maintenance work being capitalized.

## 2. SOLID WASTE SERVICES

CUI is responsible for providing curbside collection of garbage, recycling and organics waste created by the majority residents of Chestermere and the operation of a recycling depot facility. CUI's goal in delivering these programs is to ensure that they are safe, reliable and cost effective while at the same time ensuring that as much waste as reasonably possible is diverted from landfill for reuse and repurposing. In 2017 CUI achieved a 70% diversion rate meaning that 70% of waste collected at curbside was diverted for recycling or composting with only 30% going to landfill.

Under CUI's Franchise Agreement and Waste Management Bylaw CUI is mandated to provide curbside collection services to all single-family residences in the City of Chestermere with a few exceptions. Multi-family and commercial premises are also excluded from CUI's mandate, however, in recent years CUI has been engaged by a growing number of local condominium corporations to provide curbside collection services.

### 2.i Curbside Collection

CUI's current program curbside collection schedule sees recycling and organics collected Monday to Friday each week and garbage collected Monday to Friday every other week. To provide this service, CUI owns and operates a fleet of five side load refuse collection vehicles ranging in age from 3 to 12 years. These vehicles are stored in a newly constructed garage (completed Q3 2017) located on CUI's lands adjacent to the water transfer station.

Because CUI does not own a landfill, it relies on having access to third party landfill, recycling and organics disposal facilities. The nearest landfill facilities to Chestermere are operated by the City of Calgary. In service of its own policy objectives, the City of Calgary has implemented increasingly stringent rules on the content of commercial loads which are delivered to its sites. Failure of commercial haulers like CUI to comply with the City of Calgary's requirements can result in significantly increased disposal fees and / or being refused the ability to dispose of loads which are contaminated with prohibited materials.

In the first two years of the curbside recycling program, CUI has benefited from favourable markets for the resale of its recyclable materials. The revenue from the sales of recyclables flowed back to customers in the form of a rebate through CUI's recycling processor. In 2017, these rebates reduced the disposal cost from \$150.00 per tonne to \$57.00 per tonne. In the past year, China has announced a ban on



foreign recycling materials and as a result CUI expects that the cost of disposing of recyclables may increase.

For these reasons, CUI has implemented strategies, to incent the regular and proper use of the organics and recycling program and decrease reliance on the garbage program. Strategies employed include; decreased frequency of garbage collection and regular audits of materials prior to collection. CUI is continually reviewing these programs for opportunities to manage costs and increase customer adoption of the programs.

#### **Curbside Collection** (Unaudited, \$000s)

<b>For the period ended December 31,</b>	<b>2017</b>	<b>2016</b>
Revenues	\$ 1,526	\$ 1,874
Expenses	(1,168)	(1,164)
<b>Operating Income (Loss)</b>	<b>\$ 358</b>	<b>\$ 710</b>

Solid waste revenues decreased due to 2017 rate decrease offset by 1.5% growth.

#### **2. ii. Recycle Centre**

CUI operates a centralized Recycle Centre (Centre) located on Township Road 243 on the grounds of the City of Chestermere Public Works yard. To deliver this service, CUI leases the land where the site is located from the City of Chestermere and operates a number of small vehicles and equipment. The Centre is open seven days a week, save for Christmas and New Years day. The goal in providing this program is to ensure that Chestermere's residents have a safe and convenient place to dispose of items that are not permitted in any of the curbside collection streams or down storm & sanitary drains. The Centre accepts items such as paints, cooking oils, batteries and household electronics as well as overflow for recycling and organics disposal. The existence of the Centre pre-dates the implementation of the curbside recycling and organics collection in Chestermere. As the curbside program matures, in 2018 CUI intends to review the need for and scope of the Center operations in an effort to manage costs and reduce operational risks.

#### **Recycle Centre** (Unaudited, \$000s)

<b>For the period ended December 31,</b>	<b>2017</b>	<b>2016</b>
Revenues	\$ 323	\$ 16
Expenses	(217)	(230)
<b>Operating Income (Loss)</b>	<b>\$ 106</b>	<b>\$ (214)</b>

Prior to 2017, the Recycle Centre costs were embedded in the fixed, monthly solid waste fee charged to customers receiving curbside collection. In 2017 a standalone rate was approved which ensures that the cost of providing this service is fairly recovered from all Chestermere residents.

### **3. CORPORATE SERVICES**

CUI's Corporate Services segment includes those services which support the entire organization including the Board of Directors, finance, billing and collections, customer service, environment, health & safety, human resources, communications, security and information technology. As a small organization, many of these functions are supported by third party services providers.



### Corporate Services (Unaudited, \$000s)

For the period ended December 31, 2017	2017	2016
Revenues	\$ 131	\$ 74
Expenses	(2,099)	(1,382)
<b>Operating Income (Loss)</b>	<b>\$ (1,968)</b>	<b>\$ (1,308)</b>

Corporate Services revenue increased due to closing an investment account and recording a gain on investments. Cash was moved to restricted cash in accordance with City requirements relating to the management of off-site levy monies.

Corporate Services expenses increased due to a change in how the customer service team was allocated. In 2016 the costs of the customer service team were allocated directly to each line of business. In 2017 the costs were aggregated as part of Corporate Services with all costs being charged back to each line of business on the basis of % of revenue.

### Core Operations Capital Spending & Investment (Unaudited, \$000s)

For the period ended December 31,	2017	2016
Water	\$ 598	\$ 49
Wastewater	4,204	554
Storm water	154	0
Solid Waste	861	158
Corporate Services	16	179
<b>Total capital spending &amp; investment</b>	<b>\$ 5,883</b>	<b>\$ 940</b>

Capital spending and investment in CUI's Core Operations was higher for 2017 compared with 2016 primarily due to increased spending on in the wastewater segment on the installation of LS 13, LS 13 FM and RRST phase 1. These projects are required to provide operational reliability for existing customers and have been oversized to allow for growth in the community. As a result, the costs for these projects are being allocated 20% to Core and 80% to Developer Operations.

### Operating Activities & Liquidity

The Company maintains its financial position almost exclusively through rate-regulated utility services with a small contribution from unregulated contracted operations which generate stable cash flows. The Company expects to have sufficient liquidity to finance its plans and fund its obligations in 2018 with a combination of cash on hand, cash flow from operating activities, and draws upon existing credit facilities. Cash flows from operating activities could be impaired by events that severely damage its facilities and require unplanned cash outlays for repairs. Under those circumstances, more reliance would be placed on credit facilities for working capital requirements until a regulatory approved recovery mechanism or insurance proceeds were in place.





## Capital Requirements & Contractual Obligations

CUI's projected capital requirements for 2018 include an estimated \$13,000 for investment in sustaining and system expansion activities.

The following table represents the Company's forecast capital spend by year:

(\$000s) for the year	2018	2019	2020	2021	2022
Water	\$ 2,758	\$ 7,665	\$3,187	\$1,609	\$1,649
Wastewater	9,102	14,589	494	0	0
Storm water	750	1,841	0	0	4,339
Solid waste	325	95	398	149	703
Corporate Services	38	0	0	0	0
<b>Total</b>	<b>\$12,973</b>	<b>\$24,190</b>	<b>\$4,080</b>	<b>\$1,758</b>	<b>\$6,691</b>

Approximately \$19,000 of the 2018 - 2022 forecast capital spend is earmarked for Developer Operations; \$5,000 for water and \$14,000 for wastewater system expansions to support the long term growth of the City.

In order to manage financial risk prudently and enable CUI to achieve long term financial sustainability CUI has implemented a practice where growth projects require an upfront financial contribution from the benefitting developers. To date CUI has set an expectation that 100% of detailed design and at least 40% of total project costs must be in hand before CUI will begin work on growth projects. 40% was determined as the minimum threshold to align with the Unanimous Shareholder Agreement (USA) requirement that CUI achieve a 60:40 debt to equity ("D:E") ratio.

### Financial Covenants

CUI is currently in compliance with all of its financial covenants in relation to its bank credit facilities. Based on current financial covenant calculations, the Company has sufficient borrowing capacity to fund current and long-term requirements. Although the risk is low, breaching these covenants could potentially result in a revocation of CUI's credit facilities causing a significant loss of access to liquidity or causing the Company to find a means of funding which could include rate increases to existing customers.

### Risk Management

CUI understands risk management as a foundational component of the Company's ability to effectively deliver on its Mandate and business plan. As such, CUI has put cost-effective risk management practices into place. CUI recognizes that effective risk management is an ongoing process and continually reviews risks and looks for ways to enhance its risk management processes.

As part of ongoing risk management practices, the Company reviews current and planned activities to consider their impact on the risk profile of the Company. CUI's enterprise risk register is reviewed and updated by Management on a quarterly basis. Currently, CUI's risks include; strategy and operational execution risk, political risk, people risk which includes health and safety risk, information technology related security risks, risk of reputational damage, environment compliance risk, infrastructure property risks, failure to attract, retain or develop top talent, and economic risk including sustainable rates, project risk, financial liquidity risk, credit risk, business environment and other risks.

### Litigation Update

CUI is occasionally named as a party in claims and legal proceedings that arise during the normal course of its business. Management reviews each of these claims, including the nature of the claim and the amount in dispute. Although there is no assurance that each claim will be resolved in CUI's favour, Management does not believe that the outcome of any claims or potential claims it is currently aware of will have a material adverse effect on the financial results or position of the Corporation.

**Accounting standards and interpretations not yet applied**

Certain new or amended standards or interpretations issued by the IASB or IFRIC do not have to be adopted in the current period. Those that may be relevant to the Corporation are set out below.

IFRS 9, Financial Instruments, addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for accounting periods beginning on or after January 1, 2018. CUI is currently finalizing the impact of IFRS 9.

IFRS 15, Revenue from Contracts with Customers, deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefit. The standard is effective for annual periods beginning on or after January 1, 2018. CUI is currently finalizing the impact of IFRS 15.

IFRS 16, Leases, specifies that lessees are to recognize leases that were traditionally recorded as operating leases in a similar way to finance leases under existing IAS 17. The effective date for IFRS 16 is on or after January 1, 2019. A formal assessment of the transitional implication to the Corporation will be completed in the future.

There are no other standards or interpretations issued, but not yet effective, that the Corporation anticipates will have a material effect on the financial statements once adopted.

**OUTLOOK**

For 2018 CUI will focus on two key strategic objectives; increasing operational efficiency and enabling growth and expansion.

In support of delivering on the objective of Increasing Operational Efficiency Management has established a series of goals, associated tactics and measures for 2018;

- Protect our people,
- Normalize Water Services financial results,
- Increase operational stability,
- Strengthen stakeholder relations, and
- Ensure efficient delivery of solid waste programs.

In support of delivering on the objective of Enabling Growth and Expansion, Management has established the following series of goals and associated tactics and measures for 2018;

- Delivery capital program on time and within approved budget envelop,
- Ensure long term financial sustainability, and
- Minimize financial risk.