

Minutes

Board meeting	Public session
Date	7 March 2023
Venue	Watercare Services, Level 3 Boardroom, 73 Remuera Rd, Remuera and via Microsoft Teams
Time	9:45am to 11:12am

Attendance		
Board of Directors	Watercare staff	Guests
Margaret Devlin (Chair) Hinerangi Raumati-Tu'ua Nicki Crauford Julian Smith Frances Valintine Brendon Green Graham Darlow	Dave Chambers (Acting CE) Jamie Sinclair (Chief Corporate Services Officer) Mark Bourne (Chief Operations Officer) Amanda Singleton (Chief Customer Office, for items 1 to 7) Nigel Toms (GM Risk, Quality and Assurance, for items 7 and 8) Bronwyn Struthers (Head of Health, Safety and Wellbeing, for items 1 to 7) Sumed Ingrole (Internal Audit Manager, for items 1 to 8) Emma McBride (Head of Legal and Governance) Pinaz Pithadia (Legal and Governance Advisor) Via Microsoft Teams Sarah Phillips (GM-People & Capability, for items 1 to 7) Kuiarangi Paki (Senior Lead & Strategic Advisor, for items 1 to 7)	Councillor Wayne Walker, Ward Councillor, Albany Ward, Chair CCO Direction and Oversight Committee (for items 7 to 12) Trudi Fava, CCO Programme Lead, Auckland Council Via Microsoft Teams Brian Coman, Regional New Business Manager, Seipp Construction Limited

1.	<p>Opening karakia</p> <p>Brendon Green opened the meeting with a karakia. Brendon and the Chair thanked the team for their efforts in organising the recent dawn blessing to mark the completion of the \$128m upgrade of the Pukekohe Wastewater Treatment Plant (WWTP). The project involved Watercare working closely with mana whenua.</p> <p>Meeting administration</p> <p>The Chair referred to the NZ Herald article <i>‘The secret life of: An Auckland sewage worker’ by NZ Herald</i> and noted that this was a great example of the mahi our staff do every day to keep our services running.</p> <p>The Chair acknowledged the hard work done by staff to respond to both the Auckland Anniversary weekend floods and Cyclone Gabrielle.</p> <p>The Chair welcomed Brian Coman, a member of the public and Trudi Fava, CCO Programme Lead, Auckland Council to the meeting. The Chair noted that Councillor Wayne Walker, Ward Councillor for Albany Ward, Chair CCO Direction and Oversight Committee will join the meeting from around 10am.</p>
2.	<p>Apologies</p> <p>Apologies were received from Councillor Ken Turner, Watercare’s Lead Councillor as he has a diary conflict with Auckland Council’s Regulatory and Safety Committee meeting.</p>
3.	<p>Quorum</p> <p>The Chair confirmed that a quorum was established.</p>
4.	<p>Declaration of any conflicts of interest</p> <p>No conflicts of interest were noted.</p>
5.	<p>Minutes of the previous meeting</p> <p><i>The Board resolved that the minutes of the public session of the Board meeting held on 8 February 2023 be confirmed as true and correct.</i></p>
6.	<p>Public deputations</p> <p>The Chair noted that there were no public deputations. However, Brian Coman, Regional New Business Manager of Seipp Construction Limited, was attending the meeting as an observer.</p>

7.	<p>Chief Executive's report</p> <p>The CE introduced the report. The CE highlighted the following key topics from the report.</p> <p><i>Current significant issues</i></p> <ul style="list-style-type: none"> • A separate flood response recovery team consisting of people leaders from various areas of the business has been set up. We plan to work collaboratively with Auckland Council and other utilities who are also carrying out repair work to ensure we minimise disruption to communities, and where possible, only dig once. • Last week we deployed five water engineers to Napier to support the recovery in Hawkes Bay. This allowed those workers in the district to have some days off and rest after working 7 days a week since the cyclone. • Our Muriwai Water Treatment Plant (WTP) has been red stickered. Also, 150 of the 206 properties that Watercare normally supplies in Muriwai have been red stickered or cannot be occupied. We have an interim solution in place to maintain water supply to remaining customers. • The company plan has been reframed to ensure we focus on our core priorities. The Board will be presented with a deep dive dedicated to each of the five core priorities starting from next Board meeting. • The DIA's National Transition Unit has shared a draft high-level organisation design for the four entities across New Zealand. This has caused some confusion and uncertainty for our people. People managers are working closely with their teams to support our people through this period of significant change. <p><i>Key performance measures</i></p> <ul style="list-style-type: none"> • Controllable costs are on track for budget. All storm and cyclone related costs will be ringfenced for insurance and reporting purposes. <p><i>Effective and reliable delivery of services</i></p> <ul style="list-style-type: none"> • We have provided Auckland Council with an initial estimate of at least \$250 million to repair our network following the flood events and an upper estimate of \$460m for repair and adaptation where necessary. • In response to a query from the Board regarding flood/storm impacts on our current programmes of work, Mark Bourne noted that we are responding first to emergency/temporary repairs caused by landslips. We have around 125 projects to prioritise, (a process that will take about six weeks), and then we will start designing permanent repairs (e.g. in areas where like-for-like cannot be built as the land has significantly changed or disappeared due to slips). • The CE noted that the repair works due to floods have not impacted capital projects that are already underway. • In response to a query from the Board regarding the integrity of dams, Mark noted that as a part of our Dam Safety Management Programme, after any storm event, dam safety surveillance is being undertaken by a dam safety specialist within 48 hours. Our dams performed as expected during the extreme weather and remain in a stable condition.
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- The Board had a discussion with Mark regarding how our dams operate and how they are designed to carry us through droughts, and do not provide flood protection. At the request of the Board, Mark will provide a more detailed update on our dams at a future Board meeting.
- Mark also noted that there has been concern from Onehunga residents regarding the flooding in that area. Onehunga was built on a natural spring. The large amount of flooding in the area was due to groundwater becoming artesian (i.e. rising to the surface). The flooding in Onehunga was not caused by Watercare turning off the WTP last year.

Stakeholder

- The CE noted that the title of section 5.2 of the report should have noted Te Rua Whetū's secondment to the NTU, which is putting some of the good work already done at Watercare at risk.
- The Board requested an update on the work Te Rua Whetū is doing for Watercare, including Te Mana O Te Wai, at the next Board meeting.

Risk and compliance update

- A mediation session with various community members for the Huia Water Treatment Plant Replacement Project has been postponed to May 2023.
- We have fully engaged with the neighbours to attempt to resolve their issues. It has been more than six years since the Board decision to proceed with the selected site, and the new plant will not be ready until at least 2030. At the May Board meeting, Management will provide an update on this project.

Our people and our customers

- At the people deep dive session in April 2022, the Board would like a breakdown by department of staff turnover, and any insights we have into people leaving to do reform related work either at DIA or other entities.
- In response to a query from the Board regarding the trends in the customer net satisfaction score and community trust score, Amanda Singleton noted that the customer net satisfaction score (whilst still within our targets), started trending downwards before the Auckland Anniversary Weekend floods. This is mainly because our contact centre has fewer staff, and they are dealing with a higher number of calls.

Health, safety and wellbeing

- The CE noted that at future Board meetings, business leaders will attend the Board meetings to provide insight into any critical injuries that are included in the report.
- Bronwyn Struthers provided the Board with a presentation on Watercare's health, safety and wellbeing metrics over the last few years (attachment 1).

	<ul style="list-style-type: none"> Bronwyn highlighted the following key topics: <ul style="list-style-type: none"> <u>TRIFR (Total Recordable Injury Rate)</u>: There has been a sharp increase since 2019. This is due to the improved transparency and reporting. Therefore, the numbers are now more accurate than they were in the past. <u>Lost Time Injury Frequency Rate (LTIFR) vs TRIFR</u>: Of the injuries that require a doctor, half require time off work. We are working with Green Cross Health. Their occupational physicians are working with us to understand the different type of roles we have at Watercare which will ensure our people are less likely to require time off during their recovery process. <u>Injury breakdown</u>: Around 75% of incidents do not require a doctor's visit. <u>Injury breakdown by business units</u>: MSN has a higher injury rate compared to other parts of the business. Work with the MSN leadership team (many of whom are new to leadership positions, having been promoted up from trade positions), is ongoing, and is starting to show results. The bottom line on the graph reflects high potential injury events, which is zero for most months. <u>Injury costs and Lost time</u>: Since we became self-insured in 2019, our costs have significantly decreased. In addition to that, the number of days that people have been away from work due to injuries has significantly decreased. In 2021, we introduced our early intervention programme to reduce the likelihood of bigger injuries. Muscular-skeletal injuries are our main cause of harm. We are using internationally recognisable physio tool to understand the sources of injuries and the causes. The issue is a combination of many things, including pre-existing injuries in 30% of cases. We are now undertaking a comprehensive integrated approach to uncover pre-existing injuries before we hire new staff, so this can be managed once they are employed and on the tools. MSN also has a physio visiting them two times a week as part of our early intervention programme. <p>Service strikes</p> <ul style="list-style-type: none"> In New Zealand, there is no consistent training around service strikes and no unit standards or qualifications that workers can obtain for working around utilities (e.g. water/ gas/ electricity/ fibre etc.) Bronwyn is a part of the group who is engaged in developing qualification pathways. The Board supported Watercare's further involvement in working with the industry to develop a national standard qualification in this area. <p><i>The Board noted the report.</i></p>
8.	<p>Conflicts of interest policy</p> <p>Nigel Toms introduced the report and noted the policy had been reviewed by the Audit and Risk Committee (ARC) meeting held on 3 February 2023.</p> <p>The Board requested that the first paragraph of Clause 7 be amended to clarify that this process relates to Watercare staff (excluding Board members / Executive).</p>

	<p>The Board accepted ARC's recommendation to approve the Conflicts of Interest Policy subject to minor amendments discussed at the Board meeting.</p>
9.	<p>Board planner</p> <p>The Board planner is to be updated to include deep dives dedicated to each of the five core priorities starting from next Board meeting. The deep dives will focus on issues and risks related to our core priorities. The first deep-dive will cover off our people. Three Waters Reform will be a standing agenda item.</p> <p>The Board noted the Board planner.</p>
10.	<p>Directors' meeting attendances</p> <p>The Board noted the report.</p>
11.	<p>Disclosure of Directors' and Executives' interests</p> <p>Emma McBride noted that Julian Smith's interests were not included in the Directors' interests register due to an oversight.</p> <p>Julian's interests are as follows:</p> <ul style="list-style-type: none"> • Advisory Board Member Vadacom Limited • Board Trustee, Look Good Feel Better Trust • Director and Shareholder of JTB Enterprises Limited • Committee member of Institute of Directors, Auckland Committee • Chair, Institute of Directors Te Tai Tokerau, Northland Sub-Committee • Committee member of Body Corporate Chairs Group NZ, Auckland Committee • Body Corporate Chair, The Residences, Auckland • Body Corporate Committee member, The Connaught Residential Apartments, Auckland • MyCareerBrand. <p>The Board noted the report.</p>

12.	<p>General business</p> <p>Councillor Walker asked for an update on the flood response. The Chair noted that an update had been provided before he arrived, and that a governance structure has been established specifically for recovery. Where appropriate, Watercare is working collaboratively with Healthy Waters through joint operational review meetings.</p> <p>The meeting closed at 11:12am.</p>
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CERTIFIED AS A TRUE AND CORRECT RECORD

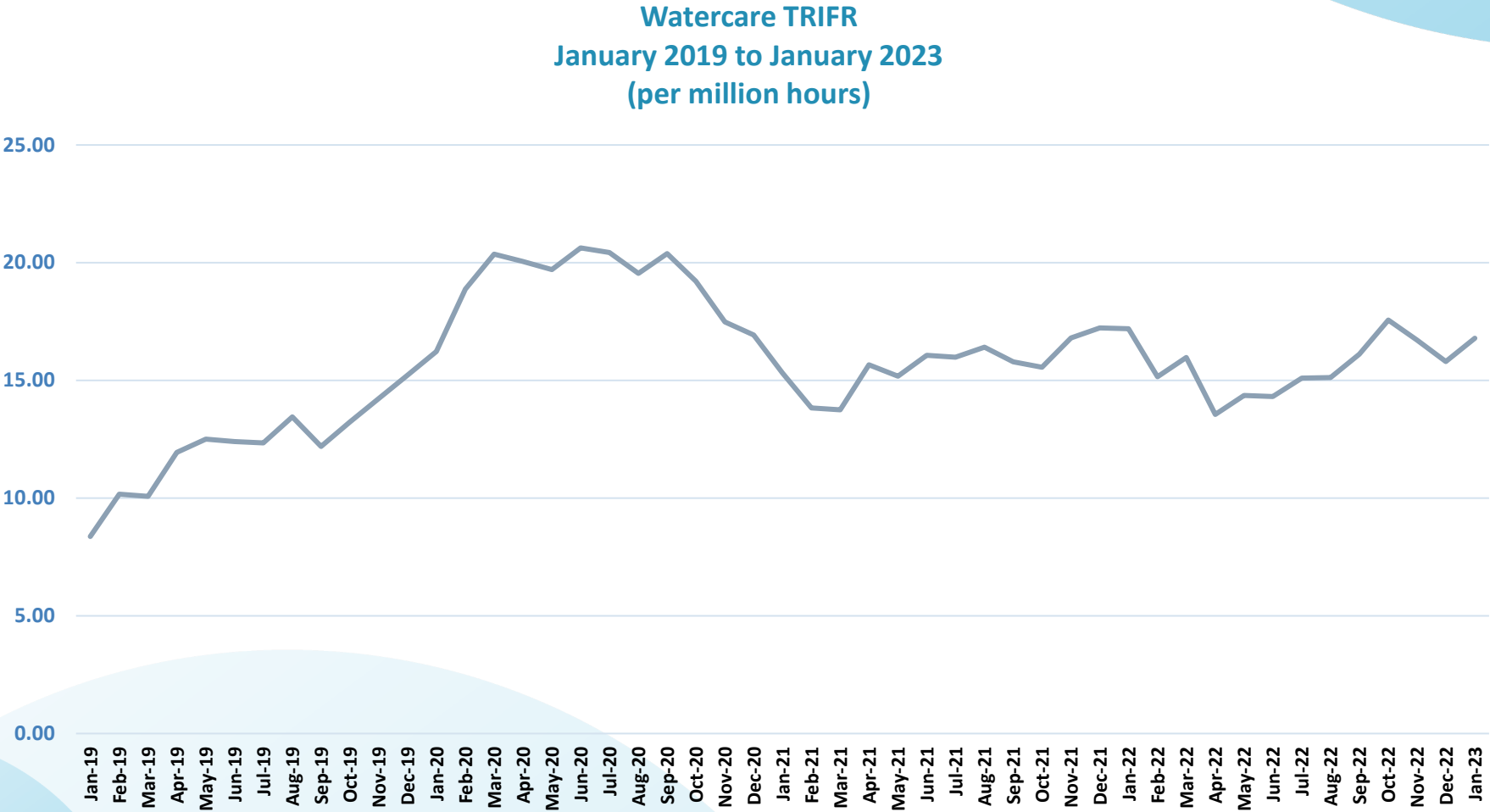
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Margaret Devlin, Chair

Board HSW Update

7 March 2023

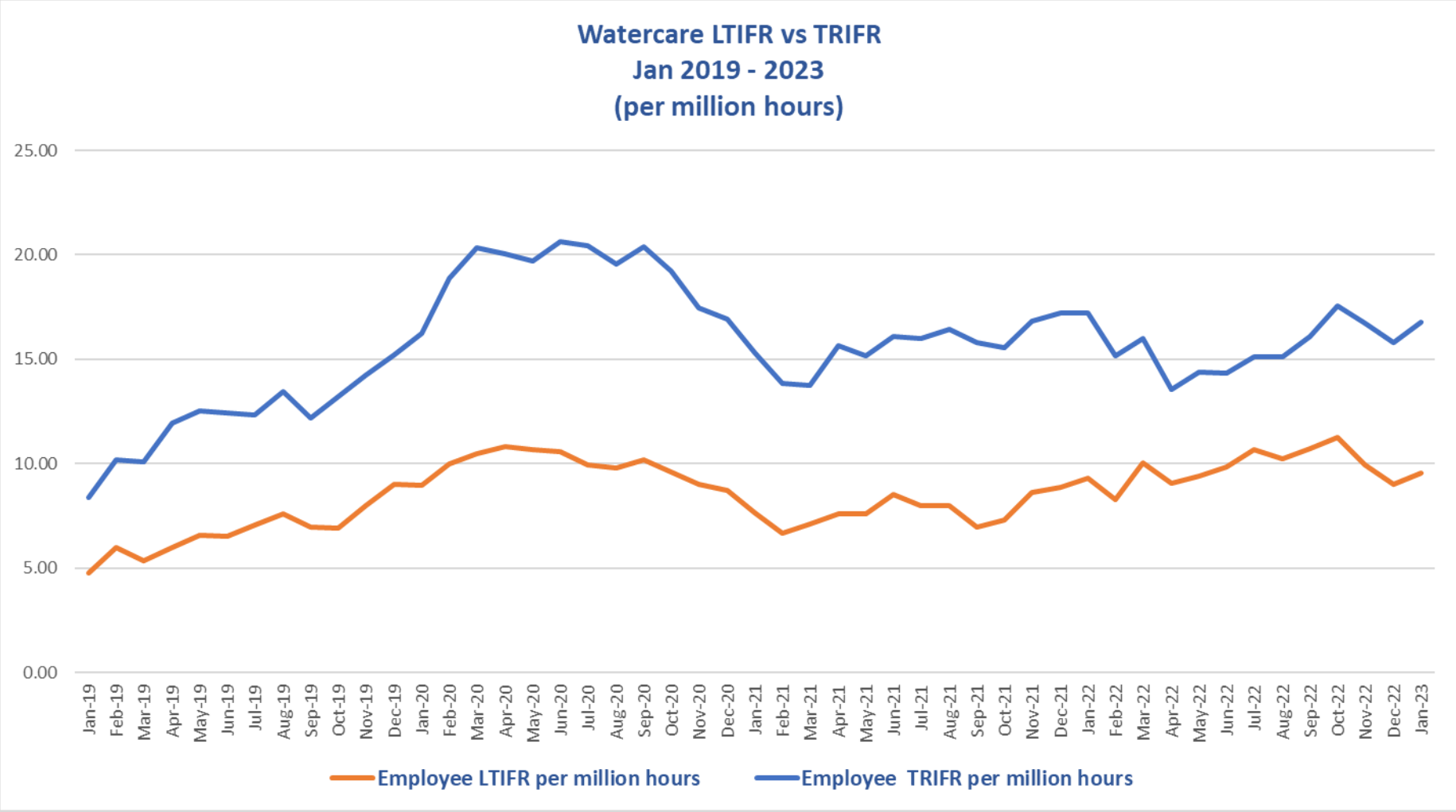


Total Recordable Injury Rate (TRIFR)



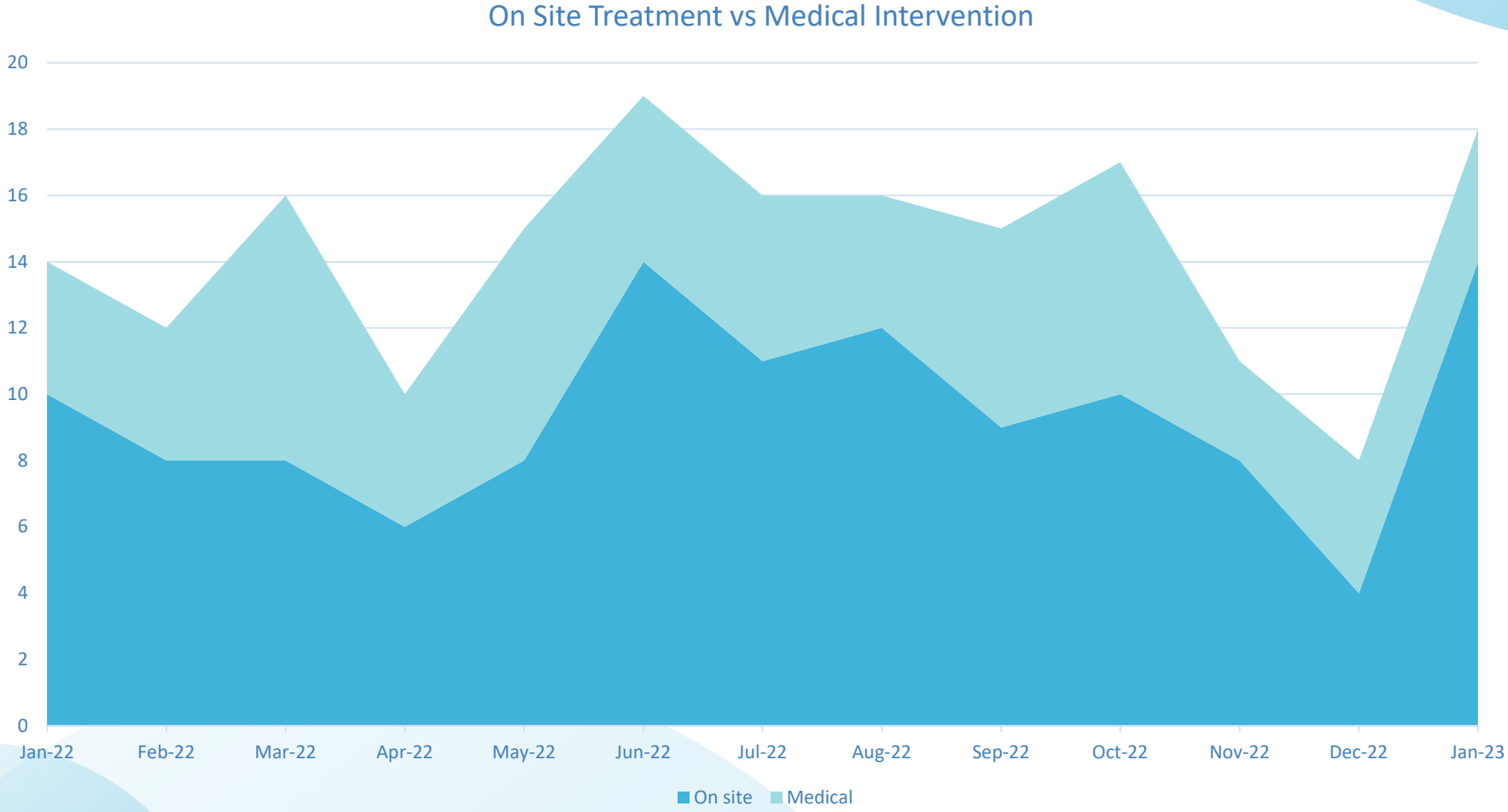


Lost Time Injury Frequency Rate (LTIFR) vs TRIFR



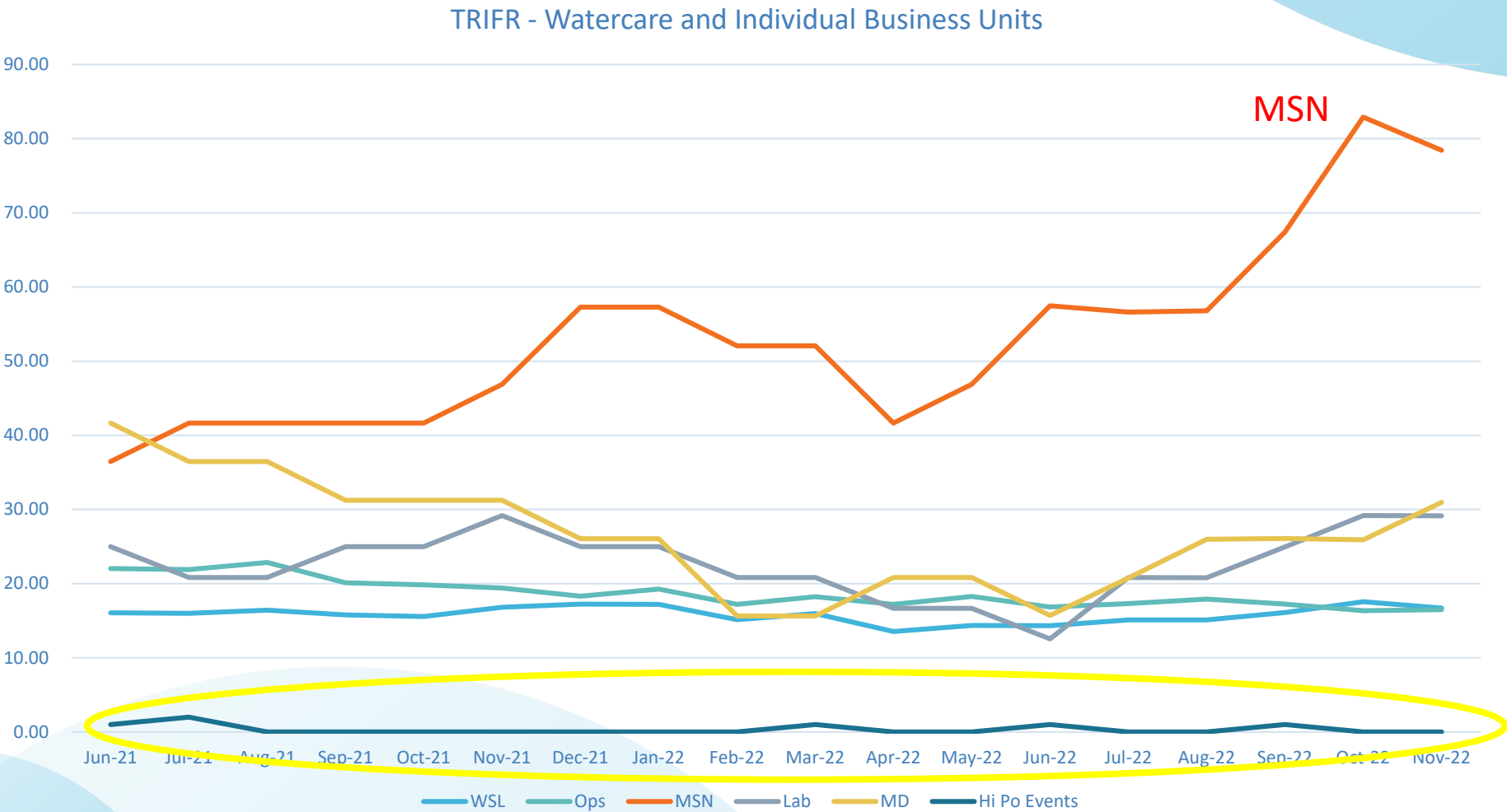


Injury Breakdown





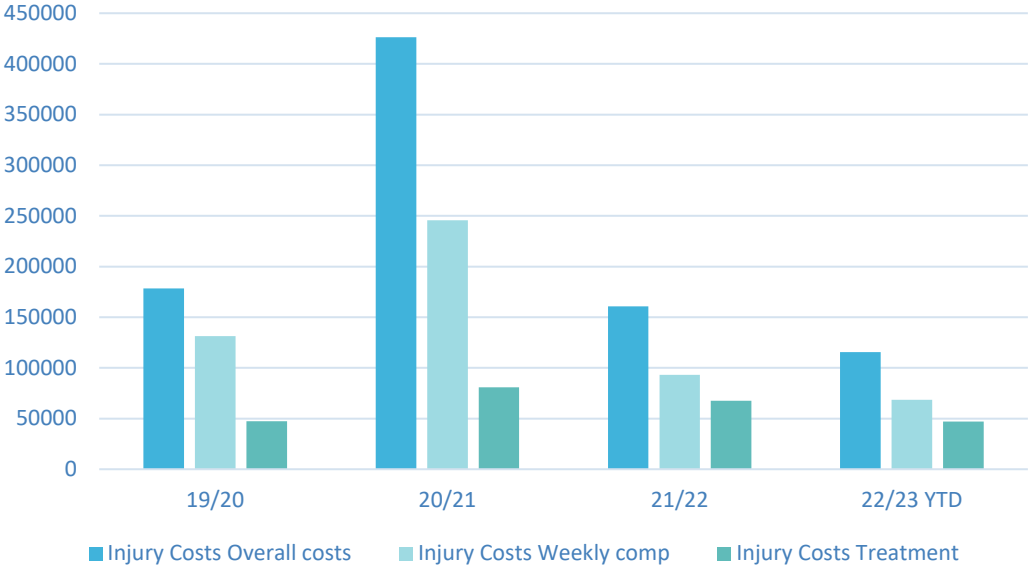
Lost Time Injury Frequency Rate (LTIFR) vs TRIFR





Injury Costs and Lost Time

Injury Costs



Lost Days

