

## WATERCARE SERVICES LIMITED

<b>AGENDA</b>	<b>BOARD MEETING</b>	<b>Thursday 20 February 2020</b>
<b>Venue</b>	Watercare Services Limited, Level 3, 73 Remuera Road, Newmarket	
<b>Time</b>	9am	

*Open Public Meeting*

Item	Spokesperson	Action sought at governance meeting	Supporting Material
<b>1 Apologies</b>	Chair	Record apologies	
<b>2 Minutes of Meeting</b>	Chair	Approve Board Meeting Minutes 28 January 2020	<a href="#">Board Minutes 28 January 2020</a>
<b>3 Disclosure of Directors' Interests</b>	Chair	For noting	<a href="#">Report</a>
<b>4 For discussion</b>			
4.1 Update from Auckland Council CCO Governance and External Partnerships Team	Josie Meuli, Ed Siddle, Sarah Holdem and Clarie Gomas	For discussion	<a href="#">Presentation</a>
4.2 Safety Moment	All	For sharing	Nil
4.3 Chief Executive's Report	Raveen Jaduram	For discussion	<a href="#">Report</a>
4.4 Board Committee Updates	Committee Chairs	For discussion	Nil
<b>5 For information</b>			
5.1 Presentation on current water demand and resource availability	Shane Morgan	For information	Presentation
5.2 Green Energy Strategy	Laurence Jenner	For information	<a href="#">Presentation</a>
<b>6 Directors' Corporate Governance Items</b>			
6.1 Board Planner	Chair	For noting	<a href="#">Report</a>
6.2 Disclosure of Senior Executives' Interests	Chair	For noting	<a href="#">Report</a>
6.3 Directors' Appointment Terms and Committee Memberships	Chair	For noting	<a href="#">Report</a>
<b>7 General Business</b>	Chair	For discussion	Nil
<b>Date of next meeting</b>	Tuesday 28 April 2020		
<b>Venue</b>	Watercare Services, Level 3, 73 Remuera Road, Newmarket		

# MINUTES

SUBJECT	WATERCARE SERVICES BOARD MEETING
VENUE	Watercare Services Limited, 73 Remuera Road, Remuera, Auckland
DATE	28 January 2020
TIME	11.30am
STATUS	Public Session

	<p><b>Present:</b> Margaret Devlin (Chair) Julia Hoare (Deputy Chair) Dave Chambers Nicki Crauford Brendon Green David Thomas Hinerangi Raumati-Tu'ua Frances Valintine</p> <p><b>Board intern</b> Colin Magee</p>	<p><b>In Attendance:</b> Raveen Jaduram (CE) Marlon Bridge Emma McBride Steve Webster Rob Fisher Amanda Singleton Rebecca Chenery David Hawkins Jason Glennon Anin Nama Shayne Cunis Bronwyn Struthers (from start until 12.30) Chris Thurston (for item 5.1 only) Nigel Toms (for item 5.1 only) Richard Waiwai (from 12.30 to end)</p>	<p><b>Members of the Public:</b>  Mark Baker-Jones, Special Counsel, Simpson Grierson (for Item 5.1 only)</p>
1.	<p><b>Apologies</b> Shane Morgan, Chief Operations Officer.</p>		
	<p><i>The Board dealt with item 5.1 first.</i></p> <p><b>5.1 Board Training: Climate Change duties of Directors</b></p> <p>Mark Baker-Jones, Special Counsel of Simpson Grierson's Climate Change practice, presented to the Board on the duties of directors in respect of climate change.</p> <ul style="list-style-type: none"> <li>- Mark provided the Board with a brief history of how the NZ Government has responded to climate change. Over its current term, the Government has focussed on mitigation (e.g. Zero Carbon Act, ETS, etc.). Next term, the focus will be on adaptation.</li> <li>- Companies working towards adaptation and mitigation face two main risks (which both translate into financial risks): <ul style="list-style-type: none"> <li>o Physical risks: as they transition from a high carbon to a low carbon business</li> <li>o Transitional risks: as they change the way they operate.</li> </ul> </li> <li>- The Government is also addressing how companies should report on climate change risk (e.g. the Task Force on Climate Related Financial Disclosures (TCFD)). TCFD requires companies to make full disclosure of their risks to help governments manage the financial risk of climate</li> </ul>		

	<p>change. The World Economic Forum recently released its top five risks, all of which were related to climate change.</p> <ul style="list-style-type: none"> <li>- Advice to Board members is to treat climate change as a financial risk and to realise the Board will be facing a greater level of scrutiny in the future.</li> <li>- Failure to act on climate change could result in large costs for companies, including SMEs. Funds from banks will flow to areas of low risk. Therefore, companies that have transitioned to a low carbon economy will have easier access to funds.</li> <li>- Mark reported that the newly formed New Zealand Climate Change Commission will be very involved in adaptation work and is currently preparing a risk assessment for New Zealand. A risk plan that will then be released together with an Adaptation Fund, which will be use to assist Local Government.</li> <li>- The Government is also working on a mechanism that empowers Local Government and land owners to avoid the need for litigation in this area.</li> <li>- The discussion after the presentation centred around the need to adapt, sooner rather than later. The cost of not acting is likely to outstrip the cost of adapting</li> <li>- Watercare is in a unique position as such a large operator to take the lead in this area.</li> </ul> <p>The Board thanked Mark for his presentation.</p> <p><i>Mark Baker Jones, Nigel Toms (Head of Risk and Resilience) and Chris Thurston (Head of Sustainability) departed the meeting at this point.</i></p> <p><i>The meeting then returned to item 2.</i></p>
2.	<p><b>Minutes of Previous Meetings</b></p> <p>The Board <b>resolved</b> that the minutes of the public section of the Board meeting held on 26 November 2019 be confirmed as true and correct.</p>
3.	<p><b>Review Disclosure of Directors' Interests</b></p> <p>The report was noted.</p>
4.	<p><b>For Discussion</b></p> <p><b>4.1 Safety Moment</b></p> <p>David Thomas provided a safety moment</p> <ul style="list-style-type: none"> <li>- A colleague borrowed a chainsaw to do work in his garden.</li> <li>- The chainsaw chain brushed his bare leg.</li> </ul>

- The lessons learned was that correct PPE should always be worn and not use tools you are unfamiliar with.

#### **4.2 Chief Executive's Report**

The report was taken as read. Management responded to questioning from the Board.

#### ***Health, Safety and Wellness***

- There was a robust discussion regarding this topic. The Board expressed their concern with the rising trend in LTIs and TRIFR over the last 6 to 12 months.
- Two December 2019 lost time injuries were related to back strains. One was reported late and the other involved a worker lifting slabs alone, when a two person lift was required. That worker was also on light duties and should not have been lifting anything. Bronwyn Struthers, Head of HSW, explained that both workers were keen to "get the job done". They did not want or plan to hurt themselves, but were just trying to do the right thing by the company.
- Raveen Jaduram, CE, explained that many of the injuries occurring at MSN, were as a result of workers having to cut up entire sections of footpaths (rather than just parts of the section of the footpath), in line with AT requirements. This results in additional manual labour and cutting, and also heavy lifting to remove the cut-up footpath.
- The Chair will be provided with a briefing note so she could raise this issue with the Chair of Auckland Transport.
- It was generally agreed that to reverse the trend of injuries, the company requires a culture change. This starts with a change in the conversation (less focus on following rules, more focus on caring and getting workers to ensure they protect themselves). It was also suggested that the company consider how it acknowledges and celebrate people reporting injuries when they occur, and also stopping work when the work is dangerous.
- The CE reported that we are going to be working closer with Downer, Citycare and MSN to review our response time KPIs to ensure our deadlines are not onerous so that people are not rushing.

*Richard Waiwai, Poutiaki, Tikanga Māori (Principal Advisor) joined the meeting at 12.30pm.*

*Bronwyn Struthers departed the meeting at this point.*

#### ***Water level (Boardbooks – page 34)***

- Watercare will have sufficient volumes to satisfy customer demand for water through the coming winter. This assumes continued higher abstractions from the Waikato River and no major issues with the operation of the water treatment plants at Huia and Ardmore.
- However, challenges are likely to arise if Auckland experiences a dry winter. The next long-range forecast is due in March 2020.

- In the meantime, David Hawkins, Chief Corporate Affairs Officer, reported that the company will be commencing a WATER FOR LIFE campaign on 10 February 2020. This will be encouraging our customers to be “waterwise”.
- We continue to monitor demand from those outside of Auckland (e.g. tanker operators from Northland travelling down to buy water in Auckland).
- The CE confirmed that the company has a drought management plan which determines that water restrictions will be triggered when , the dam levels are below 50%. With our current dam levels of 75%, we are not contemplating restrictions. In practice, if restrictions are imposed, this is done by Council, not Watercare.
- The Board members confirmed they would encourage other companies they were Board members of, to support the “waterwise” drive and conserve water.

***Resource Management Act compliance (Boardbooks page 37)***

- The Warkworth oyster farms involved in the incident did not suffer any financial losses. Watercare was quick to respond to the incident and has good engagement with the farmers.

***Waikato District Council (Boardbooks page 38)***

- Anin Nama, Manager Improvement Programme, reported that the WDC asset condition assessment is currently underway. Once complete, we will prepare a programme of works.

**4.3 Board Committee Updates**

***STP Committee***

- Brendon Green, Committee Chair, advised that Management are preparing a close-out report to be presented to the Committee in March 2020.

***Te Tangata Komiti***

- David Chambers, Committee Chair, reported that the next meeting of this Komiti will be on 29 January 2020.

***Committee for Climate Action***

- Brendon Green, Committee Chair, confirmed that the first meeting of this Committee would be on 18 February 2020.

***AMP & Major Capex Committee (AMCC)***

- Nicki Crauford, Committee Chair, reported that the next meeting of the AMCC is 6 March 2020.

***Audit and Risk Committee (ARC)***




- Julia Hoare, Committee Chair confirmed the ARC met earlier in the day to review the half yearly reports. A full update and recommendation to the Board will be provided in the closed session of the Board meeting.

6.	<p><b>Directors' Corporate Governance Items</b></p> <p><b>6.1 Board Planner</b></p> <p>The report was noted.</p> <ul style="list-style-type: none"> <li>- The Board will meet with Water NZ on 20 February 2020, following the Board meeting.</li> <li>- Deep dives/training sessions will be added to the agenda to align with the IoD's top five issues for directors.</li> <li>- A meeting is to be scheduled at Watercare's Hamilton office so that the Board can meet with the Waikato District Council Waters Governance Board.</li> </ul> <p><b>7.2 Disclosure of Senior Executive's Interests</b></p> <p>The report was noted.</p> <p><b>7.3 Directors' Appointment Terms and Committee Memberships</b></p> <p>The report was noted.</p>
7.	<p><b>General Business</b></p> <p>There was no general business.</p>
	<p>The meeting closed at 12.50pm.</p>

CERTIFIED AS A TRUE AND CORRECT RECORD

Margaret Devlin  
Chair

## Disclosure of Directors' interests

Purpose			Team		
Information	Discussion	Approval	Prepared	Recommended	Submitted
			<b>E McBride</b> Governance Manager	<b>R Fisher</b> Company Secretary	<b>R Jaduram</b> Chief Executive
Intellectual capital	People and culture	Community and stakeholder relationships	Financial capital & resources	Natural environment	Assets and Infrastructure
					

### 1. Purpose and context

s140 Companies Act 1993 requires all companies to keep an Interests Register, which must be disclosed to the Board of the company.

### 2. The details

Watercare Services Limited's Directors' Interests Register is set out below.

Director	Interest
Margaret Devlin	<ul style="list-style-type: none"> <li>• Director, Meteorological Services of NZ Limited</li> <li>• Director, Waikato Regional Airport</li> <li>• Director, Titanium Park (wholly owned subsidiary of Waikato Regional Airport)</li> <li>• Director, IT Partners Group</li> <li>• Director, Aurora Energy</li> <li>• Independent Chair of Audit and Risk Committee, Waikato District Council</li> <li>• Chair, Women in Infrastructure Network</li> <li>• Councillor, WINTEC</li> <li>• Councillor, The University of Waikato Council</li> <li>• Member, Audit and Risk Committee of The University of Waikato</li> <li>• Director and Chair, Lyttleton Port Company Limited</li> <li>• Director, Infrastructure New Zealand</li> <li>• Chartered Fellow, Institute of Directors</li> <li>• Member, Institute of Directors, Waikato Branch Committee</li> </ul>
Julia Hoare	<ul style="list-style-type: none"> <li>• Director, AWF Madison Group Limited</li> <li>• Deputy Chair, The a2 Milk Company Limited</li> <li>• Director, The a2 Milk Company (New Zealand) Limited</li> <li>• Director, Port of Tauranga Limited</li> <li>• Director, Auckland International Airport Limited</li> <li>• Director, Meridian Energy Limited</li> <li>• Chair, Auckland Committee, Institute of Directors</li> <li>• Member, Advisory Panel to External Reporting Board</li> <li>• Vice President, Institute of Directors National Council</li> <li>• Member, The Sustainable Finance Forum Leadership Group</li> </ul>

Director	Interest
Nicola Crauford	<ul style="list-style-type: none"> <li>• Director, Environmental Protection Authority (EPA)</li> <li>• Member of Electoral Authority, Cooperative Bank Limited</li> <li>• Director and Shareholder - Riposte Consulting Limited</li> <li>• Chair, GNS Science Limited</li> <li>• Independent Chair, Joint Governance Board, Chorus and Visionstream UFB Connect.</li> <li>• Director, Pioneer Energy Limited</li> <li>• Board member - Kāinga Ora - Homes and Communities</li> <li>• Director – CentrePort Limited Group</li> </ul>
David Thomas	<ul style="list-style-type: none"> <li>• Chair, Ngāti Whakaue Tribal Lands Inc.</li> <li>• Chair, Gypsum Board Manufacturers of Australasia</li> <li>• Shareholder / Employee, Fletcher Building Limited</li> <li>• Director, New Zealand Ceiling &amp; Drywall Supplies Limited</li> <li>• Chair, Altus NZ Limited</li> <li>• Director, Winstone Wallboards Limited</li> </ul>
Brendon Green	<ul style="list-style-type: none"> <li>• Director, Kaitiaki Advisory Limited</li> <li>• Director, Tainui Kawhia Incorporation</li> <li>• Director, Peak2Peak Limited</li> <li>• Executive Director, Advanced Biotech NZ Limited</li> <li>• Economic Portfolio Executive, Te Rūnanganui o Ngāti Hikairo</li> <li>• Management contract, Tainui Kawhia Minerals</li> <li>• Advisor, Meterme</li> <li>• Australia-NZ representative, Wattstock LLC (USA)</li> <li>• Representative of Waipapa Marae, Kawhia, Te Whakakitenga o Waikato Tainui</li> <li>• Runanga Manukau Institute of Technology - Te Whakakitenga o Waikato representative</li> </ul>
Hinerangi Raumati-Tu'ua	<ul style="list-style-type: none"> <li>• Chair, Parininihi Ki Waitotara Incorporated</li> <li>• Trustee, PKW Trust</li> <li>• Chair, Ngā Miro Trust</li> <li>• Chair, Nga Kai Tautoko Limited</li> <li>• Chair, Te Kiwai Maui o Ngaruahine Limited</li> <li>• Director, Taranaki Iwi Holdings Management Limited</li> <li>• Director, Aotearoa Fisheries Limited</li> <li>• Director, Sealord Group Limited</li> <li>• Director, Port Nicholson Fisheries GP Limited</li> <li>• Director, Te Puia Tapapa GP Limited</li> <li>• Director, Tainui Group Holdings Limited</li> <li>• Executive Member, Te Whakakitenga O Waikato</li> <li>• Member, Venture Taranaki.</li> </ul>
Dave Chambers	<ul style="list-style-type: none"> <li>• Director, Chambers Primary Holdings Limited</li> <li>• Director, Paper Plus New Zealand Limited</li> </ul>
Frances Valintine	<ul style="list-style-type: none"> <li>• Board member, Callaghan Innovation</li> <li>• Director and CEO, The Mind Lab Limited</li> <li>• Director and CEO, Tech Futures Lab Limited</li> <li>• Director, Harcourt Jasper Limited</li> <li>• Director, Pointed Tangram Limited</li> <li>• Director, Harper Lilley Limited</li> <li>• Director, On Being Bold Limited</li> <li>• Director, Sandell Trustees Limited</li> <li>• Selection Advisor, Edmund Hillary Fellowship</li> <li>• Trustee, Dilworth Trust Board</li> <li>• Futures Advisor, BNZ Bank</li> </ul>



Director	Interest
Colin Magee (Board intern)	<ul style="list-style-type: none"><li>• Chair, Ākau Ltd and Ākau Foundation</li><li>• Member, Advertising Standards Complaints Board</li><li>• Contractor, College of Law</li><li>• Director, C Magee Limited</li><li>• Director, MyCap Limited</li><li>• Director, MyCap Markets Limited</li><li>• Member, Te Ārai Tūpono (Audit and Risk Committee) of Te Wānanga o Aotearoa</li></ul>



# Board Intern Programme

## Auckland's council-controlled organisations (CCOs)

## Context for board intern programme

- council keen to see CCO boards reflect the diversity of Auckland's communities
- board appointments process places value on bringing in different perspectives
- board intern programme is a way in which council can provide opportunities for developing future directors
- builds council's pool of potential future directors.

## Purpose of board intern programme

- support a diverse range of aspiring future directors
- provide skills and knowledge of the boardroom experience
- create a pipeline of 'future' directors for Auckland organisations and companies (especially Council!).

## Council's expectations of each board intern

- sign and abide with the CCO confidentiality agreement
- attend all monthly board meetings and other sub-committee meetings
- contribute and add value into board meetings
- participate in the board performance review
- present to the CCO Oversight committee to feedback on the intern programme
- must reside in Auckland.

## Role of CCOs with the board intern / programme

- prepare an 18-month programme (1 July 2020 – 31 December 2021)
- prepare the “rules of engagement” (agreement for intern and board)
- appoint a senior director to mentor the intern in a structured way
- set agreed targets and goals for each intern (with final review).

## Council's role in the board intern programme

- coordinate the search, shortlist and interview process for five board interns
- ensure there is increasing diversity across nominations and applications
- collaborate with each CCO to ensure interns have appropriate generic and specialist skills
- act as liaison with council committees as appropriate.

## Report to the Board of Watercare Services Limited

Prepared for the 20 February 2020 Board meeting



## Chief Executive's report for January 2020

### HIGHLIGHTS AND LOWLIGHTS

#### 1. Health, Safety & Wellness (HSW)

- In January 2020 there were two Lost Time Injuries (LTI); three Medically Treated Injuries (MTI) involving Watercare employees; and three close calls.
- There was one Medically Treated Injury (MTI) and two close calls involving a contractor in January 2020.
- The rolling 12-month Lost Time Injury Frequency Rate (LTIFR) for employees is 8.95 per million hours, exceeding our target of  $\leq 5$ .
- The rolling 12-month Total Recordable Injury Frequency Rate (TRIFR) for employees is 16.23 per million hours, remaining below our target of  $\leq 20$ .
- Watercare has collaborated with WorkSafe to produce a HSW induction video for the CI.
- The HSW team has introduced an initiative to address manual handling hazards and injuries.
- The HSW team is engaging with infrastructure contractors to deliver a "Starting 2020 Safely" message.

#### 2. SOI measures

- We measure 13 of our 16 SOI targets monthly. All of these measures are meeting their targets. The SOI targets for real water loss and non-revenue water will be reported in March 2020, as the consumption data needs to be finalised and checked in our new billing and customer system, IPS. The average consumption of drinking water per day per resident is tracking above our targets.

#### 3. People, Capability and Learning:

- The percentage of voluntary leavers and absences due to illness all remain below our limits.
- The number of FTEs remains below our budget.



**4. Customer service:**

- **E-billing:** In January, customers receiving e-bills instead of posted invoices rose from 56.9% to 60.3%.
- **NPS:** Continues to track at 50 (12 month rolling average).
- **Customer Satisfaction:** Continues to track at 76.1%, a great result despite the switchover to the new IPS customer and billing system, which has some technical issues that still have to be resolved. We expect this score to be adversely impacted in February 2020 as we resolve some technical issues with the new IPS system.
- **Complaints:** Remain stable and within our service level agreement at 96.3%. With changes to IPS, we have identified that our people need to be re-trained to ensure consistent capture and closure of complaints. This process is underway.

**5. Community and stakeholder relationships:**

- **Local Board engagement:** January and February 2019 has seen our teams working closely with rural Local Board to explain the current water supply situation involving tanker filling stations.
- **Waikato District Council (WDC):** In January 2019, Watercare achieved all of its KPIs and there were no significant outages.
- **Risk Support to the Public Utilities Board (PUB) Singapore:** We have been approached by the Public Utilities Board (PUB) of Singapore to assist with the development of their Enterprise Risk Management capability. This includes guiding on the development of a tailored Enterprise Risk Framework, business unit and Board level risk reports and discussions on approaches to specific risks.
- **Kāinga Ora Urban Development Bill:** Watercare has filed a submission to the Urban Development Bill.
- **Lutra:** On 24 January 2020, Watercare became a 67% shareholder of Lutra, a software and process engineering company focussed on the water and wastewater industries.
- **Communications snapshot:** A snapshot of external media, internal, customer and stakeholder communications is included in this report.

**6. Natural Environment**

- **Water outlook for February 2020:** Through judicious abstractions and operational decisions across our water sources, there will be sufficient water resources for this summer and autumn (dam levels are currently 70%). With high peak demands, our headroom is reducing. This means we operate our plants close to full capacity and have less ability to deal with outages such as power outages or maintenance requirements. The 'Water is precious' campaign has been launched to help reduce peak demand through increasing water efficiency from Aucklanders.
- **Resource Management Act Consent Compliance:** Watercare currently holds 489 consents across Auckland and Waikato. Of these, 188 relate to water takes or discharges to water, air, or land. Water takes and discharges are the activities most likely to have non-compliances. In January 2020, 14 of our 188 active discharge and take consents across Auckland and Waikato were technically non-compliant; 13 under Auckland Council and one

under Waikato Regional Council. Two non-compliances were Category 3 (both in Auckland). One non-compliance is Category 4 (Helensville in Auckland).

## FUTURE OUTLOOK

### COVID-19 CORONAVIRUS

- We have convened a team to consider Watercare's risk and response to COVID-19. The team will consider health and operational risks to staff, contingency on absence from work, supply chain risks and mitigations, and potential financial impacts.

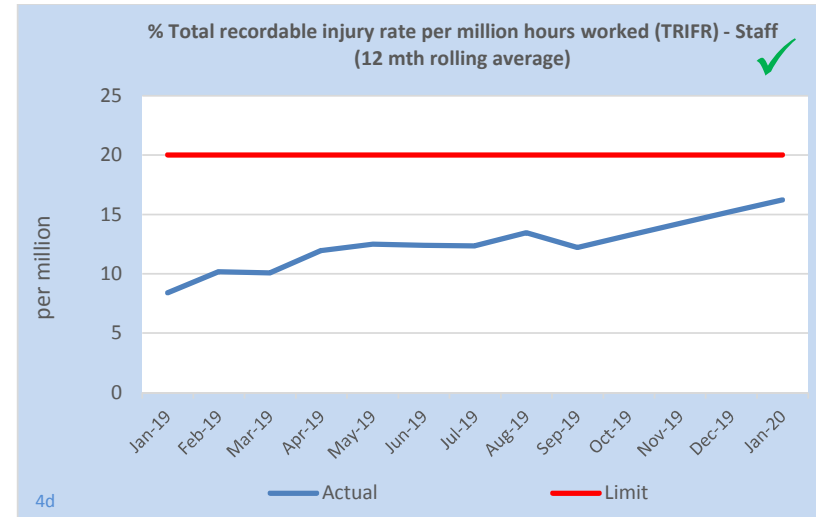
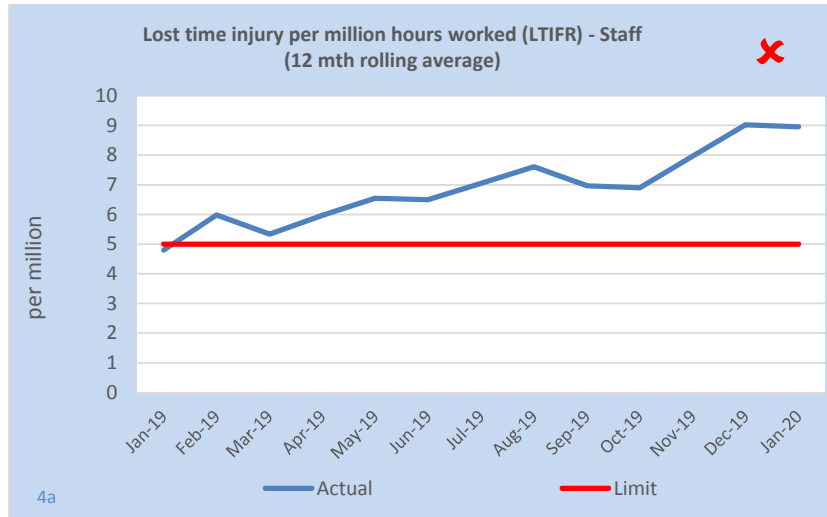
### Upcoming Board activity

- Committee for Climate Action Meeting – 18 February 2020
- February Board meeting – 20 February 2020
- Celebration at Māngere - the CI's underground stage commencing – 24 February 2020
- Board catch up – 27 February 2020
- Board Strategy Day – 28 February 2020
- Board's health, safety and wellness induction and site visits – Central Interceptor Project – 26 March 2020.
- Board Marae visit – 30 March 2020 (TBC)
- April Board meeting – 28 April 2020



Raveen Jaduram  
**Chief Executive**

## 1. HEALTH, SAFETY &amp; WELLNESS UPDATE



Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
Watercare LTI  Ops – Mtn Delivery 6824 07/01/20	No – Fall on the same level  Three days off work	A worker was walking to inspect a job when he stood on edge of hole in the garden and rolled his ankle.	<ul style="list-style-type: none"> <li>Grassed areas have the potential to have hidden holes and trip hazards that may not be easily seen</li> </ul>	<ul style="list-style-type: none"> <li>The hole was back-filled to eliminate the hazard</li> <li>Worker's footwear did not provide appropriate ankle support – worker's footwear to be replaced</li> </ul>

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
Watercare LTI  6992 15/01/20	No - Manual Handling  Two days off work	Whilst lifting a steel bar a worker felt a twinge in his shoulder and back. He kept working, stretching during the task and reported to his supervisor.  He took muscle relaxants that night and slept well but experienced significant pain and discomfort the next morning.  He went to the doctor and was deemed fully unfit for two days.	<ul style="list-style-type: none"> <li>Muscle injuries can escalate, and early treatment supports effective recovery and management</li> </ul>	<ul style="list-style-type: none"> <li>All workers have been reminded of the importance of early reporting and early treatment</li> <li>Worker completed online PROVENTION manual handling course</li> <li>Watercare's manual handling report 'The Industrial Athlete' will be delivered to the Executive on 25 February 2020</li> </ul>
Watercare MTI  7070 17/01/20	No – Fall on the same level  Follow-up testing required	A worker was rushing to a meeting when she tripped over, hurting her shoulder and arm.  The worker was taken to her GP, examined and provided with pain management medication, a sling and dressing, and she returned to work the next day.	<ul style="list-style-type: none"> <li>Rushing can lead to distraction and increase the likelihood of incidents</li> </ul>	<ul style="list-style-type: none"> <li>The area was reviewed, and no trip hazards were found</li> <li>Coaching on the injury management process was provided to the worker's team leader</li> </ul>
Watercare MTI  7213 22/01/20	No – Manual Handling	While pulling out a meter box, a worker strained his back.  He was assessed at the medical centre and was deemed unfit for work for one day.	<ul style="list-style-type: none"> <li>Early treatment led to a quick recovery time</li> </ul>	<ul style="list-style-type: none"> <li>Worker completed online PROVENTION manual handling course</li> </ul>
Watercare MTI  7321 29/01/20	No – Hitting an object with part of the body  MTI – No time off work	A technician was working in a valve chamber at Scott Rd Reservoir. As he stood up, his helmet became dislodged and he hit his head on the pipework, resulting in a deep cut.  The cut was stitched at the medical centre and he returned to work the next day.	<ul style="list-style-type: none"> <li>When designing and building, safety of those operating and maintaining plant must be considered</li> <li>PPE must be appropriate for the task</li> </ul>	<ul style="list-style-type: none"> <li>The JSA and job site have been reviewed</li> <li>Alternative helmets are being investigated</li> </ul>

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
Contractor MTI  10/01/20	No – Manual Handling  MTI – No time off work	A worker was unloading scrap metal at the recycling site. A sharp edge of a piece of metal cut through his gloves and lacerated his finger.  The worker was taken to hospital where the cut was examined and stitched.	<ul style="list-style-type: none"> <li>Assess the risks involved with all tasks no matter how trivial or routine</li> </ul>	<ul style="list-style-type: none"> <li>No formal risk assessment conducted prior to task</li> <li>Risk assessment required for all tasks</li> <li>We are currently reviewing the gloves used across the business to ensure all workers have appropriate gloves for all of the tasks they do.</li> </ul>

**SIGNIFICANT INCIDENTS/HAZARDS/CLOSE CALLS**

There were three significant incidents in January 2020.

Worker, type of incident and location	Description of injury/incident	Our learnings	Corrective Action Recommendations
Member of the public – Struck by stone  7361 30/01/20	<p>During reinstatement work, a hose fitting failed. The hose sprayed high pressure water, causing a stone to fly outside site barricades. The stone hit a passing pedestrian in the back.</p> <p>The worker apologised to the pedestrian who said he was fine and did not want to leave his details.</p>	<ul style="list-style-type: none"> <li>Proactive and caring response led to a positive outcome with the member of the public</li> </ul>	<ul style="list-style-type: none"> <li>The broken fitting was inspected and replaced. Other fittings of this type across the team have been inspected to ensure they are functioning correctly</li> <li>The team have reviewed the JSA and barricading distances and contingency management for equipment failure</li> </ul>

Worker, type of incident and location	Description of injury/incident	Our learnings	Corrective Action Recommendations
Contractor Close Call  08/01/20	Fall from Height:  A steel fixer climbed from an Elevated Work Platform to the top of the wall, 4m from the floor. A harness was worn but the lanyard was not tethered during the transition.  Work was stopped	<ul style="list-style-type: none"> <li>Training competency does not always mean learning will be applied.</li> </ul>	<ul style="list-style-type: none"> <li>Supervisor reviewed worker's Height Safety competency which was current</li> <li>All workers discussed the incident and the Work Instruction was reviewed and amended before work was re-started</li> <li>Watercare HSW BP spent time on site with site leadership team to review HSW practices</li> </ul>
Contractor Close Call  22/01/20	Suspended Loads:  The work crew were planning to lift shutters without the correct lifting equipment.  Work was stopped	<ul style="list-style-type: none"> <li>Managing the 'Get it done' attitude requires ongoing reinforcement</li> </ul>	<ul style="list-style-type: none"> <li>Project Engineer discussed the hazards and risks and the need to follow the plan with the work crew</li> <li>Correct lifting equipment was sourced and used to complete the job safely</li> </ul>

## 2. HEALTH, SAFETY & WELLNESS CONT.

### WorkSafe Engagement

The Watercare Communications Team worked closely with WorkSafe to produce an induction video that reinforces HSW roles and responsibilities and highlights the collaborative relationship fostered between WorkSafe, the CI and GAJV teams.

<https://vimeo.com/389889880>

### Maintenance Delivery (MD) – Manual Handling

The MD HSW Committee has implemented an initiative to address manual handling hazards and injuries in their workplace.

Richie Patterson (NZ Weight Lifting Champion) has been engaged to conduct a series of workshops for the team focused on injury prevention techniques, back care, nutrition and hydration.



### Infrastructure Delivery

In January, the HSW team visited infrastructure project sites to engage with contractors and deliver a 'Starting 2020 Safely' message:

- Communication and Sharing  
*Clear and planned communication between Watercare and contractor*  
*No 'scope creep'*  
*Share learning and celebrate the positives*
- Is the work safe to start?  
*Safe to start is even better than stopping unsafe work*
- Refocus and Review Risk  
*Review regular tasks*  
*Stop and refocus when things change*

# Watercare HSW Plan on a Page FY20

**01 Characteristics**  
Internal and External

1. Customer Focus
2. Innovative
3. Leadership Excellence

**02 People**  
1-2 years

1. Flourishing
2. Capable
3. Confident

**03 Key strategic Priorities**  
Next 3 Years

Grow Capability  
Embed Wellbeing as a business priority  
Make HSW easy  
HSW Leadership

	#01 Wellbeing	#02 Systems	#03 Operational HSW	#04 Projects	#05 Leadership
Leadership Behaviours	<ol style="list-style-type: none"> <li>1. Communicating care and advocacy for workers.</li> <li>2. Establishing strong links between Wellbeing and business excellence to drive credibility and support for the Wellbeing strategy.</li> <li>3. Industry-leading initiatives</li> <li>4. Drives worker engagement.</li> </ol>	<ol style="list-style-type: none"> <li>1. Demonstrating a customer-centric approach.</li> <li>2. Strengthening business confidence in HSW systems, processes and knowledge.</li> <li>3. Empowering leaders and workers in HSW delivery</li> <li>4. Provide timely and useful insights to drive effective HSW decision-making</li> </ol>	<ol style="list-style-type: none"> <li>1. Demonstrating a customer-centric approach.</li> <li>2. Challenge the business to deliver HSW excellence every day through coaching and setting the example.</li> <li>3. Growing the capability of leaders and workers.</li> <li>4. Develop pragmatic solutions in partnership with stakeholders that support the delivery of operational and HSW outcomes.</li> </ol>	<ol style="list-style-type: none"> <li>1. Partner with project delivery teams to deliver pragmatic and effective business and HSW solutions.</li> <li>2. Enable Watercare to embed HSW into digital and agile environments.</li> <li>3. Challenge business thinking to include HSW at all times.</li> <li>4. Encourage thinking that challenges the status quo.</li> </ol>	<ol style="list-style-type: none"> <li>1. Enabling the organisation to move with Pace and Agility, with the priority being Health, Safety &amp; Wellness of everyone impacted by our work.</li> <li>2. Building an environment in which well-being is maximised and our staff thrive.</li> <li>3. Supporting Watercare to effectively and proactively manage critical risks.</li> <li>4. Delivering industry leadership.</li> </ol>
Objective	<ol style="list-style-type: none"> <li>1. Establish a Wellbeing programme at Watercare so the wellbeing of our team is front of mind in everything we do.</li> <li>2. Develop Mental Health education and support to enable the business and individuals to strengthen protective factors and manage stressors.</li> <li>3. Embed a programme of proactive environmental monitoring.</li> <li>4. Improve visibility and focus on the Health of our workers.</li> <li>5. Continue to strengthen understanding of injury management.</li> </ol>	<ol style="list-style-type: none"> <li>1. Ensure HSW systems are easy to use, intuitive to navigate and add value to the business and end users.</li> <li>2. Implement a HSW reporting system to replace Synergi.</li> <li>3. Establish a measure of HSW maturity</li> <li>3. Update and improve the HSW communication channel on My Place.</li> <li>4. Implement a records management process and ensure all documents are current.</li> </ol>	<ol style="list-style-type: none"> <li>1. Build strong, valued and visible relationships with stakeholders to achieve HSW outcomes.</li> <li>2. Establish and implement improved Contractor Management processes and tools.</li> <li>3. Empower leaders and workers to take ownership of HSW through leadership, coaching and advocacy.</li> <li>4. Implement a system of internal audits and site HSW improvement plans.</li> <li>5. Revitalise and energise the HSW agenda.</li> </ol>	<ol style="list-style-type: none"> <li>1. Support and guide the business to embed HSW in all systems and projects.</li> <li>2. Complete the implementation of Permit to Work across Watercare.</li> <li>3. Support the business to integrate Waikato Water into our HSW systems and future integrations.</li> <li>4. Support the HSW team to deliver critical outcomes</li> </ol>	<ol style="list-style-type: none"> <li>1. Watercare's HSW strategy enables the business to deliver exceptional operational, customer and HSW outcomes.</li> <li>2. Watercare continues to adopt a 'Safety Differently' approach focussed on workers as a resource and a solution to improve HSW outcomes.</li> <li>3. Leaders confidently walk the talk.</li> <li>4. All stakeholders are committed to achieving Watercare's HS&amp;W objectives.</li> <li>5. Watercare is seen as a leader in HSW in New Zealand.</li> </ol>



**Q2 2019/2020 progress against the HSW plan on a page**

#1 Wellbeing	#2 Systems	#3 Operational HSW	#4 Projects	#5 Leadership
<p>Completed final sessions of St Johns Mental Health First Aid training with 64% completion for all Watercare Managers. Feedback from the 82 attendees has been positive</p> <p>Healthy Habits initiative completed in October</p> <p>Review of our counselling service has shown a significant increase in uptake since July 2019 when we replaced our provider with OCP. This increase is attributed to promotion of the service and the positive word-of-mouth feedback.</p>	<p>Successful roll-out of iCare HSW reporting system</p> <p>Reporting is easier and faster. Information is being communicated to leaders and HSW team easily and efficiently</p>	<p>A physiotherapy intern, Darrian Holten, developed a project plan and commenced research into Manual Handling injuries under the framework of the 'Industrial Athlete'. This concept has been used to describe the worker who is required to use their body to accomplish work tasks.</p> <p>Darrian visited sites to observe and document work practices and to interview workers regarding manual handling and overall health.</p>	<p>STP's control of work 'JobCare' project activity for HSW has been completed other than ongoing testing</p> <p>Watercare's Permit to Work process is now embedded into the business</p> <p>Our Waikato office has transitioned to the Watercare HSW system and ongoing support is being provided by the team</p>	<p>Acknowledgement of the Operations, Infrastructure and Contractor teams at Rosedale who are creating a positive and safe culture, which was delivering excellent outcomes.</p> <p>Highlights were honest communication, alignment and support, making safety easier and recognising the importance of learning from the things that go well.</p> <p>The leadership team at MSN asked for HSW support to refresh and reset the group's culture. Listening posts were conducted by members of the HSW and P&amp;C teams which have been passed to the MSN leadership team. The re-set is being led by the Chief Customer Officer, Amanda Singleton.</p>

## Q2 HSW update

<p><b>Internal Inspections and Audits</b> Site inspections and reviews have transitioned effectively to the new iCare system and are working well on the phone app.</p> <p><b>External Audits</b> We continue to receive and review regular site reviews from First 4 Safety. Detailed reviews are conducted on a number of sites on a monthly basis.</p>	<p><b>SIGNIFICANT INCIDENTS, NEAR MISSES, HAZARDS</b> There were four significant events and near misses recorded and closed out in monthly reports during Quarter 2. These involved a diver entanglement; an excavator losing traction on wet ground; a suspended load; and an inspection plate falling from a reservoir into a carpark.</p> <p>The diver entanglement was managed through sound training and rescue rehearsals. The incident was highlighted a valuable reminder that contingency planning and emergency readiness are critical activities.</p> <p>Learnings from all events have been shared as appropriate. In the case of the falling plate, an adjustment has been made to the maintenance schedule.</p> <p>Of the four events, two involved Watercare activities and two were contractor events. The falling plate was reported to WorkSafe as required and was closed the same day.</p>
<p><b>INJURY REQUENCY RATES, AS AT 31 DECEMBER 2019</b> The rolling 12-month Lost Time Injury Frequency Rate (LTIFR) for employees currently stands at 9.02 per million hours, above our target of ≤5.</p> <p>The rolling 12-month Total Recordable Injury Frequency Rate (TRIFR) stands at 15.23 per million hours, remaining below our target of ≤20.</p> <p>Fourteen injuries were recorded from Watercare workers and contractors in Q2. Eight of those resulted from Manual Handling (MH). Over the Christmas period, a physiotherapy intern has been engaged to review MH work at Watercare and to deliver a programme of preventative actions to address this high number of injuries.</p> <p>There were nine reportable injuries (i.e. LTI, MTI or RDI) involving Watercare workers and five relating to contractors in Quarter 2. Three injuries related to critical risks; two falls and one incident involving a vehicle. One fall involved a contractor with the other two involving Watercare employees.</p>	

## Q2 HSW update continued

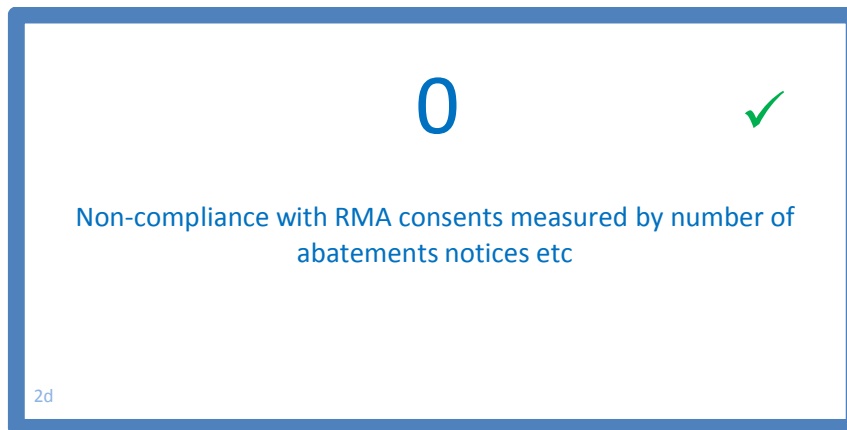
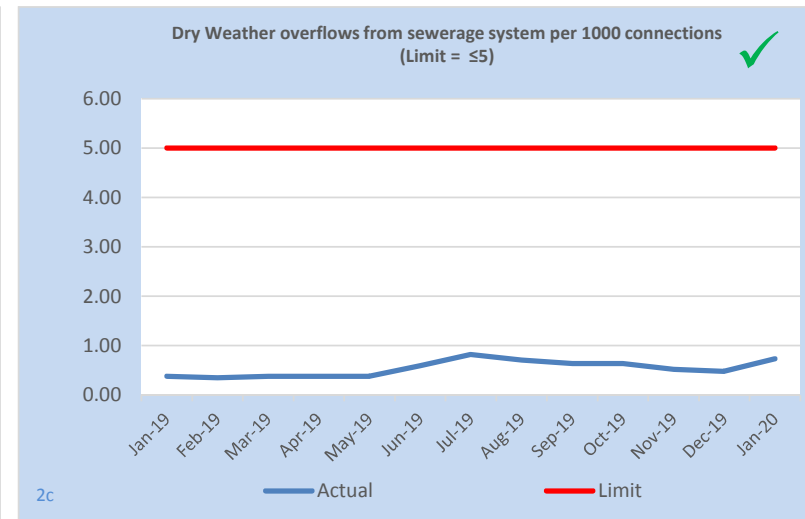
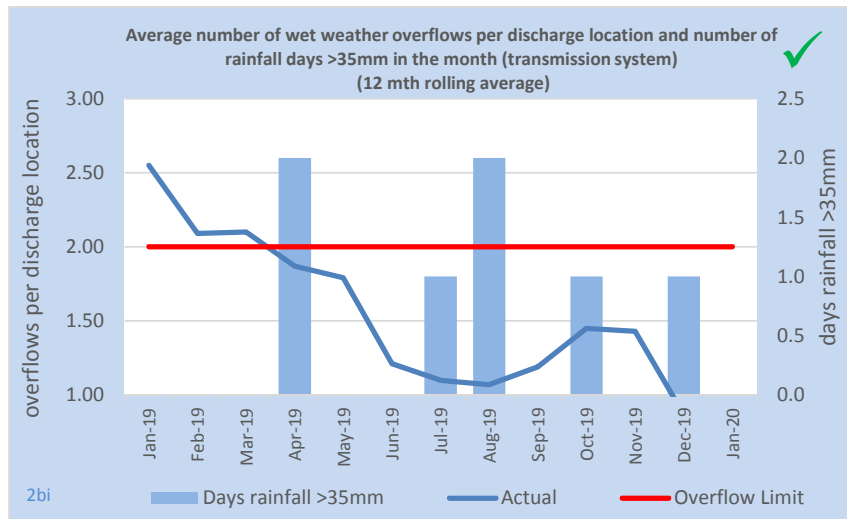
## Q2 Watercare Injuries per Business Unit

Month	Business Unit	Restricted Duties Injury (RDI)	Medical Treatment Injury (MTI)	Lost Time Injury (LTI)	Total Recordable Injuries (MTI+LTI+RDI)
October-19	MSN	2	0	1	3
Nov-19	MSN	0	1	1	2
	Operations	0	0	1	1
	Infrastructure	0	1	0	1
Dec-19	Operations	0	0	1	1
	MSN	0	0	1	1
2nd Quarter Total (Watercare Employees)		2	2	5	9
Total YTD		3	2	10	15

## Contractor Injuries per company

Month	Company	Restricted Duties Injury (RDI)	Medical Treatment Injury (MTI)	Lost Time Injury (LTI)	Total Recordable Injuries (MTI+LTI+RDI)
Oct-19	Fulton Hogan	0	1	1	2
	Waiau Pa Bulk Haulage	0	0	1	1
Nov-19	GFS	0	0	1	1
Dec-19	There were no injuries during this month	0	0	0	0
2nd Quarter Total (Contractors)		0	1	3	4
Total YTD		6	3	5	14

### 3. SOI MEASURES – 2019-2020 - Natural environment



## SOI MEASURES – 2019-2020 - Assets and Infrastructure



100%



Volume of water meeting Aa standard

1a

100%



Compliance with Part 4 of the Drinking Water Standards (bacterial)

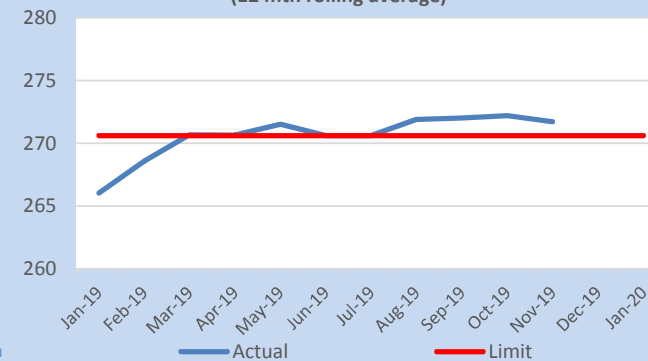
1a

100%



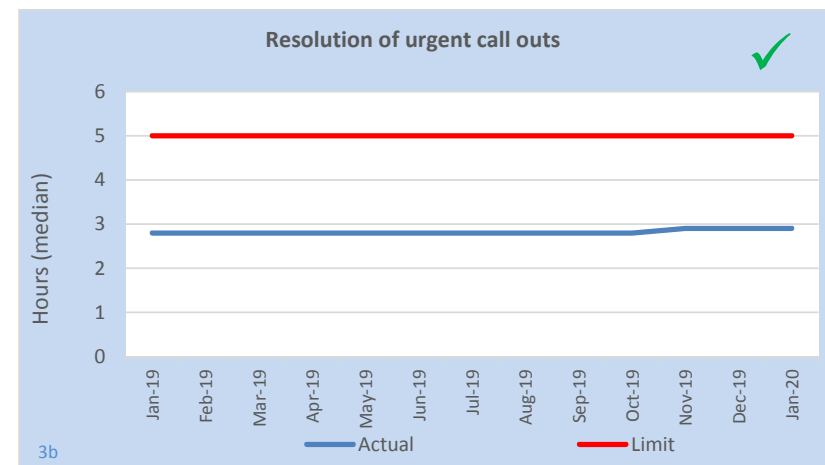
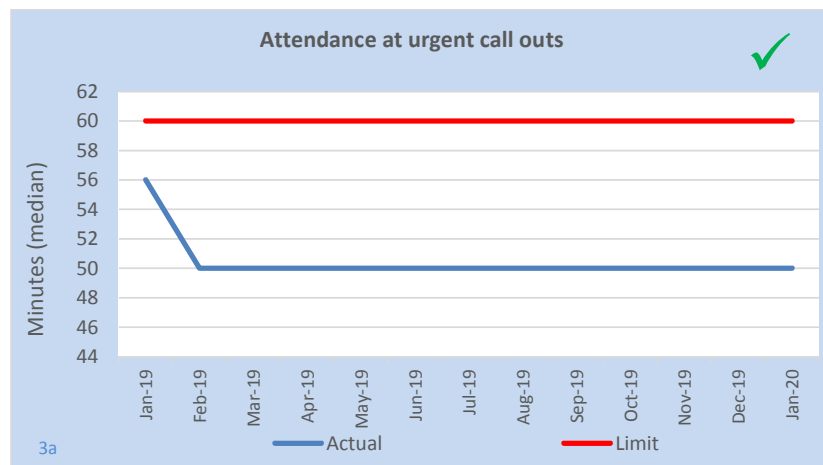
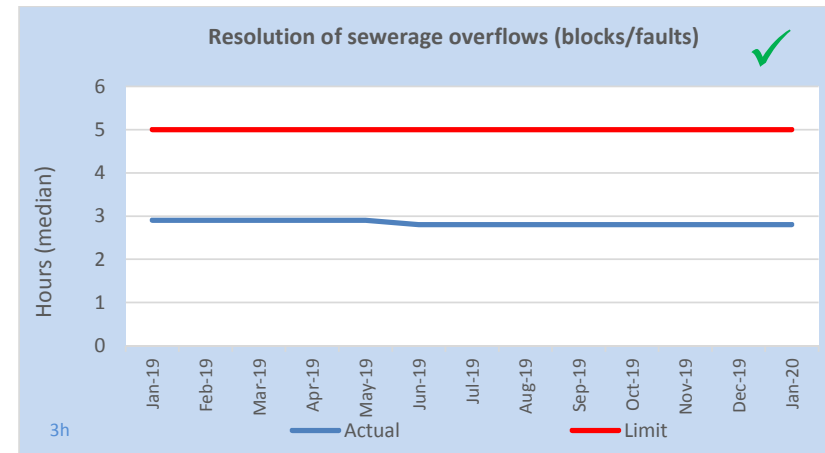
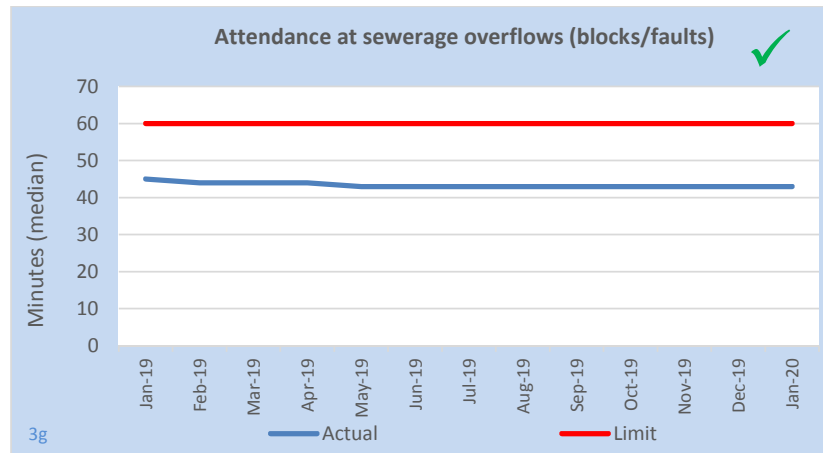
Compliance with Part 5 of the Drinking Water Standards (protozoal)

1b

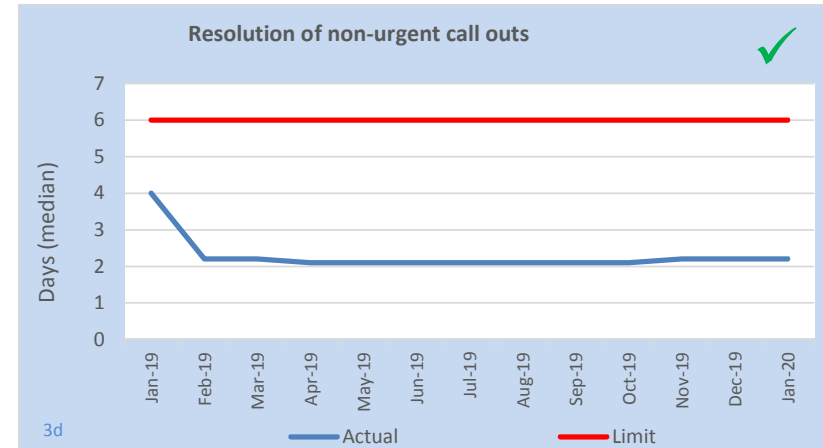
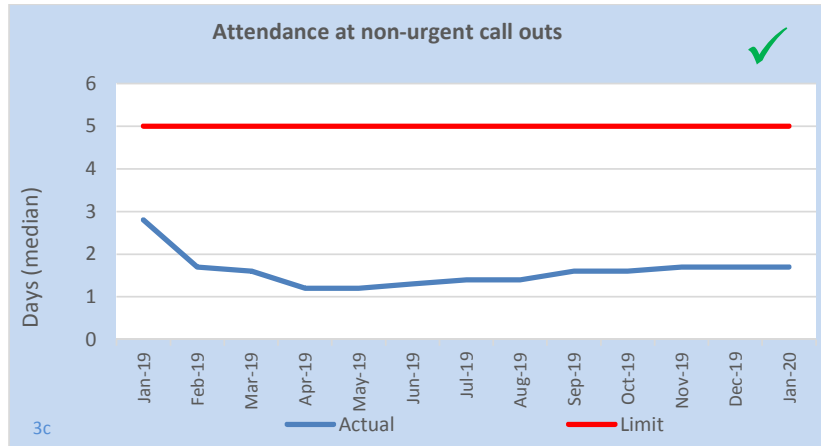
Average consumption of drinking water per day per resident  
(12 mth rolling average)

6a

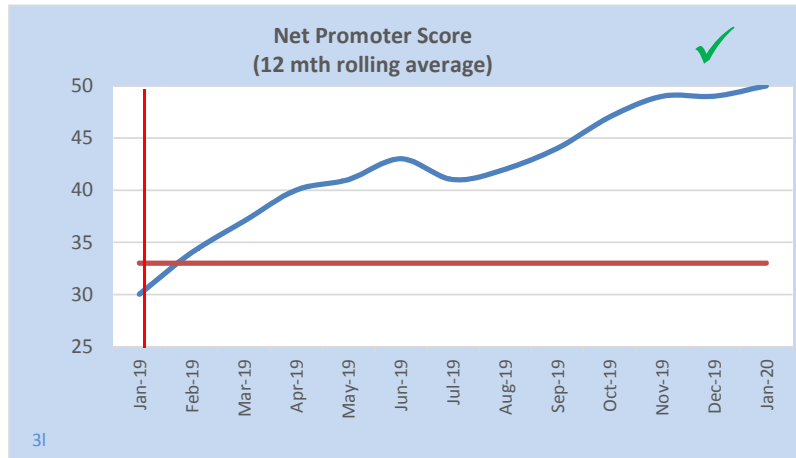
## SOI MEASURES – 2019-2020- Community and Stakeholder relationships



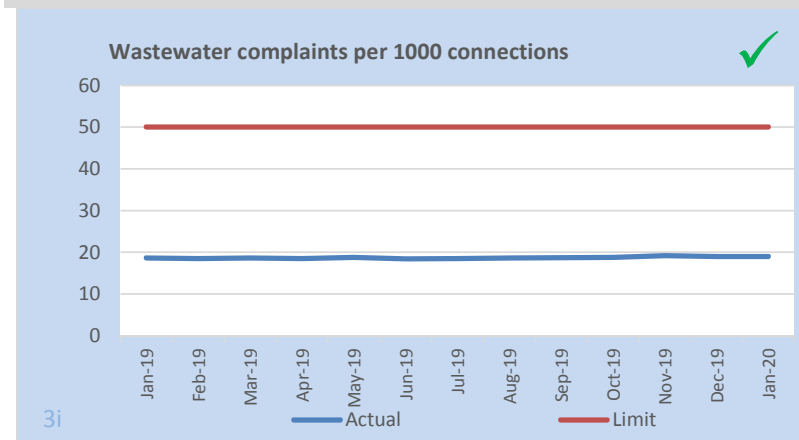
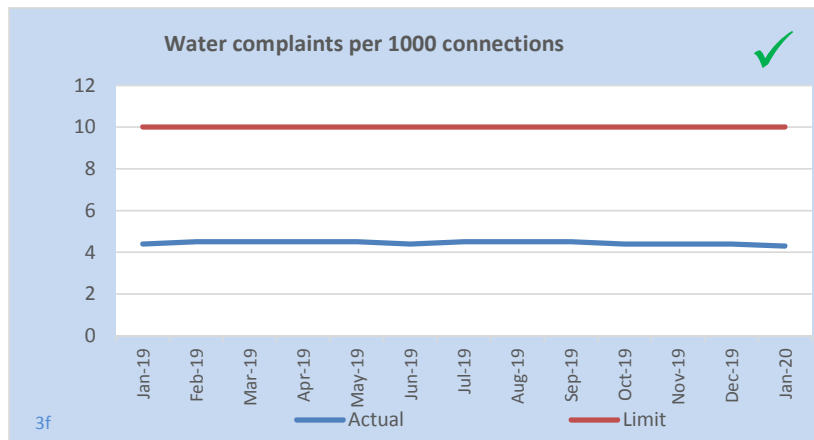
## SOI MEASURES – 2019-2020 - Community and Stakeholder relationships



## SOI MEASURES – 2019-2020 - Community and Stakeholder relationships continued

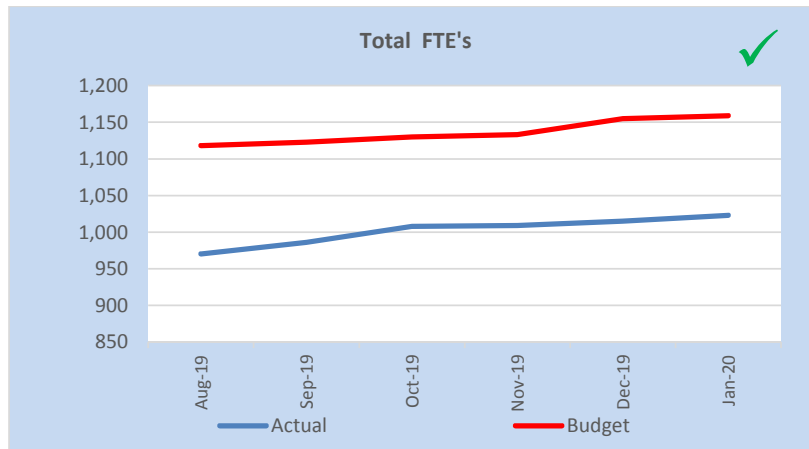
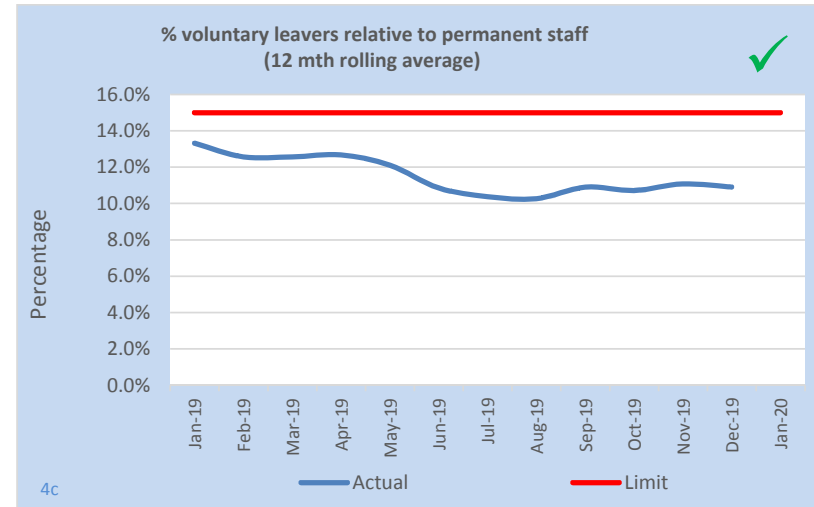
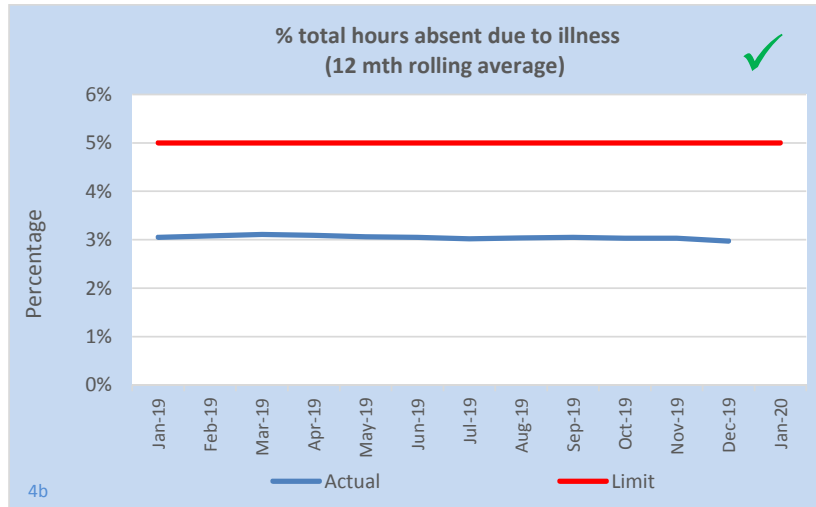


- The 12 month rolling average remains the same as last month.



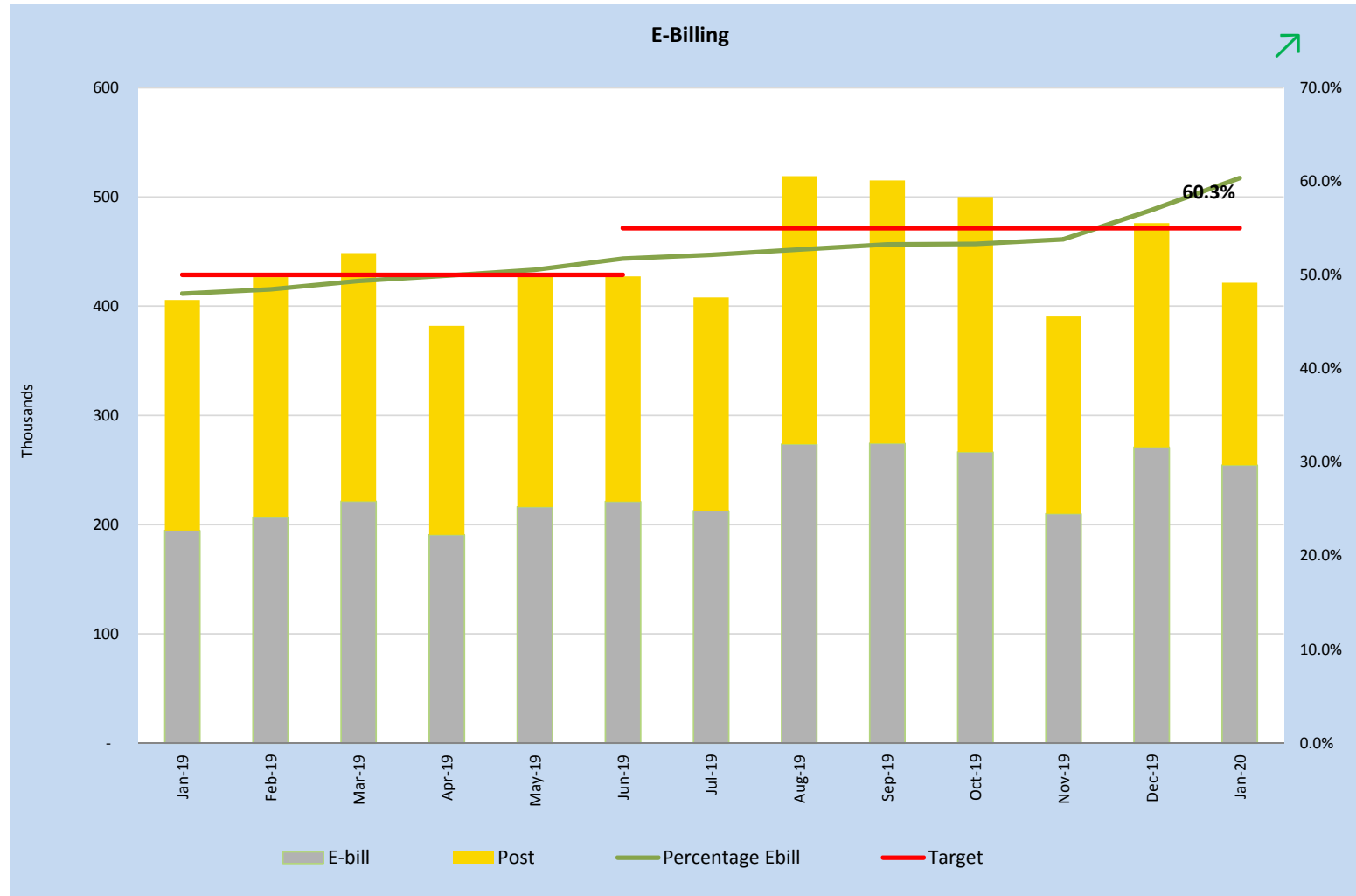


## 4. PEOPLE, CAPABILITY AND LEARNING



## 5. CUSTOMER SERVICE

4.3



## COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE

### LOCAL BOARD ENGAGEMENT

- Recently, the main focus of our engagement has been with rural Local Boards regarding the challenges faced by rain tank users who are running low on water. Considerable effort has been made to explain the current situation to Local Board members, including Watercare's roles and responsibilities. Updates have been provided to all Local Board members on the tanker filling situation. Many Local Board requests for information on rain tanks have been forwarded to Auckland Council, which is coordinating the response.
- Watercare's new 'Water is Precious' campaign was launched with Local Board members, many of whom shared information via social media. Shower timers and posters are also distributed to Local Board offices for sharing. The campaign launch has received positive feedback.
- Notice of local issues and responses to escalations continue to be shared and resolved in the interests of no surprises. At this time of the year there is an increase in escalations related to water leaks. Pipe breaks (and therefore leaks) occur more regularly in hot, dry conditions.

### WATER TANKER FILLING STATION UPDATE

- Around 50,000 Auckland households are totally reliant on rainwater tanks and are not Watercare customers.
- In January, Watercare's 11 tanker filling stations provided 85m litres of water to commercial water tanker operators, who then on-sold it to people with rain tanks.
- Tank owners from the outside the Auckland region are also being supplied by tankers filling up at Watercare filling stations.
- Auckland has approximately 60 water tanker operators. Normally they have waiting lists at this time of year, regardless of the availability of tanker filling stations. For example, the tanker filling stations that serve communities such as Beachlands and Maraetai have been open all summer. Despite this, these communities are currently experiencing delays in having their rain tanks filled by tanker. Commercial water tankers are facing high demand for service.
- Watercare is making every effort to keep our 11 tanker filling stations open 24/7. However, from time-to-time we have to close them or reduce their flow rate temporarily in order to ensure supply to our customers and for fire-fighting operations. This is kept to an absolute minimum as we are very aware of the needs of our rural communities.
- Auckland Council, Auckland Emergency Services and Watercare are working closely together to plan for the supply of contingency water supplies.

## COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE

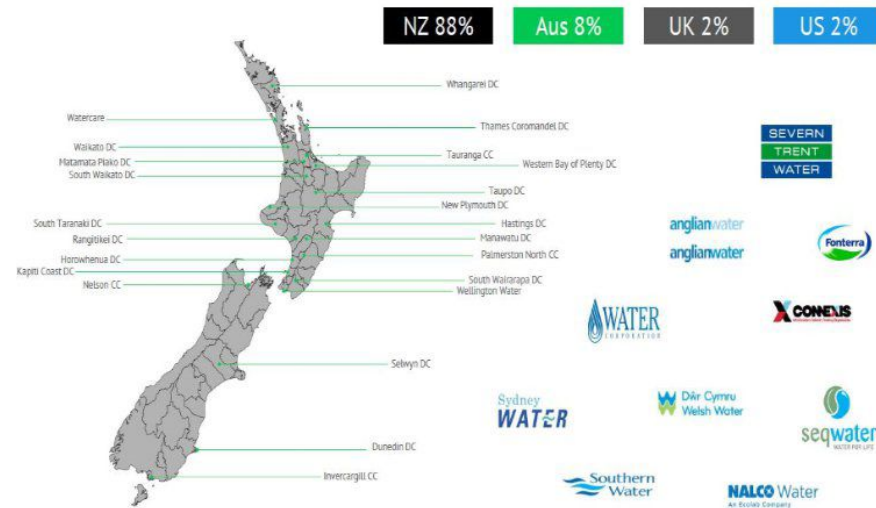
<p><b>WAIKATO DISTRICT COUNCIL (WDC) STATUS UPDATE</b></p> <ul style="list-style-type: none"> <li>January 2019 performance against KPIs were excellent with all KPIs being achieved.</li> <li>There were no issues with outages in January. However high demand presented some challenges and numerous incidents of theft were identified.</li> <li>An extraordinary meeting of the Waikato District Council was held. \$900,000 of unbudgeted funding was approved for the remaining work required to enable the lodgement of the Raglan consent in late 2020.</li> <li>The transition plan is being implemented. Work on the AMP has commenced. Planning has also commenced for the preparation of a Business Plan for the contract.</li> <li>Recruitment of key vacancies is progressing. Interviews for a Project Manager and Maintenance Controller are continuing and a Water Quality Analyst role has been advertised.</li> <li>Support is being provided to the WDC team from Watercare Newmarket, as required, both remotely and on the ground.</li> <li>The asset condition assessment is field work is nearing completion. The work is expected to be completed by late February 2020.</li> <li>The first Waikato District Council Capital works project to be delivered by Watercare, the Meremere WWTP MBR, is now out to tender.</li> </ul>	<p><b>RISK SUPPORT TO THE PUBLIC UTILITIES BOARD (PUB) SINGAPORE</b></p> <ul style="list-style-type: none"> <li>We have been approached by the Public Utilities Board (PUB) of Singapore to assist with the development of their Enterprise Risk Management capability. This includes guiding the development of a tailored Enterprise Risk Framework, business unit and Board level risk reports and discussions on approaches to specific risks.</li> </ul>
<p><b>KĀINGA ORA URBAN DEVELOPMENT BILL</b></p> <ul style="list-style-type: none"> <li>Watercare has filed a submission to the Urban Development Bill.</li> <li>Watercare exchanged draft submissions with Auckland Council and Auckland Transport before the due date; all submissions were relatively consistent.</li> <li>Watercare's submission summarised concerns regarding the best way to protect its existing and future assets, protect public health, the environment, as well Watercare's future revenue stream.</li> <li>Watercare has requested to speak to its submission to the Environment Select Committee at the same time as Auckland Council. This is likely to occur April/May 2020.</li> </ul>	

## COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE

### WATERCARE BECOMES A MAJORITY SHAREHOLDER OF LUTRA LIMITED

- On 24 January 2020, Watercare become a 67% shareholder of Wellington-based software and process engineering company, Lutra.
- The company has a team of 25 people which includes highly-skilled process engineers, software developers and data analysts; and has strong relationships with a number of New Zealand councils and commercial customers.
- Lutra will retain its company name and continue to operate from its head office in Wellington.
- Rebecca Chenery, Watercare's Chief Digital Officer, and Shane Morgan, Watercare's Chief Operations Officer, will join Lutra's chief executive, Jason Colton, on a governing board.
- This board will be required to agree on a statement of intent with Watercare every year. Aside from these changes, Lutra's company name, place of work and operations will remain the same.

### LUTRA'S CUSTOMERS



### LUTRA'S FOUR MAIN SERVICES

- Process control:** Improving processes within water and wastewater treatment assets including the utilisation of power, chemicals and consumables through 'smart tools' (i.e. Compass).
- Infrastructure Data:** Operations management software focused on water and wastewater treatment assets. This comprises time-saving features to improve operational performance and reduce organisational risk – for example, in managing resource consents and lab test results. The software is cloud based and delivers a secure and reliable solution backed with support.
- Technical support:** Providing specialist process design, and operational advisory support to the New Zealand water industry – helping clients work smarter.
- Training:** Development and delivery of online training resources to optimise operational staff performance.

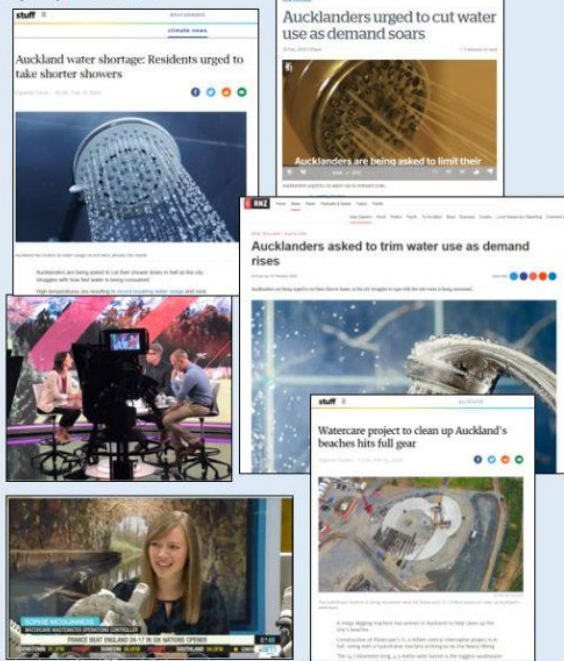
## COMMUNICATIONS SNAPSHOT



Enabling engaged communities  
and stakeholders

## Media

Our focus this month has been on promoting the 'Water is precious' campaign in light of the skyrocketing demand for water from Aucklanders. Extensive coverage in all media including print, radio and TV highlighting our key message: Water is precious, especially during summer so we are encouraging the wider public to be mindful of their consumption and avoid wastage. Media outlets that covered this issue include: Stuff, NZ Herald, Radio New Zealand, Newshub, TVNZ Breakfast, One News, Newstalk ZB; apart from this our Central Interceptor project got featured in the Manukau Courier and our wastewater operations controller Sophie McGuinness was interviewed on the AM show on dry-weather overflows, their causes and ways to prevent them.



Enabling safe, happy and  
empowered teams

## Staff

We launched the 'Water is precious' campaign, with a quiz about water-related facts, to staff across all sites so they can act as our ambassadors to the public. Other stories promoted include staff achievements such as professional development, volunteer opportunities and project milestones.



Our free water stations continue to be popular with the public; we also use them as opportunities to engage with the public on water use and promote our water is precious campaign, with water use -related displays. E.g at the recent Waitangi Day festival at Okahu Bay.



Enabling customer trust and value

## Customers

We distributed the latest issue of *Tapped In* which explains what peak demand is and what our customers can do to reduce their summer and outdoor use. We also continue to leverage social media for promoting the campaign and engaging customers and the wider community on the 'Water is precious' message. Billboards promoting the campaign's key message can be seen in downtown Auckland. Radio advertisements with the same message will be broadcast on George FM, Breeze, Edge, More FM and Mai FM.



## Stakeholders

We organised a visit for five children from Snells Beach school to visit the Snells-Algies Wastewater project TBM, at the construction site.



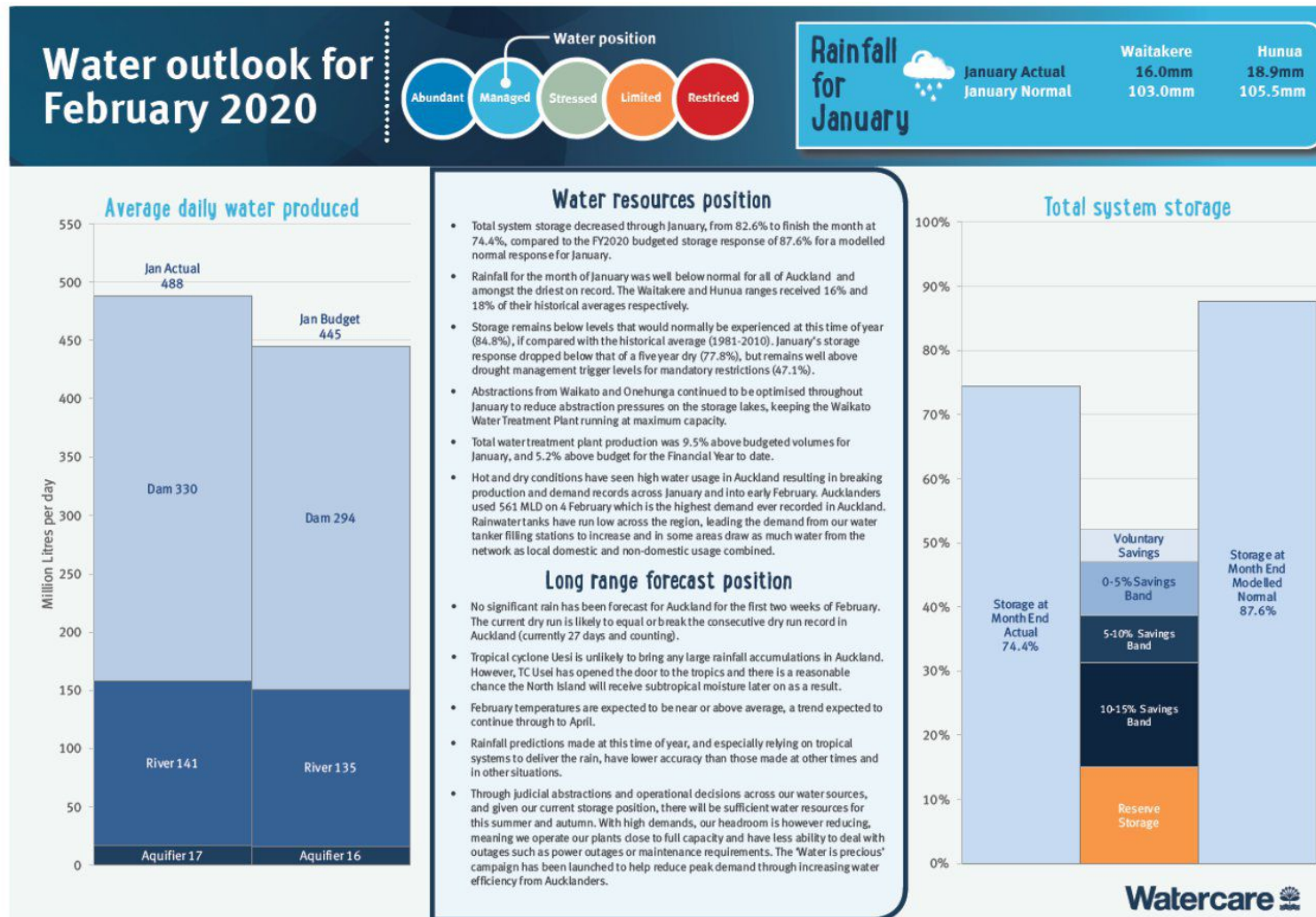
We continued to keep the local boards and councillors informed on our water stoarege levels and shared the key messages from our 'Water is precious' campaign. Our campaign launch has been shared widely by our stakeholders on Facebook.

Watercare



## 6. NATURAL ENVIRONMENT

4.3



## RESOURCE MANAGEMENT ACT COMPLIANCE – Auckland Council



January 2020  Summary	Compliance proceedings		Nil		Environmental incidents of significance			0
	Category 4 non-compliant consents held by Watercare		1		Category 3 non-compliant consents held by Watercare			2
		Aug	Sep	Oct	Nov	Dec	Jan	
Number of non-compliant consents held by Watercare in Auckland <sup>1</sup>		7	14	4	5	12	13	
<b>Number of non-compliant category 3 or 4 conditions<sup>2</sup></b>  <i>Non -compliance where the result will have or has the potential to have an adverse or significant adverse effect on the environment, or where there has been a repeat of a lower score non-compliance.</i>  <i>We would typically receive notification or have warning of a category 4 non-compliance well before we prepare this report.</i>		2	2	3	2	3	3	
<b>Number of non-compliant category 1 or 2 conditions<sup>2</sup></b>  <i>Technical non-compliance with no more than minor potential or actual adverse effect to the environment. For example, reports provided after due date.</i>		12	14	5	8	8	9	

Notes: 1 – excludes trade waste consents; 2 - Excludes conditions duplicated across consents.



Area	Background and Reason for Non-Compliance	Summary of Current Actions	Current Self-Assessed Council Compliance Rating
<b>WATER TREATMENT</b>			
<b>Huia Village</b>	Long-term issue. Consent has a condition for some recycling of process discharges back to the dam, but this recycling has not been possible given the existing infrastructure at site. Instead, all discharges go direct to Huia Stream. Monitoring shows no adverse environmental effects.	Engineering works to install new pipeline being carried out. Expected completion end of summer 2020.	3 – Ongoing issue (negligible environmental impact)
<b>WASTEWATER TREATMENT</b>			
<b>Helensville</b>	On-going water quality issues at the compliance point. Upgraded to Category 4 after Auckland Council inspection.	Relining of pond and construction of pond cover confirmed to start second week of February 2020 with completion by May 2020.	4 – Ongoing issue (Auckland Council assessment)
<b>Denehurst</b>	Vegetation on irrigation field has slowly decreased over time. Planting-density no longer meets resource consent requirements, and lack of vegetation likely reducing irrigation field efficacy for passive wastewater treatment.	Revised landscaping and maintenance plan in final draft stages. CAPEX application based on this plan in development to enable replanting late summer 2020	3 – Auckland Council assessment after inspection; small scale irrigation means effects on groundwater likely less than minor.

## RESOURCE MANAGEMENT ACT COMPLIANCE - Waikato Regional Council



January 2020  Summary	Compliance proceedings		Nil		Environmental incidents of significance		Nil
	Category 4 non-compliant consents held by Watercare		Nil		Category 3 non-compliant consents held by Watercare		Nil
		Aug	Sep	Oct	Nov	Dec	Jan
Number of non-compliant consents held by Watercare in Waikato <sup>1</sup>		5	3	3	3	2	1
<b>Number of non-compliant category 3 conditions<sup>2</sup></b> <i>Non -compliance where the result will have or has the potential to have an adverse or significant adverse effect on the environment, or where there has been a repeat of a lower score non-compliance.</i>  <i>We would typically receive notification or have warning of a category 4 non-compliance well before we prepare this report.</i>		0	0	0	1	0	0
<b>Number of non-compliant category 1 or 2 conditions<sup>2</sup></b>  <i>Technical non-compliance with no more than minor potential or actual adverse effect to the environment. For example, reports provided after due date.</i>		5	4	3	3	2	1

Notes: 1 – excludes trade waste consents. Consents held by Watercare include the Waikato WTP, Pukekohe WWTP and associated pump stations, along with the Lower Mangatangi and Mangatawhiri dams. The assets we operate for Waikato District Council are operated under consents held by WDC and are not included in this report; 2 - Excludes conditions duplicated across consents

**7. DELEGATED AUTHORITY OF THE CHIEF EXECUTIVE**

<b>In January 2020, Watercare processed no deeds, instruments or documents, with the delegated authority provided to the Chief Executive by the Board.</b>	<b>In January 2020, there were no Capex/Opex contracts, over \$100,000, approved by the CE in accordance with the delegated authority provided to the Chief Executive by the Board.</b>	<b>In January 2020, there was one capex approval signed in accordance with the delegated authority provided to the Chief Executive by the Board in relation to Capex approvals below a threshold of \$15m.</b> <ul style="list-style-type: none"><li>• MSN Mid-range Vacuum loading truck (\$756,000)</li></ul>
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# Green Energy Strategy

## Delivering energy, economic and environmental wins for Watercare

20 February 2020 Board Meeting

[https://youtu.be/3m5qxZm\\_JqM?t=67](https://youtu.be/3m5qxZm_JqM?t=67)

# The 3E's of success

5.2

**Energy improvement provides a clear pathway to deliver economic, energy & environmental wins for our business and our customers**

## What are our goals?

1. Reduce costs
2. Improve self-sufficiency & resilience
3. Emission reductions
4. Enhance our social licence

### Where we will play:

Generation & process improvement:

- Biofuels (cogen)
- Solar PV
- Hydro / micro hydro
- Batteries & backup
- Future tech (hydrogen, CCS)

### How we will win:

- Create value from marginal land
- Target high energy demand sites
- Leverage low cost of capital
- Recover resources through circular economy approach

### Capabilities we need:

- See opportunity in disruption
- Seek industry partners
- Be informed to pivot quickly
- Competent & competitive supply markets

# Energy - why play here?

## Energy is a problem and an opportunity....

5.2



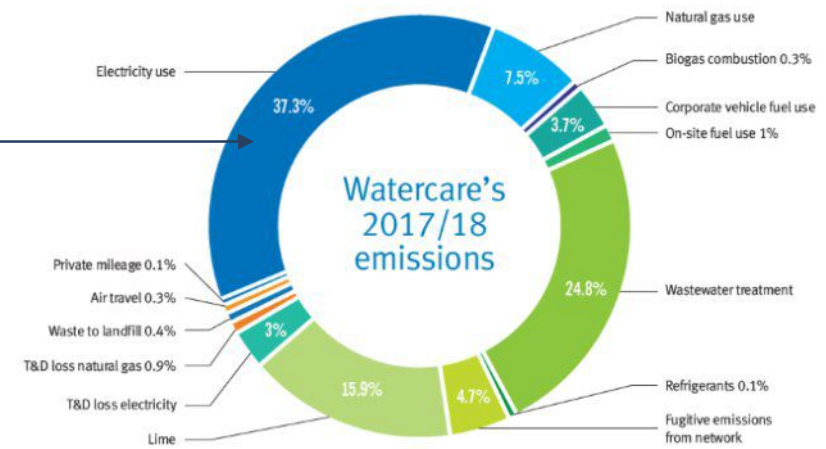
Electricity is 37% of our emissions sources

We spend \$18m & consume 179GWh every year

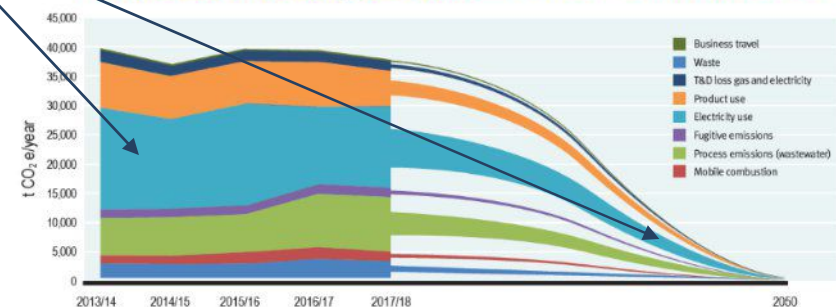
Substantial emissions reductions required by 2050

Energy use & costs are increasing (pop growth + tech)

Disruption – pace, falling tech costs, decentralisation



Watercare's emissions per source (scopes 1,2 and 3) - Getting to Net Zero 2050



# Energy - a glimpse into what's possible

5.2

## Using solutions available today, by 2030 we can:

- Reduce our grid use by 62% thru process improvement & more generation
- Produce electricity at lower cost than the grid → save \$9 million pa
- Improve resilience by recovering resources → hydro (gravity), biogas, night-time & off-grid battery storage, hydrogen & carbon capture?
  - Energy Neutrality 2025
  - Reimagine Mangere plant upgrades
- **Meet our 45% operational emissions reduction target**



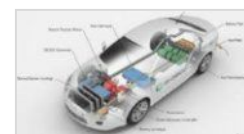


# How we will win

5.2

## Watercare has several natural advantages. We can:

- Create value from marginal land assets
  - 41 MW solar by 2030
  - e.g. sludge drying beds, old Pond 2, Pukekohe & Rosedale ponds
- Target high demand sites with good economies of scale
  - Mangere > Waikato > Ardmore > Pukekohe
- Capex investment in energy assets
  - own 100% of benefits using low cost of capital
  - low cost provider – cost savings an enabler to fund the business
  - partnerships - others to pay if advantageous (e.g. Vector at Rosedale)
- Recover system resources & add value
  - Hydro / gravity; energy from waste – biogas cogen, heat, hydrogen from biogas & wastewater electrolysis

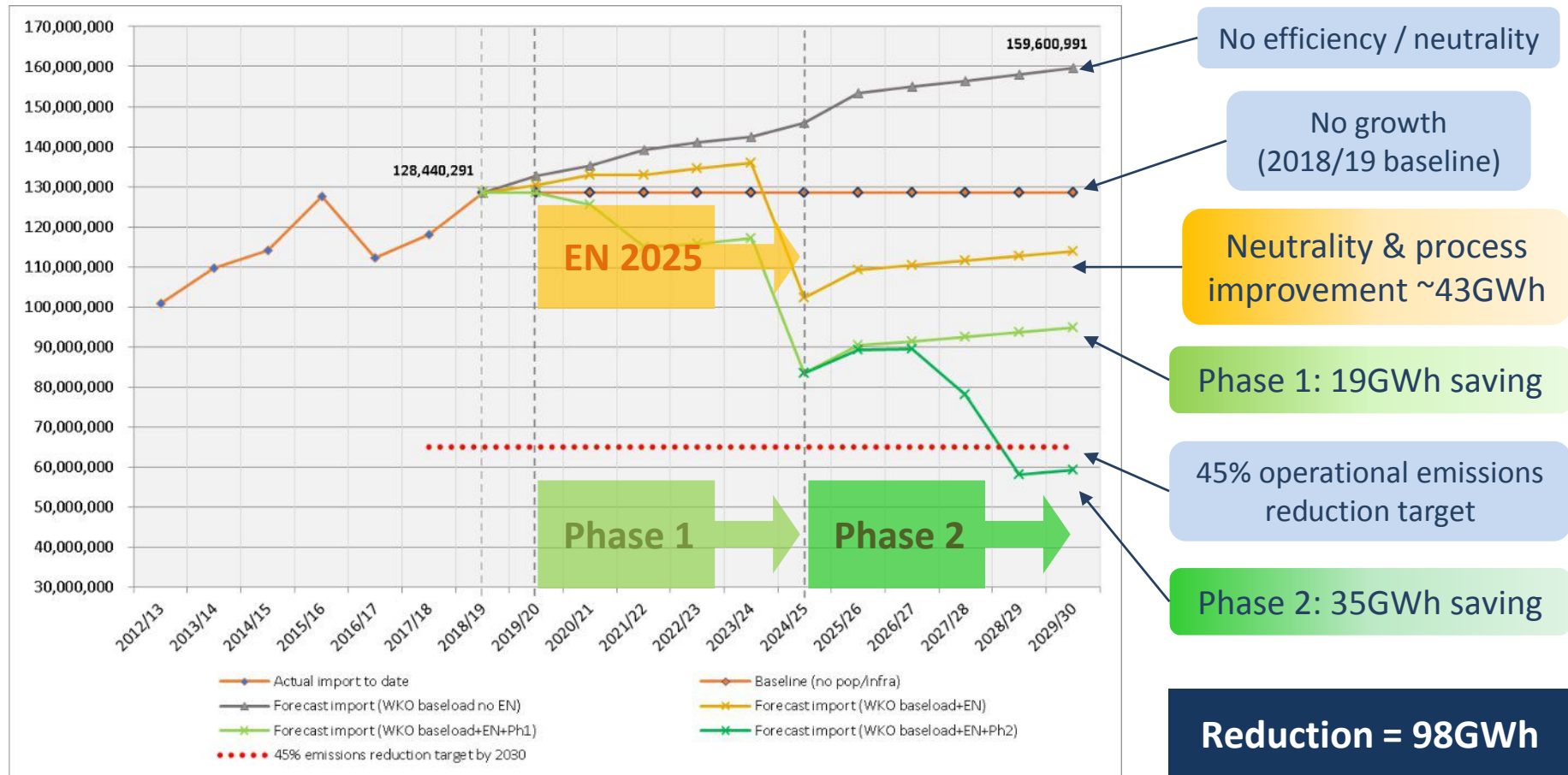




# Grid use to 2030 after Green Energy Strategy

5.2

kWh reduction:



**There is no need to compromise the environment, our energy security or sound economics in the pursuit of becoming a utility of the future.**

Our goals	Within this decade we can
<ul style="list-style-type: none"><li>➤ Reduce &amp; avoid energy costs</li><li>➤ Improve self-sufficiency &amp; resilience</li><li>➤ Reduce emissions</li><li>➤ Improve our social license</li></ul>	<ul style="list-style-type: none"><li>✓ Save \$9 million opex pa</li><li>✓ Generate +98GWh (biofuels, 41MW solar)</li><li>✓ Achieve 45% emissions target (9,500t)</li><li>✓ Sustain &amp; enhance the city we serve</li></ul>

# Board - Public Session - Directors' Corporate Governance Items




Board Planner 2020

		February	March	April	May	June	July	August	September	October	November	December
Meetings	Board	20-Feb 8.00am - 3pm	No Board Meeting	28-Apr 8.30am - 12.30pm	28-May 8.30am - 12.30pm	29 workshops/ 30 June Board meeting	28-July 8.30am-12.30pm	25-Aug 8.30am - 12.30pm	29-Sept 8.30am - 12.30pm	27-Oct 8.30am - 12.30pm Followed by Board Dinner to farewell retiring board members	24-Nov 8.30am-12.30pm	15-Dec 8am - 11am (Teleconference)
	Audit and risk committee				25-May 1pm - 3.30pm		27-July 1pm - 3.30pm	24-Aug 10am - 12.30pm		27 Oct 1.30pm - 4pm		
	Te Tangata Komiti			29-Apr 10am - 12pm			29 July 8.30am - 10.30am	24 Aug 1pm - 3pm			26 Nov 8.30am - 10.30am	
	AMP & Major Capex Committee		6 Mar 1pm - 3.30pm	23 Apr 11-1.30pm			28 Jul 1pm - 3.30pm				19 Nov 9.30am - 12pm	
	STP Committee		TBC: Final close out meeting									
Events	Committee for Climate Action	18 Feb 8.30am - 10.30am		22 Apr 2.30pm - 5pm				6 Aug 1.30pm - 3.30pm		13 Oct 9am - 11.30am		
	CCO Oversight Committee meetings		24 Mar (M Devlin)	22 Apr (10-11.30am)	26-May	23-Jun		11 Aug (M Devlin)	22 Sept (possible date for Watercare Board/Council workshop?)	27-Oct	24-Nov	8 Dec (M Devlin)
	Community and Stakeholder Relationships	20 February: Board meeting with NZ Water Board		TBC: Meet the Diversity & Inclusion Committee		TBC: Meeting with the WDC Waters Governance Board in Hamilton (TBC)		Action 2030 Symposium 18/19 August 2020				
	Charter reviews		AMCC Terms of Reference	Te Tangata Charter	A&R Charter	Corporate Governance charter						
	Policy reviews	Delegation of authority to the CE Policy		Good Employer Policy	Sensitive Expenditure Policy IGCs	Our Commitment to Health, Safety & Wellness	Risk Management Policy (2021)				Fraud & Corruption Policy (2021)	
Governance	Risk report due to Council			Risk report (due to Council 1 May)			Risk report (due to Council 31 July)			Risk report (due to Council 12 Nov)		
	Enterprise Risk report to Board			Report to Board			Report to Board			Report to Board		
	Compliance			Statutory compliance			Statutory compliance			Statutory compliance		
	H&S Quarterly report	Oct-Dec 19 Report		Jan-Mar 20 Report			Apr-Jun 20 Report			Jul-Sept 20 Report		
	Shareholder interaction	Q2 quarterly report due on 24 February (to be approved by Board at February meeting)	Q2 briefing to CCO Oversight Committee TBC	Q3 quarterly report due on 30 April (to be approved by Board at April meeting)	Q3 briefing to CCO Oversight Committee TBC		Q4 quarterly report due on 30 July (to be approved by Board at July meeting)		Q4 briefing to the CCO Oversight Committee TBC	Q1 quarterly report due on TBC		Q1 briefing to CCO Oversight Committee TBC
Board Training	Site Visits		CI induction and tour on 26 March 2020	Site Visit		Site Visit		Site Visit		Site Visit		
	Board training & development	Board evaluation check-in	Marae Visit - 30 March 2020	Compliance training	Board evaluation check-in	Privacy Law (once new laws are in place)	Board evaluation check-in	Culture and conduct/future of work	Board evaluation check-in	Mental Health & Wellbeing in the workplace	H&S Board Update	
	Strategic planning & Deep Dives	Board Deep Dive: Council debt ceiling management Board Strategy Day: 28 February		Deep Dive: How our network operates		Deep Dive: Data and Privacy		Deep Dive: Reputation and Trust	Strategy Update		Deep Dive: TBA	
Business planning	Key finance and business decisions	a) approve financials for Draft SOI including projected 20/21 price increases, b) approve long term financials for Auckland Council modelling		Auckland Council to notify Watercare of Group Treasury Interest Rate by 30 April	Present plan for Year End to A&R  Approve Insurance Proposal  Auckland Council and Watercare to review Treasury Interest rate by 31 May	Approval of 2020/21 Budget & updated SOI Financials  Mayor's Treasury Guarantee Letter due by 30 June	Approve Auckland Council Reporting Pack	a) approve 2020/21 accounts, b) delegate final sign off of 2020/21 Annual Report	AMP			Auckland Council Draft Annual Plan - approve Watercare input
	Statement of intent	Approval of Draft 2020-2023 SOI			Present shareholder SOI feedback at public meeting. Public Deputations received.	Final 2020-2023 SOI issued to shareholder		Final 2020/2023 SOI adopted by Auckland Council		2019/2020 SOI Results to be presented to Board at Public Meeting. Public Deputations received.		2021/22 Letter of Expectation to be received



## Disclosure of senior executives' interests

6.2

Purpose			Team		
Information	Discussion	Approval	Prepared	Recommended	Submitted
			<b>E McBride</b> Governance Manager	<b>R Fisher</b> Company Secretary	<b>R Jaduram</b> Chief Executive
Intellectual capital	People and culture	Community and stakeholder relationships	Financial capital & resources	Natural environment	Assets and Infrastructure
					

### 1. Purpose and context

One of key principles of good governance is transparency, and having an open and honest approach to working with the wider community. Watercare not only maintains an Interests Register for its directors (as required by law), but also voluntarily maintains an Interests Register for our senior executives.

### 2. The details




Watercare Services Limited's senior executives' Interests Register is set out below.

Senior Executive	Interest
Raveen Jaduram	<ul style="list-style-type: none"> <li>• Director – New Zealand Infrastructure Commission - Te Waihangā</li> <li>• Member - Auditor-General's Local Government Advisory Group</li> <li>• Director – J N Jaduram Corporation Limited (Fiji)</li> <li>• Director – Water Services Association of Australia</li> </ul>
Rob Fisher	<ul style="list-style-type: none"> <li>• Deputy Chair – Middlemore Foundation</li> <li>• Trustee – Watercare Harbour Clean Up Trust</li> <li>• Trustee – Te Motu a Hiaroa (Puketutu Island) Governance Trust</li> </ul>
Steve Webster	<ul style="list-style-type: none"> <li>• Director – Howick Swim Gym Limited</li> </ul>
Marlon Bridge	<ul style="list-style-type: none"> <li>• Trustee – Te Motu a Hiaroa (Puketutu Island) Governance Trust</li> </ul>
Rebecca Chenery	<ul style="list-style-type: none"> <li>• Director – Chenery Consulting Services Limited</li> <li>• Director – Lutra Limited</li> </ul>
David Hawkins	<ul style="list-style-type: none"> <li>• Nil</li> </ul>
Jason Glennon	<ul style="list-style-type: none"> <li>• Director - Michaels Ave Investments Limited</li> </ul>
Amanda Singleton	<ul style="list-style-type: none"> <li>• Director – Die Weskusplek Pty Ltd (South Africa)</li> <li>• Trustee – Te Motu a Hiaroa (Puketutu Island) Governance Trust</li> </ul>
Shane Morgan	<ul style="list-style-type: none"> <li>• Committee Member – International Water Association, New Zealand</li> <li>• Director – Lutra Limited</li> </ul>
Shayne Cunis	<ul style="list-style-type: none"> <li>• Director – The Water Research Foundation (USA)</li> </ul>



## Directors' appointment terms and committee memberships

6.3

Purpose			Team		
Information	Discussion	Approval	Prepared	Recommended	Submitted
			<b>E McBride</b> Governance Manager	<b>R Fisher</b> Company Secretary	<b>R Jaduram</b> Chief Executive
Intellectual capital	People and culture	Community and stakeholder relationships	Financial capital & resources	Natural environment	Assets and Infrastructure
					

### 1. Purpose and context

This paper provides an update on:

- the tenure of the eight directors of Watercare Services Limited
- details of the committees each director is a member of.

### 2. The details

**Table 1: We have eight directors**

Our directors are appointed by Auckland Council

Director	Original appointment date	End of term
Margaret Devlin (Chair)	1 November 2016	31 October 2022
Dave Chambers	1 November 2019	31 October 2022
Nicola Crauford	1 April 2014	31 October 2021
Brendon Green	1 November 2016	31 October 2022
Julia Hoare (Deputy Chair)	1 November 2013	31 October 2020
Hinerangi Raumati-Tu'ua	1 August 2019	31 October 2022
David Thomas	1 November 2014	31 October 2020
Frances Valintine	1 November 2019	31 October 2022

**Table 2: We have five committees to assist the Board in its corporate governance**

Committee Chairs and members are appointed by the Chair. Attendance at Committee meetings by non-members is optional.

Director	Audit and Risk	Te Tangata	Strategic Transformation Programme	AMP & Major Capex	Committee for Climate Action
Margaret Devlin (Chair)	*	✓		✓	
Julia Hoare (Deputy Chair)	Committee Chair			✓	
Dave Chambers		Committee Chair			
Nicola Crauford			✓	Committee Chair	✓
Brendon Green	✓		Committee Chair		Committee Chair
Hinerangi Raumati-Tu'ua	✓				
David Thomas	✓	✓			
Frances Valentine			✓	✓	✓

*\*Board Chair attends in ex-officio capacity*

