

## WATERCARE SERVICES LIMITED

<b>AGENDA</b>	<b>BOARD MEETING</b>	<b>Tuesday, November 24, 2020</b>
<b>Venue</b>	Watercare Services, Level 3 Boardroom, 73 Remuera Road, Remuera	
<b>Time</b>	10.15am	

*Open Public Meeting*

Item	Spokesperson	Action sought at governance meeting	Supporting Material
<b>1 Opening Karakia</b>	Brendon Green		
1.1 Meeting Administration	Chair	For discussion	Nil
<b>2 Apologies</b>	Chair	Record apologies	Nil
<b>3 Minutes of Meeting</b>	Chair	Approve Board Meeting Minutes 27 October 2020	<a href="#">Board Minutes 27 October 2020</a>
<b>4 Disclosure of Directors' Interests</b>	Chair	For noting	<a href="#">Report</a>
<b>5 Public Deputations</b>	Chair	For information	Verbal update
<b>6 For information</b>			
6.1 October 2020 Central Interceptor Report	Shayne Cunis	For information	<a href="#">Report</a>
6.2 Drought Update	Mark Bourne	For information	Presentation
6.3 Customer Channel, Live Chat Implementation	Amanda Singleton / Jason Pascoe	For information	<a href="#">Presentation</a>
<b>7 For discussion</b>			
7.1 Safety Moment	All	For sharing	Nil
7.2 Acting Chief Executive's Report	Marlon Bridge	For discussion	<a href="#">Report</a>
7.3 Board Committee Updates	Committee Chairs	For discussion	Nil
<b>8 Directors' Corporate Governance Items</b>			
8.1 Board Planner	Chair	For noting	<a href="#">Report</a>
8.2 Disclosure of Senior Executives' Interests	Chair	For noting	<a href="#">Report</a>
8.3 Directors' Appointment Terms and Committee Memberships and meeting attendances	Chair	For noting	<a href="#">Report</a>
<b>9 General Business</b>	Chair	For discussion	Nil
9.1 Closing Karakia	Brendon Green		Nil
<b>Date of next meeting</b>	<b>Board Check in - Tuesday 15 December 2020</b>		

# MINUTES

SUBJECT	WATERCARE SERVICES BOARD MEETING
VENUE	Watercare Services, Level 3, 73 Remuera Road, Remuera
DATE	27 October 2020
TIME	9.35am
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 (Acting CE) Nigel Toms (Acting CFO) Steve Webster Amanda Singleton Shane Morgan Rebecca Chenery David Hawkins Rob Fisher Jason Glennon Bronwyn Struthers Shayne Cunis Mark Bourne Jodie Atkin</p>	<p><b>Guests:</b></p>
1.	<p>David Thomas opened the meeting with a karakia.</p> <p><b>1.1 Meeting Administration</b></p> <p>The Chair added an additional item for approval, being to formally transfer the delegated authorities of the Chief Executive Officer from Raveen Jaduram to Marlon Bridge.</p> <p>An update on CEO recruitment was provided by Dave Chambers after item 5.</p> <p>The Chair congratulated Rebecca Chenery on her recent award for the top CIO in New Zealand.</p> <p>It was noted that this was Julia Hoare's last Board meeting due to her term ending at the end of October. The Board formally acknowledged Julia's work and passed on its thanks for her contribution to Watercare.</p> <p>This was also Raveen Jaduram's last meeting. The Board formally thanked Raveen for his contribution to Watercare.</p>		
2.	<p><b>Apologies</b></p> <p>Apologies were received from Councillor Linda Cooper and Sarah Holdem.</p>		
3.	<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 29 September 2020 be confirmed as true and correct with the following amendment:</p> <ol style="list-style-type: none"> <li>the attendance of Jodie Atkin, Governance Coordinator, was to be included.</li> </ol>		

4.	<p><b>Review Disclosure of Directors' Interests</b></p> <p>No changes to the Directors' interests were required.</p>
5.	<p><b>Public Deputations</b></p> <p>There were no public deputations.</p> <p>Dave Chambers provided an update on the recruitment of a new Chief Executive Officer, noting that the process is well underway.</p> <p>Kerridge and Partners Recruitment were engaged through a formal process in which three companies were considered.</p> <p>An optimistic timeline has been set through to Christmas.</p> <p>A position description was fine-tuned, and it will be shared with Auckland Council.</p>
6.	<p><b>For Approval</b></p> <p><b>6.1 Update to Watercare's Commitment to Health, Safety and Wellness</b></p> <p>Bronwyn Struthers presented this paper.</p> <p>She noted that the Commitment to Health Safety and Wellness is normally signed every year but this one was extended to two years. By definition the Commitment applies to both direct employees of Watercare and its contractors.</p> <p>The findings of the recent audit revealed that some improvements were required in administration.</p> <p>It was confirmed that the document resonates with staff, but the card issued to each of them at their induction does have more impact. Staff feel that the card provides them with authority to stop work, where an unsafe situation has arisen, should they need to. It was recognised that it is not necessary to use the card itself, but staff feel more secure in making such a decision because they have the card. It was noted that the card has only been used to stop work on a couple of occasions. The Board noted that staff should be actively encouraged to use it should the need arise.</p> <p>In response to a question about what support and action is being taken to rehabilitate staff back to work after an injury, it was stated that we partner with Gallagher Basset to support us in this process.</p> <p>It was noted that the words 'well-being' should be added to the certificate in a number of places. It was also suggested that 'employees' or 'team' be used consistently throughout the certificate.</p> <p>The Board Work Plan is to be updated to include health, safety well-being reporting to be completed under the lens of this Commitment.</p> <p><b>Resolution</b></p> <p>The Board <b>approved</b> the Commitment to Health, Safety and Wellbeing for the next 24 months, subject to the above amendments.</p> <p><b>6.2 Approval of transfer of the Chief Executives Authority (not on original agenda)</b></p> <p><b>Resolution</b></p> <p>The Board <b>approved</b> the Chief Executive's authority be transferred to the to the Acting Chief Executive until a Chief Executive is appointed.</p>

7.	<p><b>For Information</b></p> <p><b>7.1 Our Performance Under the 2019/20 Statement of Intent</b></p> <p>Rob Fisher, Company Secretary, presented this paper and acknowledged and thanked Jenny Wigley, Customer Insights Specialist, for her work in its preparation.</p> <p>Rob highlighted the following points:</p> <ul style="list-style-type: none"> <li>• We achieved 15 of our 16 SOI targets. - Covid-19 and the drought were the dominating factors for Watercare this year.</li> <li>• The target for the median response time for urgent call outs was 60 minutes, and we achieved an average of 50 minutes.</li> <li>• The target for the resolution of the callouts was less than five hours and we achieved 2 hours 49 minutes.</li> <li>• The target for total number of complaints per 1,000 connections was less than 10, and we achieved 7.2, which is an improvement on last year.</li> <li>• The target for dry-weather overflows was less than 5 and we achieved 0.55.</li> <li>• The target for the wet-weather overflows, in the Unitary Plan, is less than 2 and we achieved 1.5.</li> <li>• The flushing of wet-wipes is a significant contributing factor to these overflows and we are working with supermarkets in an effort to have them recognise and advertise that wet-wipes should not be flushed.</li> <li>• There were no abatement notices, infringement notices, enforcement notices or convictions received by Watercare in relation to compliance with resource consents.</li> <li>• Helensville wastewater treatment plant was not strictly in compliance, however this did not result in any significant environmental effects and Auckland Council has been supportive of the measures taken to bring the plant into compliance.</li> <li>• Projects are underway for the Western Isthmus, Central Interceptor and there is a separation project planned for the Eastern Isthmus. Together these three projects will greatly improve the receiving environment.</li> <li>• Our real loss from the networked reticulation system technically missed its target of 13% or less, with a result of 13.2%. However, as at June 2020 real loss was 12.8%, thereby meeting the target, but not audited. This initial higher result was due to meter readers being unable to attend properties to read the meters during the first Covid-19 lockdown period so the audit was undertaken as at January 2020.</li> <li>• The actions being taken to address real water loss were noted.</li> <li>• The level of investment in assets and infrastructure was \$552 million, consisting of \$164 million on water and \$388 million on wastewater including the Central Interceptor project.</li> <li>• Investment highlights included the breakthrough of the Hunua 4 watermain tunnel and it was noted that the decision to use a tunnel boring machine, rather than trenching, was the right decision given the economic impact that can occur to businesses on major roads such as Khyber Pass Road.</li> <li>• Work on the augmentation measures at Pukekohe and Hays Creek are in hand and will be reported on next year.</li> <li>• In respect of intellectual capital, it was noted that Board and Management reacted extremely well to the transition required due to Covid-19. Hundreds of laptops were distributed to staff, over a matter of a week, 'Teams' software was a great success and its continued use now, saves us both time and cost.</li> <li>• The Enterprise Model received international accolades, and awards were received for the Central Interceptor's work piloting the use of recycled wastewater in its construction. International, regional and local awards were also won by the Army Bay project for its 'no-dig' project, in which horizontal drilling was used.</li> </ul>
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- In spite of the challenges brought about by Covid-19, our staff engagement and employee experience measures rose. People at Watercare like the people they work with and find the work they do to be meaningful. Staff turnover is down as people feel secure at Watercare. Questions on inclusiveness, bullying, harassment and diversity were positive.
- Watercare has seen an increase in injuries and this is being addressed through various programmes. An independent review of Health, Safety and Well-being is also in hand with the Board and Management focussing on this issue.
- We supplied safe and reliable 'Aa' graded water exceeding the required standards.
- Water education has been rolled-out in schools across Auckland and the 'Water is Precious' campaign was launched in February, resulting in a significant decrease in water use by Aucklanders.
- During Covid-19 we were able to get people into the field doing critical repair work, and although we had to estimate meter reads, our customer feedback reflected well on our net promoter score of +43 (on a scale of -100 to +100).
- Water restrictions were implemented by Council on the recommendation of Watercare in May 2020. Our trust measure began to decline at that time.
- Watercare worked with Council to provide seven non-potable water sources to serve commercial customers, some of whom are still using those sources. We hope that this will continue, with the re-use of recycled water for activities such as house cleaning and dust suppression on construction projects.
- Revenue was up over the summer due to increased demand and total assets grew from \$10.39 billion to \$10.84 billion
- Looking ahead, a further decision by Council is expected in November regarding water restrictions, and the conversation continues regarding Auckland's drought resilience.

## **7.2 September 2020 Central Interceptor Report**

The report was taken as read.

Shayne Cunis presented this report, noting the following highlights:

- Excavation at Māngere is complete.
- Erionite issues have all been dealt with and no issues arose.
- The tunnel boring machine (TBM) for this project is currently travelling by ship through the Panama Canal.
- There was a problem with a sub-contractor, who was stood down on 3 occasions. There are a limited number of sub-contractors able to do the work required, which limits our capacity to cease working with them.
- On the day of the first major lift into a shaft, the crane that arrived on site did so with shackles that were not to standard and therefore had to be removed from the site, which was delayed until later that day.
- Archaeological digging is continuing with 35 new species of molluscs having been found.
- There is likely to be a \$5 million variation to the delay on the rising main installation as a result of Covid-19.
- In answer to a question from the Board, Shayne advised that the need to change the course of the pipeline as a result of additional probe drilling would be unlikely and would be a worst-case scenario. The main risk would be coming across hard rock, which would require changing the cutting head. By probing ahead, the team has a number of days to plan for any unexpected finds.
- The contractor onsite has used outstanding safety procedures and there have been no risks to workers. Performance has been of an exceptionally high quality.

	<ul style="list-style-type: none"> <li>• The haul road was planned to help mitigate the impacts of construction and demobilisation at Western Springs. With the extension to the Grey Lynn Tunnel, the TBM is no longer being removed at Stadium Road at Western Springs. Further, there has been no apparent progress on relocating cricket to Western Springs, further reducing the potential impacts of construction at the site.</li> <li>• Entry visas for personnel are still an issue. Some multi-entry visas have been issued to staff, but this is an ongoing process and the team is working with the Ministry of Business, Innovation and Employment (MBIE). There is no-one currently still waiting on a visa. The Mayor has been vocal and supportive on this issue in the media, which has been helpful. The Chair will be meeting with Mayor Goff next week to discuss further visa issues.</li> <li>• In relation to a question from the Board, Shayne noted that the project is continuing to provide education opportunities for Māori and Pasifika, including intern positions.</li> <li>• A laundry is being built which will also provide training and employment opportunities at two marae.</li> </ul> <p>The Board requested site visits for this project, before Christmas. Shayne suggested Māngere (to understand the definition of a 'mine site') and Haycock Avenue (to understand how constrained the site is in a residential area).</p> <p><b>7.3 Drought Update</b></p> <p>Mark Bourne tabled the drought update (Appendix 1 to the minutes) and noted the following highlights:</p> <ul style="list-style-type: none"> <li>• Production from water treatment plants was trimmed back over the long-weekend due to low demand.</li> <li>• Storage as at this morning was 67.42% and has been sitting at around 67% for about the last six weeks.</li> <li>• The non-storage 7-day production is just below target.</li> <li>• A new data point will be added to next month's report looking at where we will be over the coming summer.</li> <li>• Pukekohe was commissioned on the weekend and Hays Creek is still on track for completion in the new year.</li> </ul> <p>In answer to a question from the Board, Mark explained that significantly more rain is expected this year, over the summer, compared to last year. The forecast is for warmer and drier weather, but we are likely to see rainfall from short, sharp storms rather than long, slow rain patterns.</p> <p>The Board discussed what the ramifications would be if we were to have a major storm event, such as that experienced in the Tasman Tempest in 2017. It was noted that modifications were made at Ardmore, making it more able to handle silt loads which can eventuate with severe rainfall. These modifications have secured this asset. Some weather events could lead to wet-weather overflows and closure of beaches.</p>
8.	<p><b>For Discussion</b></p> <p><b>8.1 Safety Moment</b></p> <p>Bronwyn Struthers presented this safety moment.</p> <p>She reported that teams on all of Watercare's construction sites are engaged in the 'Back to Basics' programme. This involves the teams on site choosing a theme for the month and agreeing on actions to be taken to improve safety around that theme. This month, for example, the theme was 'take care of the gear' and the teams undertook to check on their safety equipment, including their high-visibility clothing, to ensure it was all in good order. The concept involves the on-site teams taking ownership of the initiative with Watercare as an equal partner providing support, including prizes when goals are achieved.</p> <p>Bronwyn brought along a life-sized cut-out of Sapo Rimoni, who is an engineer in our Infrastructure team. The cut-out depicts Sapo in high-visibility gear and holding a sign with the month's theme written on it.</p>

**8.2 Acting Chief Executive's Report**

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

A recent issue with the e-billing system was discussed. The issue was recognised quickly. As a result there were no issues with the customers' ability to pay their bills and there have been no further issues.

Delays in reporting safety incidents was discussed and it was noted that this occurs with contractors' employees as well as in our own team. This can sometimes be a matter of issues being bundled together and reported at the end of the month. It was noted that Contractors must work to Watercare's standards, and not just their own.

Whether injuries occurring in the home, when staff work from home, are home injuries or work injuries was discussed. Watercare sought external advice on this issue, and it has not been a significant issue for us. These injuries or incidents are handled in the same manner in which they would have been handled had they occurred in the workplace. Since the Watercare team have been working from home extensively, there have been no unusual incidents within the Watercare team.

It was noted that Richie Waiwai's report in November will address the visibility of Māori Outcomes.

Further, Rob Fisher will provide a report on his work on the second Waikato take and engagement with Māori entities.

The Chair relayed the feedback that she received from the Waikato District Water Governance Board who are very positive about the progress with the contract.

**8.3 Review of the Water Supply and Wastewater Network Bylaw 2015**

The purpose of the paper was for the Board to nominate up to two people to sit on the Water Supply and Wastewater Network Bylaw 2015 Review Council Hearing Panel (the Panel).

Management recommended that Catherine Harland, a former Watercare Board member, be appointed to the Panel.

**Resolution**

The Board **accepted** the recommendation that Catherine Harland be appointed to the Panel.

**8.4 Board Committee Updates****AMP and Major Capex Committee (AMCC)**

There was no update for this month.

**Strategic Transformation Programme Committee (STP)**

There was no update for this month. The final committee meeting is currently being scheduled.

**Te Tangata Komiti (TTK)**

The Committee had not met since the last Board meeting. The next committee meeting is scheduled for 29 November.

**Committee for Climate Action (CCA)**

Brendon Green, Committee Chair, reported that there was a meeting of the committee on 13 October.

**Audit and Risk Committee (ARC)**

The Committee had not met since the last Board meeting. The next meeting is set down for 27 October.

9.	<p><b>Directors' Corporate Governance Items</b></p> <p><b>9.1 Board Planner</b></p> <p>It was noted that the Board meetings need to be updated and meeting dates finalised for the sub-committees.</p> <p>A site visit is to be arranged for 12 November 2020. The site visit will concentrate on water plants and is likely to include the new bore at Pukekohe, the new reservoir at Runciman Road and Ardmore WTP. This will take half a day.</p> <p><b>9.2 Disclosure of Senior Executive's Interests</b></p> <p>The report was noted.</p> <p><b>9.3 Directors' Appointment Terms and Committee Memberships and meeting attendances</b></p> <p>The report was noted.</p>
10.	<p><b>General Business</b></p> <p>There was no general business.</p>
	<p>David Thomas provided a closing Karakia.</p> <p>The meeting closed at 11.05am.</p>

CERTIFIED AS A TRUE AND CORRECT RECORD

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Margaret Devlin  
Chair






**Report to the Board of Watercare Services Limited**

Prepared for the 24 November 2020 meeting

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## Disclosure of Directors' interests

Purpose			Team		
Information	Discussion	Approval	Prepared and Recommended	Submitted	
			<b>Rob Fisher</b> Company Secretary	<b>Marlon Bridge</b> Acting 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 directors 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 and Chair, Lyttleton Port Company Limited</li> <li>• Director, Waikato Regional Airport</li> <li>• Director, Titanium Park (wholly owned subsidiary of Waikato Regional Airport)</li> <li>• Director, Waimea Water Limited</li> <li>• Director, Aurora Energy</li> <li>• Director, IT Partners Group</li> <li>• Councillor, Waikato University</li> <li>• Deputy Chair, WINTEC</li> <li>• Independent Chair of Audit and Risk Committee, Waikato District Council</li> <li>• Director, Infrastructure New Zealand</li> <li>• Chair, Advisory Board Women in Infrastructure Network</li> <li>• Chair, Hospice Waikato</li> <li>• Chartered Fellow, Institute of Directors</li> <li>• Member, Institute of Directors, Waikato Branch Committee</li> </ul>

Director	Interest
Nicola Crauford	<ul style="list-style-type: none"> <li>• Chair, GNS Science Limited</li> <li>• Chair, Electricity Authority</li> <li>• Director and Shareholder - Riposte Consulting Limited</li> <li>• Board member - Kāinga Ora - Homes and Communities</li> <li>• Director – CentrePort Limited Group</li> <li>• Trustee – Wellington Regional Stadium Trust</li> <li>• Advisory Board member – Stats NZ</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, Hiringa Energy Limited</li> <li>• Director, Peak2Peak Limited</li> <li>• Executive Director, Advanced Biotech NZ Limited</li> <li>• Management contract, Tainui Kawhia Minerals</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> <li>• Member – Waikato District Council – Infrastructure Committee</li> <li>• Advisor – Te Taumata Aronui – Ministry of Education</li> <li>• Adjunct Senior Fellow – University of Canterbury – Department of Chemical Engineering</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> </ul>

Director	Interest
	<ul style="list-style-type: none"> <li>• Member, Venture Taranaki</li> </ul>
Dave Chambers	<ul style="list-style-type: none"> <li>• Director, Paper Plus New Zealand Limited</li> <li>• Director, Living Clean NZ Limited</li> <li>• Director, Turners and Growers Fresh Limited</li> </ul>
Frances Valintine	<ul style="list-style-type: none"> <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>
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>



**Report to the Board of Watercare Services Limited**

Prepared for the 24 November 2020 Board meeting

## Central Interceptor report for October 2020

6.1

### HIGHLIGHTS AND LOWLIGHTS

- Excavation works at Māngere Pump Station were completed. This is a significant achievement, as the works were completed with no Lost Time Injuries or serious Health and Safety incidents recorded.
- Work has now commenced on installation of the base slabs. A major lift of the reinforcement cages for the inlet shaft were completed without incident.
- Over the last two metres of excavation of the main shaft, groundwater inflows have been significantly higher than anticipated. Changes to the slab installation methodology are being developed to ensure there are no quality issues.
- The Project has been selected as a finalist in the 2020 Infrastructure NZ Excellence in Social Impact Awards 2020. The award will be announced on 18 November at the annual conference.
- Secant piling at Haycock Avenue is complete.

### FUTURE OUTLOOK

- Delivery of the segment molds for the tunnel segments have been delayed until late November because the shipment was cancelled due to Covid-19 impacts. The first trial ring is now expected to be cast in early December, and full segment production is now scheduled to begin in February 2021.
- The Tunnel Boring Machine (TBM) is due into Ports of Auckland in mid-November 2020. Delivery to site will then commence, and the naming event will be held on 14 December 2020.
- Factory Acceptance Testing of the Microtunnel Boring Machine (MTBM) is being carried out in Thailand in mid-November, under the supervision of local Jacobs resources. The MTBM is due for delivery into Auckland in January 2021.



Shayne Cunis

**Executive Programme Director, Central Interceptor**

## 1. PROJECT SUMMARY



### HEALTH, SAFETY & WELLNESS

#### Lifting:

- Some routine lifting activities are presenting challenges with five close calls reported. Investigations have been carried out and corrective actions implemented including increasing staff communication and awareness. Cameras on cranes are also being considered.

#### Shotcrete Works:

- Preliminary shotcrete work and rock bolting have commenced at May Road. Given this is a new activity for the project this will remain a focus area during its initial phase. Regular reviews of safety controls will be conducted over the next four weeks.

#### Safety Leadership:

- The project now has up to 320 staff across all sites every day. The joint weekly GAJV and WSL leadership team site visits are a useful way of ensuring ongoing Health and Safety engagement during which front line workers have the opportunity to discuss progress and highlight challenges.

#### Health & Wellbeing:

- Both Watercare and the GAJV participated in Breast Cancer Awareness month. Various sporting activities were also held project wide including touch rugby and dragon boating.

### DELIVERY

#### Māngere Pump Station:

- Excavation in both the pump station and inlet shaft have been completed.
- Auckland Council has been kept informed of the impact of increased groundwater drawdown at MPS. At this time no further actions are required, and no significant settlement on adjacent structures has been recorded.
- Rising main construction continues with 220m of dual pipeline now installed in the trench.

#### May Road:

- Shaft A excavation has extended below the secant piles. The ongoing excavation is now being done with rock bolt and shotcrete methodology of the walls to prevent ground collapse.
- Coring of the basalt in Shaft B has been completed and piling has commenced.
- Construction works on Roma Road access and associated retaining wall are nearing completion.

#### Keith Hay Park:

- No objection has been received from NZTA or Kiwirail for the proposed methodology for installing Branch 9B Sewer under SH20.

#### Haycock Avenue:

- Secant piling for the shaft has been completed.

#### Dundale Avenue:

- Site establishment and construction of the guide wall has been completed in preparation for piling to commence in November.

#### Miranda Reserve:

- Site establishment activities are continuing.

**PEOPLE**

- Two ex-pat staff members who occupy critical roles within the project have been granted multiple entry visas. This provides some certainty regarding their ability to re-enter the country following planned trips home over the Christmas period. The uncertainty regarding their ability to return to New Zealand had created a significant retention risk. With multiple entry visas now in place, this risk has been largely mitigated.
- Planning is underway to ensure appropriate staffing levels are in place over the Christmas period. Work will continue at the Māngere Pump Station site during this period, requiring some staff members to be on site. Staff members not required to support these or other essential activities will be encouraged to use this time of decreased activity to enjoy the health and wellbeing benefits of taking some annual leave.

**RISKS**

- Section 4 provides greater detail on the current risks in play and the movements from last month.
- There have been no significant developments related to Covid-19 during the month of October.
- Excavation of the MPS main shaft has reached the base slab level, where ground water inflows encountered have been significantly higher than anticipated (outside GBR limits).
- The aggregate effect of WIWQIP changes have the potential to affect WSL delivery and/or result in disruption claims from GAJV. Regular briefings with GAJV are being held and updated drawings supplied as early as possible to incorporate these into the GAJV temporary / permanent design works.

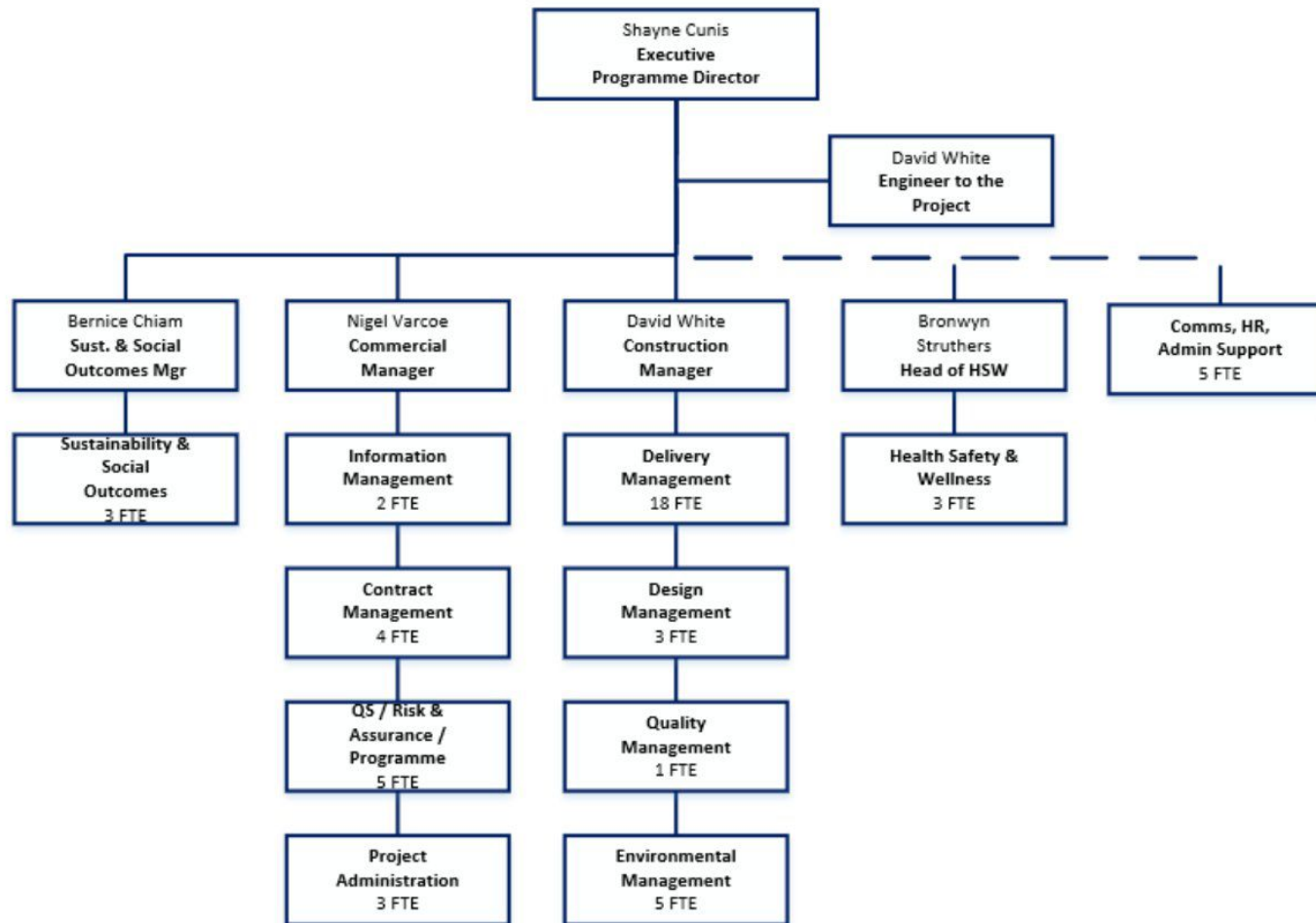
**CONSENTS & APPROVALS**

- The traffic safety assessment for the proposed haul road between Morning Star Place and Fergusson Avenue confirmed improved safety outcomes. Preparation of a consent application is now underway, as is the landowner approval process.
- The preliminary design stage of the public arts concept for Keith Hay Park is complete. The budget is to be agreed with Auckland Council prior to moving into the next stage of design.

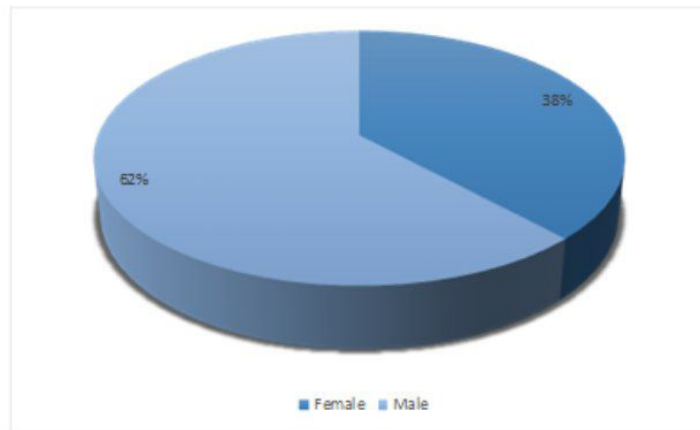
**STAKEHOLDER & COMMUNICATIONS**

- Further stakeholder communications have been issued including update bulletins for Walmsley Park site construction (starting late October) and for Keith Hay Park.
- The Local Board Liaison Group has been established with a subset of local board members, CI project staff and council officers. A successful session was held with Puketapapa in which a range of issues were aired.
- A 'Meet the Contractor' event was held with GAJV at Miranda Reserve. Approximately 50 locals dropped in to learn more about the project and specific site works.
- Following consultation with the local community, a new play-space on Kāinga Ora land in Glenavon has been agreed to replace a playground removed at our Miranda Reserve site.
- A workshop was held with Meola Creek Community Liaison Group. Attendees provided detailed feedback on the design and final appearance of plant rooms at the Lyon Ave and Haverstock Ave sites.

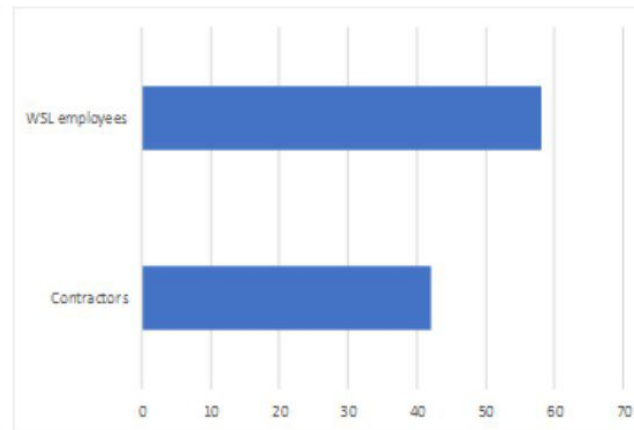
## 2. ORGANISATION STRUCTURE



Gender balance



Workforce split





### 3. Health, Safety & Wellness

Watercare, its partners and the GAJV worked a total of 72,852 hours in October 2020. The rolling Lost Time Injury Frequency Rate (12 months) is 0 and the Total Recordable Injury Frequency Rate (TRIFR) is 3.07 per million hours.

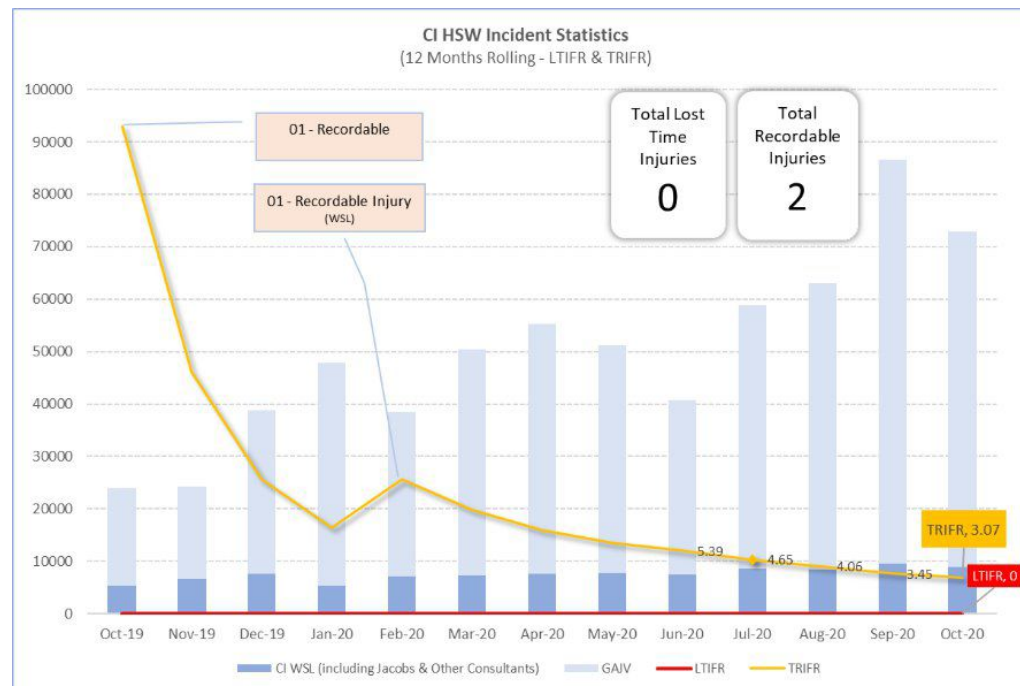


Figure 1: H&S Statistics (12 months rolling rate)

No serious injuries were reported during this month. The GAJV reported four minor first aid cases, five close calls, and one minor property damage during this period.

	Hours Worked*	FAI	MTI	LTI	Close Call	PD	RO	NI
Watercare Employees	4,301.0	0	0	0	0	0	0	0
Jacobs Construction Management	2,275.0	0	0	0	0	0	0	0
Other Consultants*	2,265.0	0	0	0	0	0	0	0
Ghella Abergeldie JV	64,011.0	4	0	0	5	1	0	0
<b>Total</b>	<b>72,852.0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>0</b>

\*Includes Jacobs Design Support and Grey Lynn Tunnel (78% of hours worked)

Classification	Description
<b>First Aid Incident (FAI)</b>	Refers to any injury that can be treated on the job site without causing lost work days. Treatment for first aid incidents includes cleaning minor cuts, scrapes or scratches, treating a minor burn, applying bandages or dressings, cold compress, cold pack, ice bag or splint.
<b>Medical Treatment Injury (MTI)</b>	A medical treatment injury is defined as an injury or disease that resulted in a certain level of treatment (not first aid treatment) given by a physician or other medical personnel under standing orders of a physician. This does not include preventive medications.
<b>Restricted Duties Injury (RDI)</b>	A restricted duties injury is defined as an injury or disease that resulted in a physician or other medical practitioner limiting a worker's hours or work activities for a period of time.
<b>Loss Time Injury (LTI)</b>	A lost-time injury is something that results in a fatality, permanent disability or time lost from work. It could be as little as one day or a shift.
<b>Close Call</b>	A close call is an incident which did not result in injury, illness or damage, but could potentially have done so.
<b>Property Damage (PD)</b>	Property damage occurs when a structure, plant, light vehicle etc. has been damaged.
<b>Report Only (RO)</b>	An incident, injury, illness that is not work related and/ or has happened away from the project is a report only incident. This includes a vehicle accident that occurs when travelling to and from works.
<b>Notifiable Incident (NI)</b>	A notifiable incident is an incident that must be notified to WorkSafe
<b>Combination of incidents</b>	Where there are multiple classifications for an incident, the highest severity and outcomes must be taken into consideration.

## 4. Risks

### Existing Risks

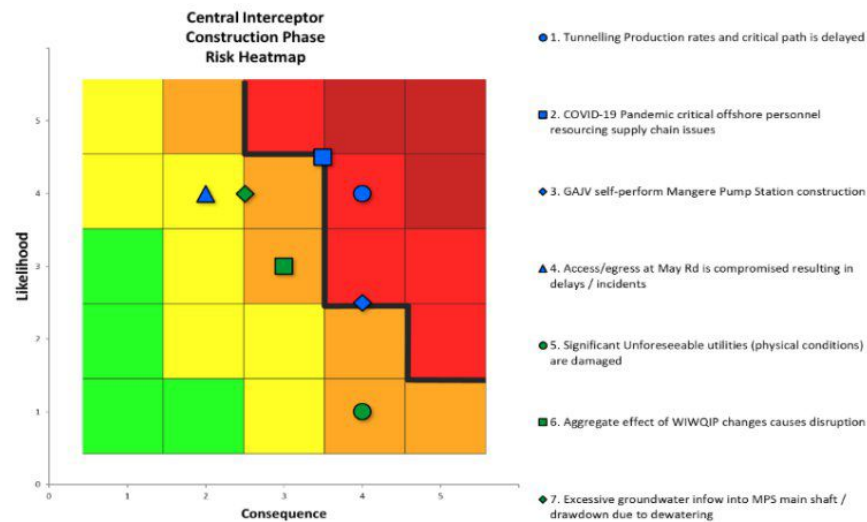
There have been no significant movements in any of the existing risks over the month. On the client side, the Covid-19 risks relating to our ex-pat people has significantly reduced, but there has been no similar reduction on the contractor side, so overall this risk has not moved.














### New Risks

Excavation of the MPS main shaft reached the base slab level. Groundwater inflows have been found to be significantly higher than anticipated even with the previously instructed additional D-wall embedment. There is, therefore, increased risk associated with dewatering activities within the MPS main shaft until the base slab and structural walls are installed.

Western Isthmus Water Quality Improvement Project (WIWQIP) continues to be an avenue of change for Central Interceptor. It is recognised that while each change in isolation does not pose a significant risk, the changes in aggregate have the potential to open WSL up to disruption claims from GAJV, and affect WSL delivery due to internal resourcing constraints.

### Risk Heatmap



Risk Description		Risk Reduction Actions
<b>Tunnelling production rates and critical path is delayed</b> Ground conditions are more adverse than baselined in GBR results in delays to programme and additional costs.	 	Additional probe drilling for specific ground conditions. We will actively monitor ground conditions and tunnelling rates during operation. TBM has facility for real-time monitoring.
<b>COVID-19 Pandemic critical offshore personnel resourcing and supply chain issues</b> Resourcing — critical staff not able to obtain exemptions to be able to enter New Zealand. Now presents a critical risk to the project.	  	\$5M expenditure to procure TBM from Germany instructed in late February 2020. Engagement with GAJV for critical resourcing requirements from overseas. WSL can offer endorsements if necessary to pass government requirements. Close monitoring of supply chain impacts due to COVID-19 including engagement with suppliers.
<b>GAJV self-perform Mangere Pump Station construction</b> Contractor proposing to self-perform delivery of Māngere Pump Station works. Quality and/or commissioning issues arising from insufficient capability within the contractor to successfully deliver works.		Approval process and in-depth review of contractor capabilities. Engagement of appropriate sub-consultants where required. Yet to approve.
<b>Access/egress at May Rd is compromised due to conflicting activities from leaseholders/tenants</b> Tenants not following TMPs/TMPs not accepted by landowner. HSE Incidents.	 	Full time warden. Additional traffic controls. Option to exercise WSL regulator rights under the Public Works Act. Regular coordination meetings. Revisit options for securing rights to the property. Heightened communications/improve relations with tenants. Roma Road accessway nearing completion.
<b>Significant utilities (unforeseeable physical conditions) are damaged</b> Utilities not shown on drawings or with visible evidence on site. Inadequate investigations		Ensure services investigations are undertaken by the Contractor Review Contractor method statements and risk assessments for utility location.
<b>Aggregate effect of WIWQIP changes causes disruption</b> Sum of WIWQIP changes impacts GAJV scheme procurement activities. Limited internal WSL resource availability to manage additional workload causes delays.	 	Change management process in place. Considering all viable options for delivery of WIWQIP work, and impact of timeframe for delivery of works without impacting CI performance warranties. Jacobs resourcing available to support CI team members.
<b>Excessive groundwater infow into MPS main shaft / drawdown due to dewatering</b> Greater than anticipated permeability in shaft base — excessive groundwater take / drawdown. Delays to casting main shaft slab. Ground settlement causing damage. Breach of resource consent conditions.	 	Monitoring and Instrumentation with Alarm/Alert trigger levels. Additional dewatering plant installed. Exploring options to minimise groundwater take volume and duration, without compromising quality of works.

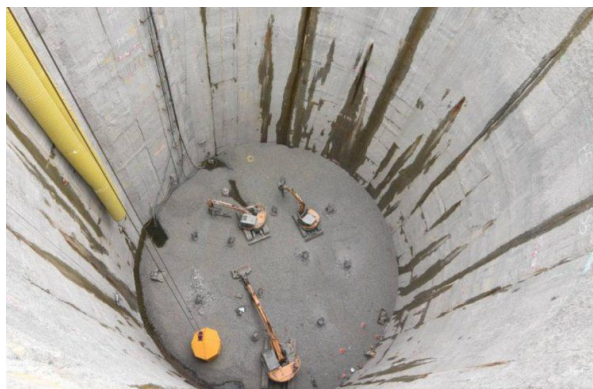


**5. Photo Update – October 2020**

6.1



May Road – Roma Road nearing completion



MPS – Placing blinding layer at the base of the pump station shaft



Dundale Ave – Ready for piling to commence



MPS– Display of shells collected during shaft excavation



MPS – Site Overview

## 6. Construction Programme

When is the Central Interceptor being built?

6.1







Central Interceptor  
**Watercare**



**Report to the Board of Watercare Services Limited**  
Prepared for the 24th November 2020 Board Meeting

## Customer Channel Strategy, Live Chat Implementation

6.3

Purpose			Team		
Information	Discussion	Approval	Prepared	Recommended	Submitted
			<b>J Pascoe</b> Head of Customer Experience	<b>A Singleton</b> Chief Customer Officer	<b>M Bridge</b> Acting Chief Executive Officer
Intellectual capital	People and culture	Community and stakeholder relationships	Financial capital and resources	Natural environment	Assets and Infrastructure
					

### 1. Purpose and context

The implementation of Live Chat will enhance employee productivity and improve the customer experience.

### 2. The details

#### Key points

Our customer promise is to provide great value to our customers by connecting with the individual, providing affordable and reliable services, while enabling a sustainable future. Introducing Live Chat will bring us closer to fully delivering on our customer promise, as it will deliver:

- A, 'Digital First' customer experience, greater choice and convenience.
- Improved customer response times across digital channels, superseding telephone response times.
- An increase in First Contact Resolution (FCR).
- Proactive support when customers experience self-service issues on our website.

#### What value will a Live Chat implementation create?

- Customers who have become accustomed to using chat with other organisations will now be able to communicate with Watercare through this channel, providing greater choice.
- Live Chat improves our availability and customers enjoy after hours support (evenings to 19:00 and weekends from 08:30 to 17:00).
- Ninety percent of Live Chat conversations are responded to within 10 seconds, this will improve our digital response (email response is currently 100% completion within 72 hours) and supersede our KPI for telephone response (currently 80% of all telephone calls answered within 20 seconds).
- Employees are multi-skilled. Enhancing their knowledge, providing greater empowerment, reducing inter-departmental transfers and resolution delays.
- Employees handle multiple chat conversations at once, driving greater productivity.
- Customer interactions are migrated away from expensive, non-digital channels.
- Live Chat lays the foundations for advanced self-service e.g. the implementation of a Chat Bot.

## Report to the Board of Watercare Services Limited

Prepared for the 24 November 2020 Board meeting



7.2

# Chief Executive's report for October 2020

## HIGHLIGHTS AND LOWLIGHTS

### 1. Health, Safety & Wellness

- There was 1 Medical Treatment Injury (MTI) involving a Watercare employee in October 2020
- There was 1 Lost Time Injury (LTI) involving a contractor in October 2020
- The rolling 12-month Lost Time Injury Frequency Rate (LTIFR) for employees is 9.60 per million hours, exceeding our target of  $\leq 5$
- The rolling 12-month Total Recordable Injury Frequency Rate (TRIFR) for employees is 19.21 per million hours, below our target of  $\leq 20$

### 2. SOI measures and customer service

- Trust index is still trending down to 46% vs target of 55%, this is largely driven by negative publicity around the drought especially 'safeguarding Auckland's water', which closely mirrors the trust line. We should expect this trend to continue while residential customers are still under very stringent restrictions.
- Water efficiency metric is tracking well at 73%, however it is evident we are getting close to the maximum of what Aucklanders are prepared to do, as this line is starting to plateau. The new media campaign should help to sustain current levels of water efficiency.
- NPS is at 30 (12-month rolling average), 1 point decline vs last month. The decline is driven by the highs of the previous year dropping and the lows post IPS implementation becoming more dominant. However, NPS for the month of October was 46, +3pts ahead of September. This is driven by the very strong performance of our field services.
- The 12-month rolling score for customer satisfaction remains steady at 73%, with an October performance of 80%. This performance, together with the all-time high of 68% for first call resolution, is driven by our XO (Extreme Ownership) programme.
- Customer Satisfaction 12 month rolling score steady at 73% again driven by the above factors and clearance of backlog has helped achieve an October result of 80%, 5pts ahead of target and first call resolution at an all time high in Oct at 68%.
- Complaints within SLA has improved to 96.1% with a lot of focus and monitoring on resolution time frames
- Ebill: We are unable to report eBill statistics this month due to issues in reconciling numbers. We are reviewing the methodology of how this measure is reported to ensure it is a more robust process as the current methodology can be quite volatile month to month.



### 3. People, Capability and Learning

- CX Soft Skills training for MSN staff started in June this year and has now been extended to City Care and Downer maintenance crews

### 4. Community and stakeholder relationships

- Franklin Local Board joined the Mayor and other dignitaries at the opening of the Pukekohe East water reservoir in early November.
- Water situation updates continue to be shared with Local Boards on a regular basis.
- **Waikato District Council:** The Asset Management Plan and Business Plan were submitted to WDC on 30 June 2020. Work continues on preparing discharge consent applications for Raglan, Meremere and Te Kauwhata.
- **Māori rights and interests in water:** Rob Fisher, Company Secretary, has provided a report regarding the issue of Māori ownership of water as one of their taonga.
- **Legislation update, including submissions on various bills:** The “Water Services Bill” was introduced into Parliament 28 July. Public submissions are now expected to be called for late November/early December. The MfE released its Proposed National Policy Statement for Indigenous Biodiversity (NPS-IB) – and associated documents – on 26 November 2019 for public consultation. The final NPS-IB is anticipated to be released in the first half of 2021 and will likely have significant implications on Watercare. The Waikato Regional Council has begun reviewing its Waikato Regional Coastal Plan and its Waikato Regional Plan.
- **Māori Engagement & Outcomes:** Engagements with Iwi regarding Waikato Awa water consents and the Waikato 50 Project continue as do communications with Mana whenua ō Tāmaki Makaurau regarding water supply updates and the drought.
- **Communications snapshot:** Media highlights include our new water use tracker and Aucklanders’ collective water savings of four billion litres over the winter period. This is currently closer to seven billion litres today.

## 5. Smart Network / Nerve centre

- **Smart meters to help drive water efficiency:** we are moving forward with the implementation of smart meter loggers on 1,000 of the 3,470 accounts associated with the top 100 customers based on consumption. These 1,000 accounts consume more than 90% of the total volume of the top 100 customers.
- Watercare is establishing the Nerve Centre to provide a "one stop shop" for all Watercare assets with co-located teams working together to predict and quickly solve complex, mission critical problems for our customers.
- Work on this is currently underway on Level 3 of Newmarket to create the Nerve Centre.

## 6. Strategic Consents

Numerous consents are underway and in preparation, including:

- **North East Wastewater Conveyance - Warkworth to Snells:** The first consent application was lodged 3 November for tree removal at the pump station site
- **Papakura WTP - Discharge Consent:** The first consent application for the temporary WTP was lodged 29 October. The application is currently being reviewed by the Council specialist. The second consent application for the permanent WTP will be lodged in November.
- **Waikato Interim (50MLD) WTP:** Consent lodged with WRC for the water intake structure (floating pump station).

## 7. Enterprise Model Update

- Delivery of key drought augmentation projects is progressing very well, and an ongoing review of the remainder of capital programme continues.
- Programme Control Group continues to strengthen intervention processes, Value Capture framework and initiative roll out and adoption.
- Joint Watercare / MBIE Construction Sector Accord Beacon Project communications continues to grow with production of video.
- Innovations and initiatives toolkit continue to be rolled out.
- Outreach and briefing sessions now focusing on ensuring delivery teams understand their responsibilities.
- KPIs framework established and data gathering continues.

## 8. Assets and infrastructure – Back to Basics

- The 'back to basics' health, safety and wellbeing campaign has been launched across all infrastructure sites.

## 9. Natural Environment

- **Water Resources position:** Total system storage held through October starting at 67.5% and finishing the month at 67%.
- **Rainfall for October** was well below normal.
- **Storage** remains below normal for this time of year.
- **Rain for November** is forecast to be near normal for Auckland.

## 10. Resource Consent Compliance

- Watercare currently holds 529 active consents across Auckland and Waikato. Of these, 198 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 October 2020, 19 of our 198 discharge and take consents were technically non-compliant; 12 under Auckland Council and seven under Waikato Regional Council. One non-compliance in Auckland was Category 3 (for a water treatment plant). No non-compliances were Category 4.

## 11. Supplier Code of Conduct and Supplier Diversity Update

- Watercare's Supplier Code of Conduct ("the Code") sets the minimum standards applicable to all suppliers providing goods, services or work to us.
- We currently have 75 suppliers with an annual spend over \$1M (representing 88% of our total annual spend) and of these 52 have acknowledged the Code. The remaining 23 suppliers are being contacted to acknowledge the Code.

## FUTURE OUTLOOK

### UPCOMING BOARD ACTIVITY

- Te Tangata Komiti meeting — 25 November 2020
- CCO Oversight Committee meeting — 8 December 2020
- Board Check-in (Teleconference) — 15 December 2020
- Te Tangata Komiti meeting — 27 January 2021
- Board meeting — 29 January 2021
- Audit and Risk Committee meeting — 3 February 2021
- AMP and Capex Committee meeting — 18 February 2021
- Board meeting — 26 February 2021

#### **UPCOMING BUSINESS CASES REQUIRING BOARD APPROVAL**

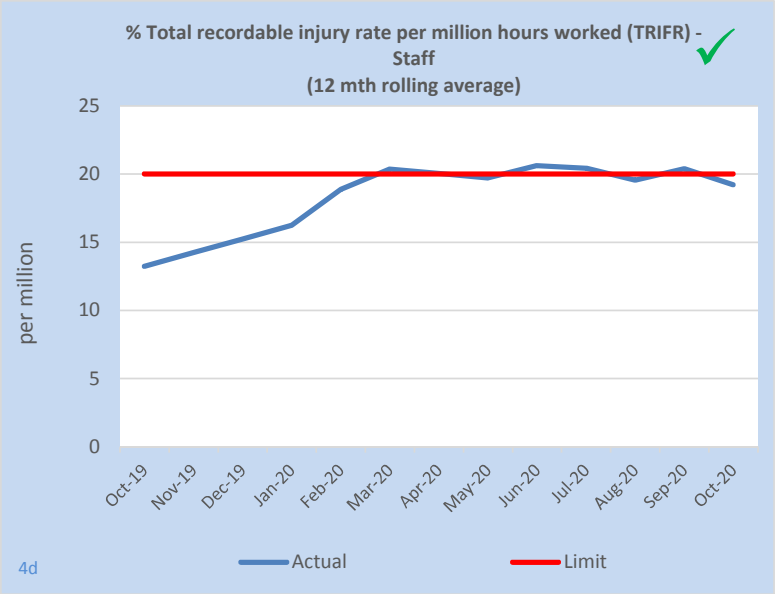
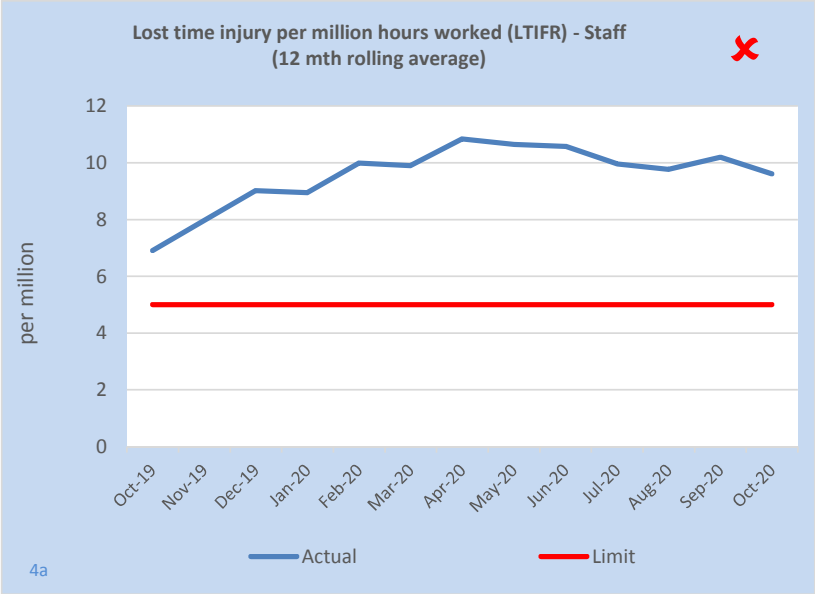
Management plans to present the Board with business cases for the following projects between January and June 2021:

- Wellsford WWTP Upgrade
- Waiuku Water Treatment Upgrade
- Tāmaki wastewater Upgrade (Shovel ready)
- Grey Lynn Collector



Marlon Bridge  
**Acting Chief Executive**

1. HEALTH, SAFETY & WELLNESS UPDATE



7.2

## HEALTH, SAFETY &amp; WELLNESS UPDATE continued

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
Watercare <b>MTI</b> Operations- Pukekohe  15058 29/09/20	No – Manual Handling  MTI	A worker bent to shift some timber and hurt their lower back.  The worker went to the medical centre and was prescribed pain-killing medication before returning to work the following day.	<ul style="list-style-type: none"> <li>Manual handling remains our most common cause of harm</li> <li>The Industrial Athlete programme is currently rolling out at Rosedale</li> </ul>	<ul style="list-style-type: none"> <li>Manual Handling reviewed on site and workers reminded to stop and assess tasks before commencing</li> </ul>
Contractor <b>LTI</b> Operations - Downer  14813 19/10/20	Yes – Working in Traffic  LTI – 14 days	A driver was reversing a truck with a spotter giving direction from the rear of the vehicle. The driver lost sight of the spotter and the spotter's hand became trapped between the vehicle and a pole.  The spotter suffered bruising to his hand and arm and was deemed fully unfit for work for 14 days.	<ul style="list-style-type: none"> <li>When communication is a critical control, work must stop when communication is lost</li> </ul>	<ul style="list-style-type: none"> <li>The worksite team reviewed the incident and reviewed spotter training, including position of the spotter and stopping when the spotter cannot be seen</li> <li>Incident communicated across wider workforce</li> </ul>

7.2

**SIGNIFICANT INCIDENTS/HAZARDS/CLOSE CALLS**

There were four significant incidents in October 2020.

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
Contractor Papakura WTP Infrastructure – Fletchers  Close call  14374 29/09/20	Yes – Dropped Object	A work team were off-loading a delivery of concrete blocks from a flat deck truck.  A worker noticed a lifting lug was damaged so communicated to the operator to lift the block slowly. The block cleared the deck of the trailer, but the lifting lug failed, and the blocks fell approximately one metre to the ground.  An exclusion zone was in place and no-one was hurt.	<ul style="list-style-type: none"> <li>Damaged product or equipment must be raised with supplier to address at root cause</li> </ul>	<ul style="list-style-type: none"> <li>Investigation found that previous deliveries have included damaged and missing lifting lugs. Previously, blocks had been lifted safely or returned to the supplier.</li> <li>Contractor to address quality issue with supplier</li> <li>Workers advised not to use damaged lugs for lifting</li> </ul>
Watercare Papakura Infrastructure – Fletchers  Close call  14379 5/10/20	Yes – Working in and around Traffic	Two vehicles driven by members of the public collided head-on in a controlled traffic area approaching the worksite. Police were notified and were present.  Both parties claimed the traffic lights were at fault. However, transmission messages show that the lights were working properly at the time of the incident.	<ul style="list-style-type: none"> <li>Working in the public arena can present significant risks</li> </ul>	<ul style="list-style-type: none"> <li>Traffic management plans and equipment were reviewed and found to be appropriate</li> </ul>
Watercare  Operations – WTP  Close call  14630 14/10/20		During the site security upgrade, an electric fence which was meant to be inactive during the work day, was left alive for two and a half days.  The security contractor's instrumentation was not working correctly and there was insufficient consultation between the fencing contractor and the security contractor.	<ul style="list-style-type: none"> <li>Planning, consultation and co-ordination are critical controls to ensure safety</li> </ul>	<ul style="list-style-type: none"> <li>Work was stopped and a meeting held with Site Manager, HSW and contractors</li> <li>Security contractor to review and provide improved documentation to site for approval</li> <li>Security upgrade project team to own and manage contractor</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
<p>Watercare Rosedale Infrastructure – Fletchers</p> <p>Close call</p> <p>14804 20/10/20</p>		<p>During night works, a man-hole cover in a walkway was removed and left open with three traffic cones near the aperture.</p> <p>This was not in the approved work plan.</p> <p>Two workers who were unaware of this change, used the walkway in the dark and one worker's leg went into the manhole. The worker landed on the floor and did not fall completely into the manhole.</p> <p>The worker was uninjured.</p>	<ul style="list-style-type: none"> <li>• Change during work, even when seemingly minor, requires a review of risks and controls</li> <li>• Back to Basics theme for the month of November is a focus on managing change</li> </ul>	<ul style="list-style-type: none"> <li>• Work was stopped and an investigation completed</li> <li>• Requirements for barricading, signage and change management have been communicated to all workers</li> </ul>



**HEALTH, SAFETY & WELLNESS UPDATE continued****Fatigue**

Feedback from all parts of the business is that employees and contractors are fatigued following a difficult year. A review of minor incidents in October from employees and contractors identified:

- Twenty-two vehicle incidents. No incidents resulted in injury and in most cases, damage was minor. Many of the incidents involved members of the public.  
Workers are being reminded of the need to be vigilant and mindful on the roads.
- There were seven hand injuries which were minor in nature. We are planning a hand-stand at key sites with our glove supplier providing advice on the right gloves for the right job.
- We also had seven slips, trips and falls at the same level

Lapses in concentration, forgetting and errors in judgement are common when workers are fatigued.

Workers are being strongly encouraged to take an extended break over the Christmas period, however fatigue needs to be considered and managed in the longer term.

**Medical Event at Waikato 50 Project**

A worker suffered a cardiac arrest on site at Tuakau. Other workers provided First Aid on site including CPR and the use of a defibrillator, and were instrumental in saving the worker's life. The worker was airlifted to Auckland hospital where they made a good recovery and went on to have further treatment.

**Learnings:**

- Importance of having current, trained first-aiders on site with access to a defibrillator and of workers knowing where it is kept and how to use it
- Phone network access on some parts of the site are sporadic. Fortunately, this event occurred in an area with good coverage. Project Manger looking into improved coverage
- Fletcher's HSW Manager led the response and recovery in an exemplary manner
- Good to see thorough debrief programme post-event
- Richie Waiwai led a collective blessing on site three days after the event which many workers appreciated

**Back to Basics**

Our Back-To-Basics campaign was launched in October. Sites have actively participated and some good initiatives have been delivered.

**Mates in Construction**

The Mates in Construction agreement has been finalised for the Infrastructure team.

Dates have been set for Pre-Christmas General Awareness Training on as many sites as possible as Christmas / New Year is traditionally the most common time of year for suicide.

**Online Induction for Contractors**

In the first month of the new online contractor induction, over 560 contractors have completed inductions.

There have been no significant roll-out issues and general feedback has been positive.

This represents 560 face-to-face inductions the Operations team have not been required to deliver.

# The Industrial Athlete- Program

**Watercare** 

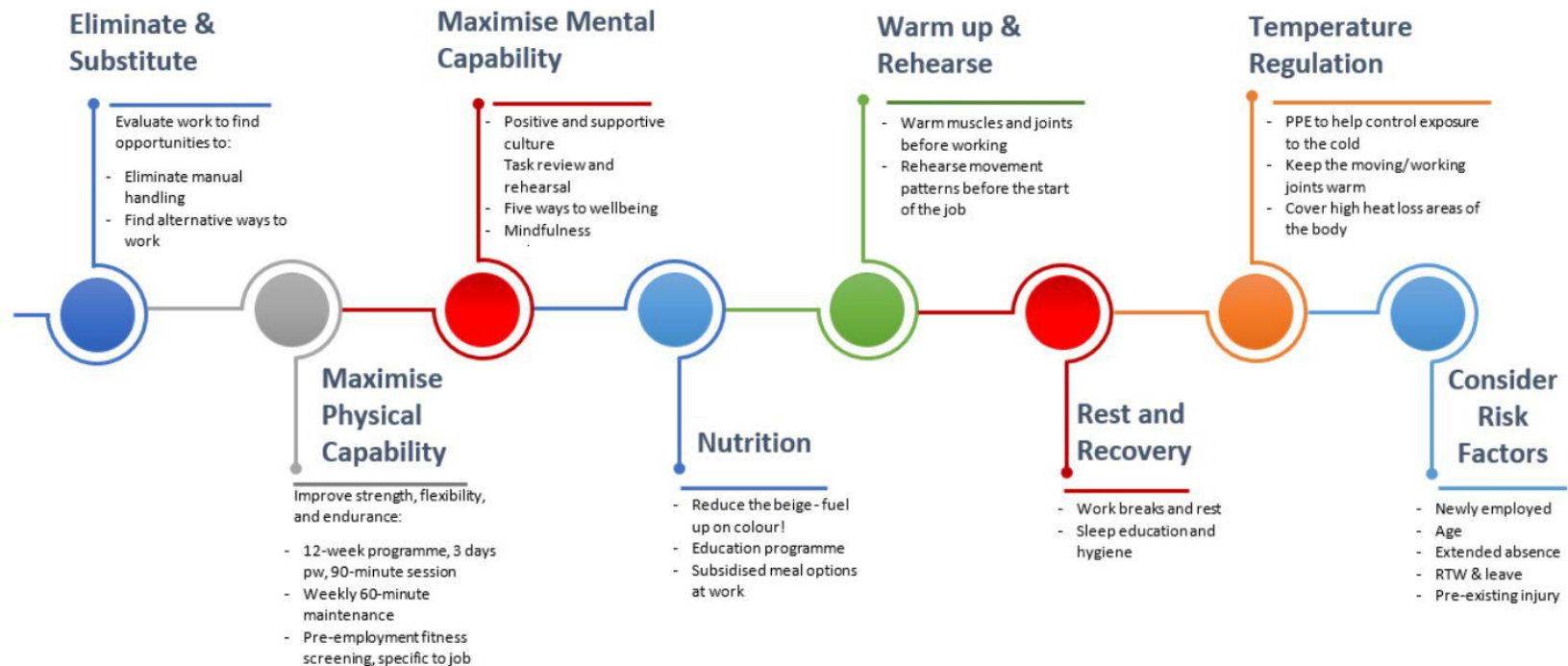
Developed by Darrian ~~Hollen~~

## The Problem

- The Watercare injury frequency rate is increasing
- This rise does not match NZs overall trend of work-related injuries decrease
- A large portion of these were the result of manual handling (71%) that led to sprains, strains and soft-tissue injuries to backs, shoulders and necks (64%)

## The Solution

- These types of injuries are often faced by athletes and sportspeople. However, athletes actively lower the risk of these injuries – through eating balanced diets, practising, warming up and focusing on their mental wellbeing.
- It is proposed that an area of the Watercare operations team (the Rosedale based Maintenance Service team) trial the Watercare Industrial Athlete programme, with the results monitored and the program expanded if successful.



7.2

## Covid-19 Update 18 November 2020

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We are currently at Alert Level 1 for Auckland and the rest of New Zealand.

Watercare is continuing business as usual activity at Alert Level 1 with continued heightened awareness towards hygiene and use of contact tracking procedures at all Watercare sites and for all staff and contractors. [MSN and Laboratory personnel who are working within the Auckland CBD area are following Level 3 protocols.](#)

There have been no known COVID cases amongst Watercare staff or contractors.

**The major risks facing the company are:**

- The continuing drought recovery
- Community transmission reoccurs

The following email was sent out to all staff on Wednesday 13 November 2020.

Hello all,

You would have no doubt seen the news of a new community case of COVID-19 in Auckland CBD (particularly downtown Auckland).

**Please remember that your safety is our first priority; we have been through this before and we have effective processes in place for this very reason.**






**Keep calm as this situation is evolving and new information is emerging as time goes on – we will keep you updated as always.**

The current guidance from Ministry of Health is as follows:

- **Check** if you were in or around the [hotspots identified](#) and if you were, please self-isolate at home and ring Healthline.
- **Get tested** if you have any of the symptoms, even if you haven't been to any of the hotspots.
- **If you commute from downtown Auckland** to any of our sites for work, work from home where possible, with your manager's approval.
- **Wear a mask on public transport** and other places where physical distancing is not practicable.
- **Remember your other golden rules** for staying safe: maintain a high standard of hygiene, record your movements on the COVID Tracer app, and sign in and sign out at work.

Keep calm and stay safe,

**COVID-19 Incident Team**

COVID-19 Second Wave	Actions completed	Actions Underway
<b>People and Culture</b> 	<ul style="list-style-type: none"> <li>Regular contact is being encouraged for management with staff working from home</li> <li>We have reviewed all the existing protocols for Covid Alert Level 1</li> <li>Masks, hand sanitisers and glove stocks remain at appropriate levels</li> </ul>	<ul style="list-style-type: none"> <li>The office refurbishment has provided an opportunity for staff to continue to work from home, thus lowering the exposure for staff members in the Newmarket office</li> </ul>
<b>Assets and Infrastructure</b> 	<ul style="list-style-type: none"> <li>All infrastructure projects, meter readings, new connections, lab services and normal operations work continue with the heightened Covid-19 protocols including hygiene, physical distancing and contact tracing protocols in place</li> </ul>	<ul style="list-style-type: none"> <li>Messaging will continue to ensure complacency does not set in</li> </ul>
<b>Community and Stakeholder Relationships</b> 	<ul style="list-style-type: none"> <li>Email sent out to staff emphasising on Ministry of Health guidelines, contact tracing and good hygiene</li> <li>All staff who have meeting in Auckland CBD have been advised to cancel or move the meetings to teams</li> <li>EnquiryCovid email is constantly being monitored for queries and staff are being contacted if they have any concerns or need clarification</li> </ul>	<ul style="list-style-type: none"> <li>We will continue to liaise with third party groups including Auckland Council to ensure alignment of the best practice Covid-19 protocols and guidelines on a regular scheduled basis</li> </ul>
<b>Intellectual Capital</b> 	<ul style="list-style-type: none"> <li>We continue to follow Ministry of Health guidance on Covid response measures where appropriate</li> </ul>	<ul style="list-style-type: none"> <li>Alert Level 1 guidelines will continue to be updated, in line with official guidance from the Government as these evolve</li> <li>Monitoring of International trends and local updates will continue to be reviewed</li> </ul>
<b>Financial capital and resources</b> 	<ul style="list-style-type: none"> <li>Financial constraints caused by claims from delayed projects are being monitored</li> </ul>	<ul style="list-style-type: none"> <li>No claims have currently been received for delayed projects</li> <li>The Procurement Team is continuing to monitor stock and order levels. They are also keeping in regular contact with suppliers to ensure market intelligence is maintained on stock availability and International Freight logistics</li> </ul>

## Health Safety & Wellbeing in Watercare – External Review

### Introduction

Over the period March 2019 to March 2020, Watercare's Lost Time Injury Frequency Rate (LTIFR) steadily increased from approximately 5 to 10 injuries per million employee hours. At the same time, the Total Recordable Frequency Rate (TRIFR) increased from approximately 9.5 to 20.



The Watercare Board has called for an independent review to be undertaken of Health, Safety and Wellbeing (HSW) in Watercare.

### Purpose

The purpose of this independent review is to understand and document the health and maturity of HSW in Watercare and to identify opportunities for improvement. The review is intended to focus on culture and leadership and implementation of the Safety Management System (SMS). The SMS is audited annually against ACC requirements and the 4801 Standard.

The review will provide a clear narrative of its findings and recommendations and present these to the Chief Executive and the Board.

### **Key Focus Areas**

This review will develop an understanding of the systems, processes, culture and leadership of HSW in Watercare to identify areas of success and opportunities for improvement. It will identify and/or find improvements in any or all the processes, procedures, actions or behaviours that impact HSW in Watercare.

Focus areas will include:

- HSW Governance
- Training and competence
- Leadership commitment and engagement
- Strategy, planning and delivery of HSW initiatives
- Resourcing
- Reporting
- Worker engagement and consultation
- Emergency Response Preparedness
- HSW structure
- Contractor consultation, co-operation, communication and collaboration

### **Review Areas**

The review will include all aspects of HSW (including but not limited to):

- Critical Risk Management
- Injury Management
- Level of business engagement
- Injury and hazard reporting
- Alignment with business outcomes
- Contractor Management

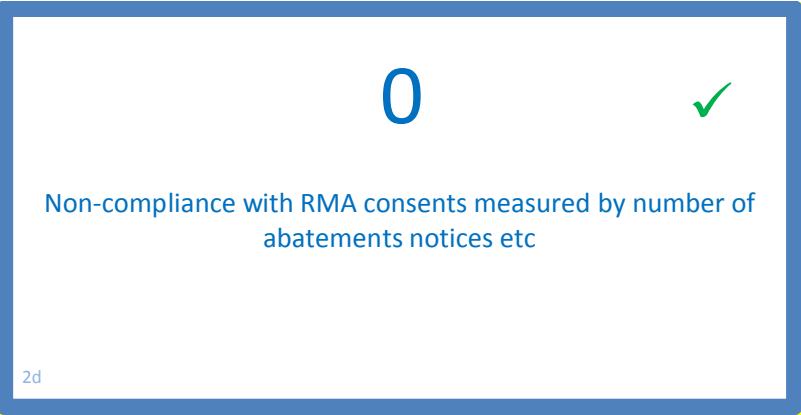
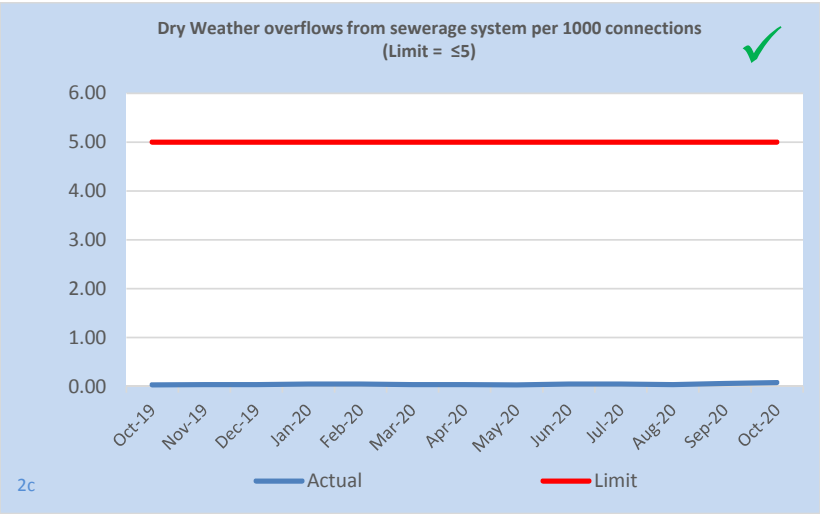
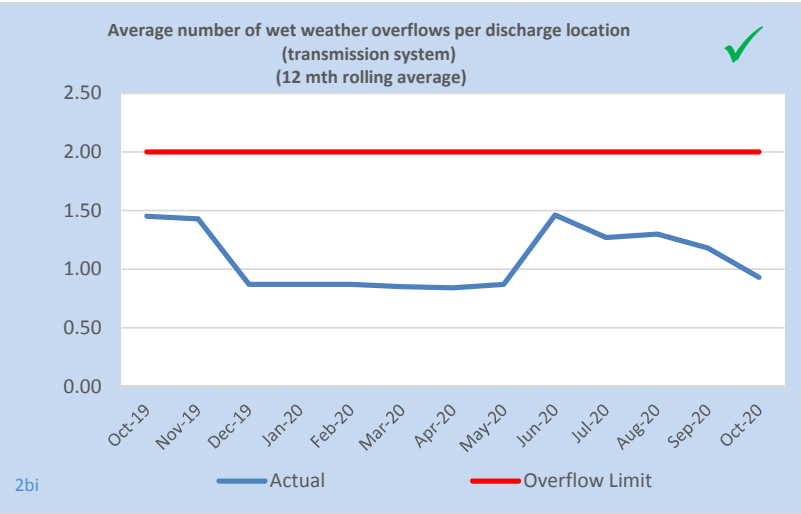
The review will include all business groups in Watercare.

The reviewer shall have access to all the documentation, systems and stakeholders necessary to conduct a comprehensive review. The documentation and stakeholders that the reviewer will need access to are (but not limited to):

- Documentation
  - HSW Management System
  - Supporting documentation and correspondence
  - Audit reports
  - iCare reporting system
  - Immerse Learning Management System
- Stakeholders
  - Staff - (including workers, internal contractors, managers, executive, Chief Executive and Board)
  - Third-party contractors



2. SOI MEASURES – 2020-21 - 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)

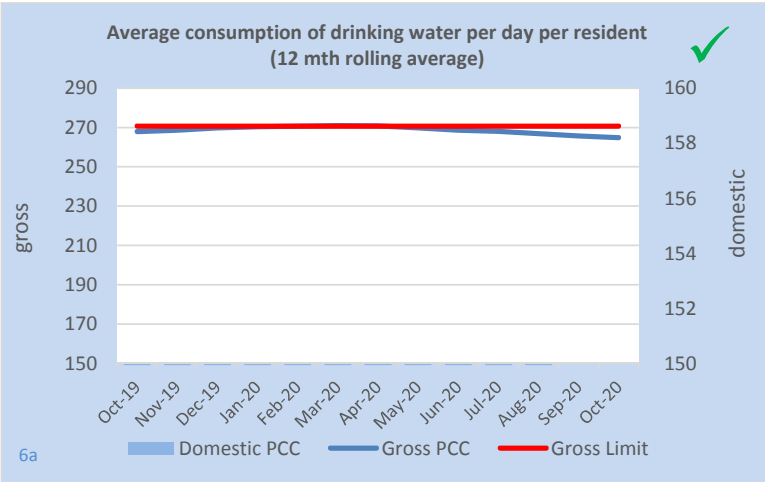
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100%



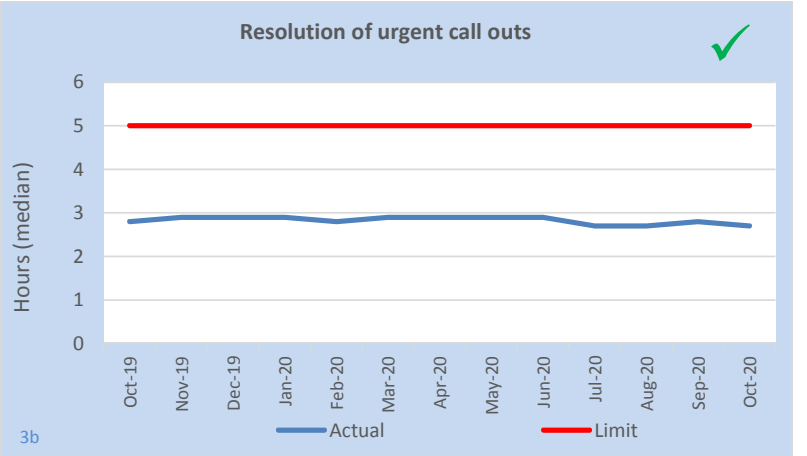
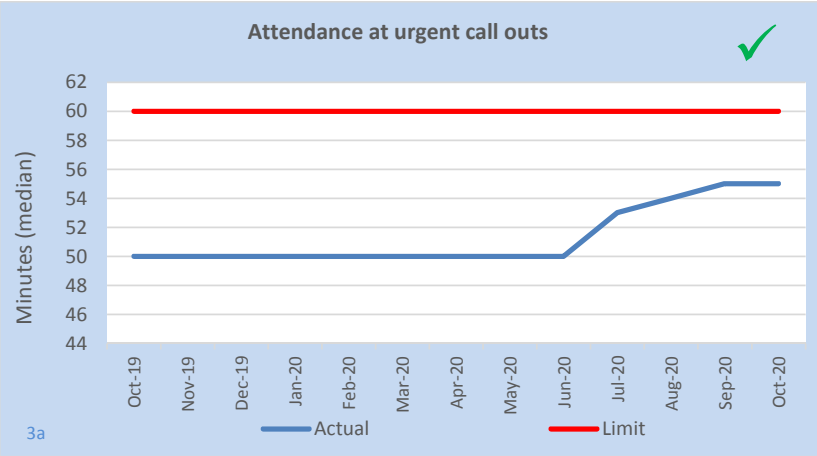
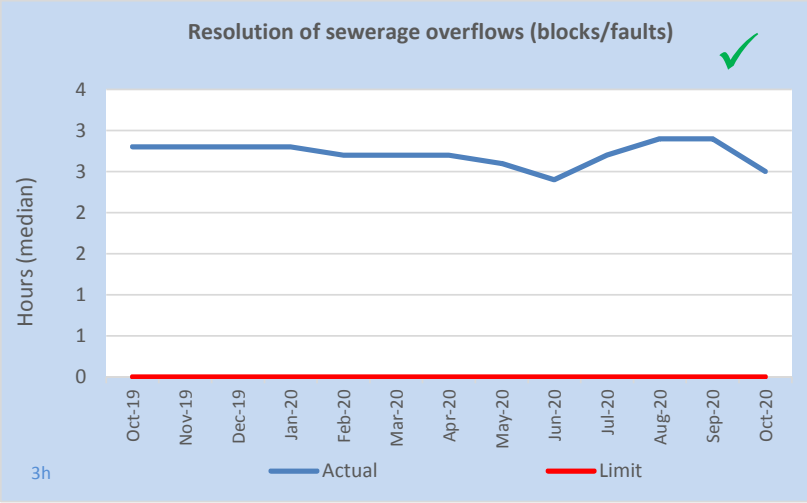
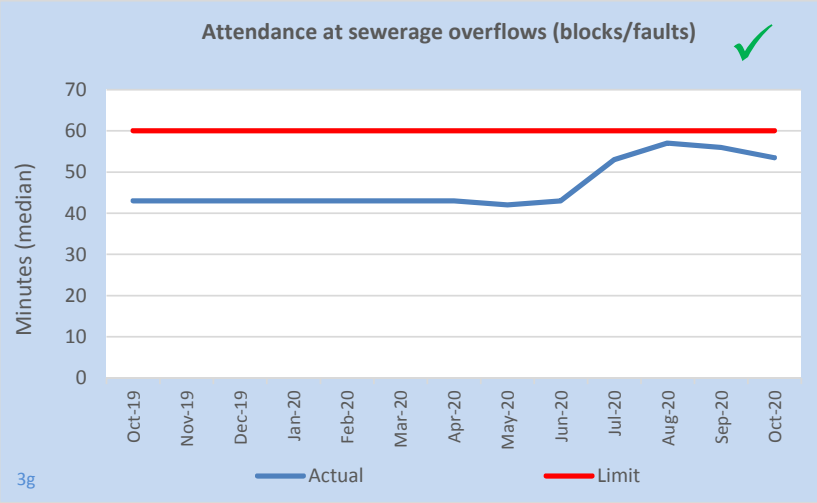
Compliance with Part 5 of the Drinking Water Standards  
(protozoal)

1b



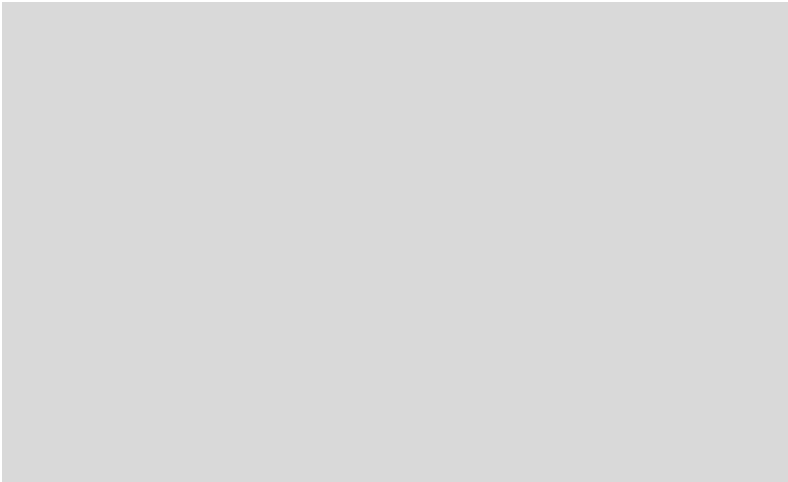
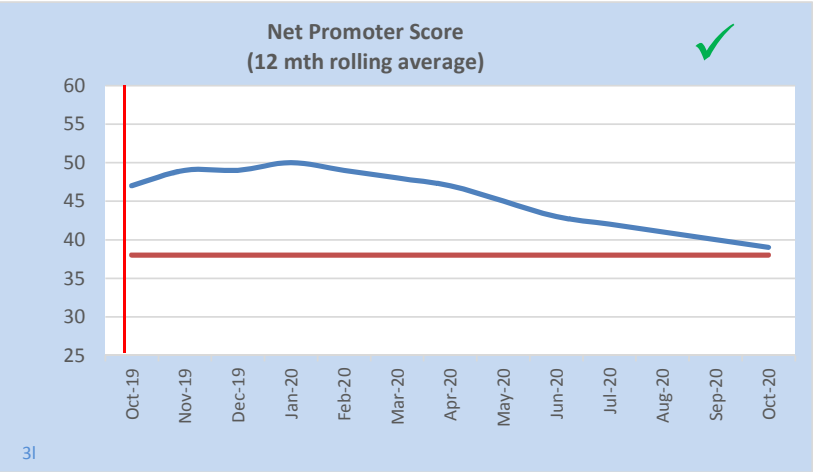
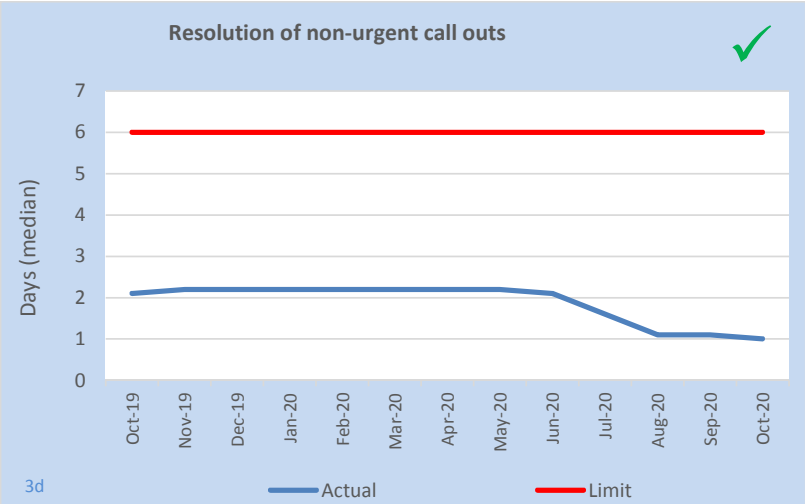
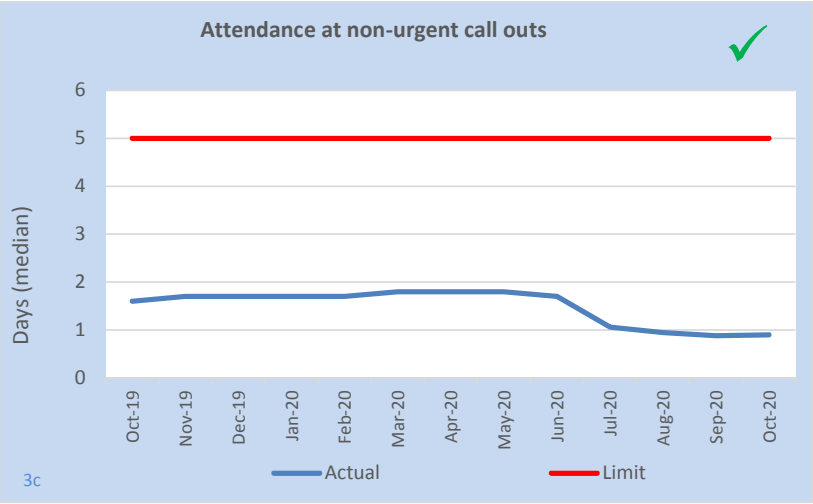
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SOI MEASURES – 2020-2021 – Community and Stakeholder relationships



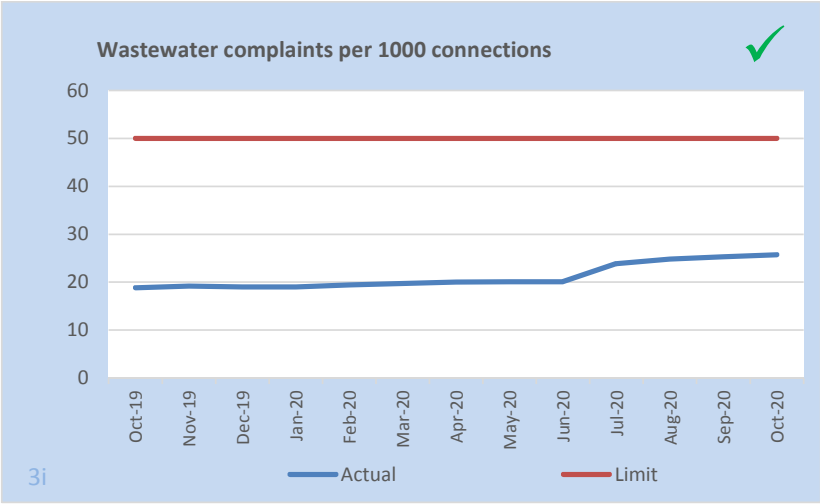
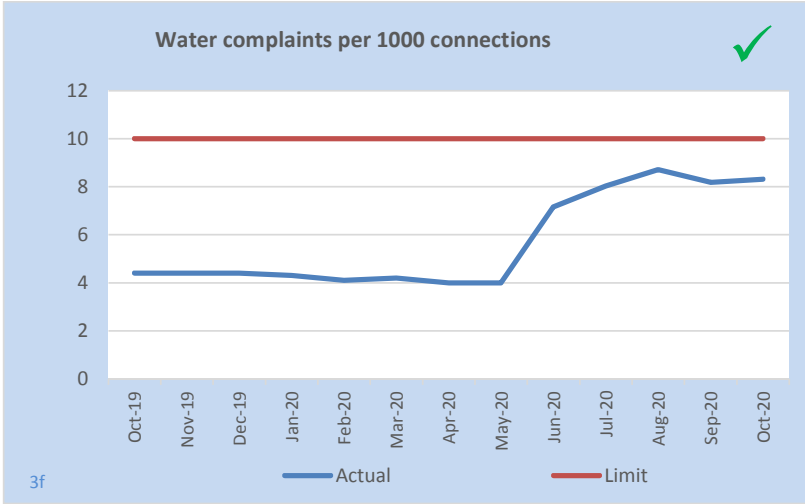
7.2

SOI MEASURES – 2020-2021 – Community and Stakeholder relationships



7.2

SOI MEASURES – 2020-2021 – Community and Stakeholder relationships



7.2

## New SOI Measures for 2020-2023

Capital	Measure	SOI Target	Commentary/Result
Customer & Stakeholder Relationships	<b>We contribute to the delivery of Māori outcomes and deliver on the joint outcomes agreed by Council and CCOs</b> (At least one kōrero with each of the 19 iwi every year and work with them to develop meaningful measures for Māori outcomes)	At least one kōrero with each of the 19 iwi every year	October 2020 met with: Chair, Te Ākitai Waiōhū – Karen Wilson Chair, Ngāti Tamaoho – Dennis Kirkwood Chair, Ngāti Te Ata – Josie Peita Ongoing engagement and meetings with Chair Te Arataura, Rukumoana Schaffhausen & Waikato Tainui  Pending meetings: Chair, Ngāti Whātua Ōrākei – Marama Royal Chair, Ngāi Tai ki Tāmaki – James Brown Chair, Te Uri o Hau
Customer & Stakeholder Relationships	<b>Watercare will operate responsibly.</b> We will meet the 10 DIA targets that relate to customer and stakeholder relationships (refer Appendix E, numbers 3–12). (Meet 100% of DIA targets)  (Complaints, Response/Resolution, Bacteria & Protozoal)	Pass/Fail	Pass
People & Culture	<b>We will improve our employee engagement.</b> eNPS	≥20	eNPS is calculated quarterly. The next result will be provided in the December scorecard
People & Culture	<b>Watercare has committed to the Diversity Agenda Accord.</b> Improve gender workforce split in departments where the split is uneven (Identify 2020/21 baselines and improve on baseline)	10%	Quarterly update - increase of gender split in Infrastructure & Operations is currently 19% female.
People & Culture	<b>Watercare has committed to the Diversity Agenda Accord.</b> Attract a more diverse range of applicants to apply for jobs at Watercare (Identify 2020/21 baselines and improve on baseline)	10%	Applications from Māori and Pasifika increased by 26% from Q4 2020 to Q1 2021.
Financial Capital & Resources	<b>We manage operations efficiently, keeping costs to customers (collectively) at minimum levels.</b> Percentage of household expenditure on water supply services relative to the average household income	≤1.5	0.81%

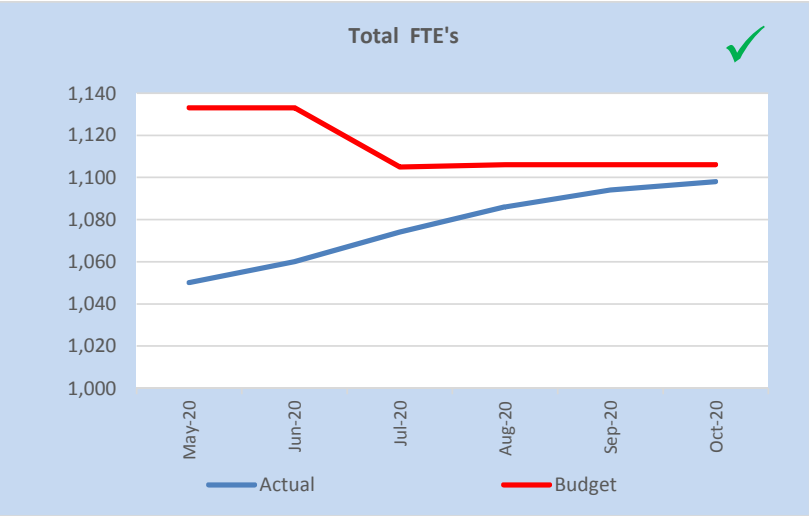
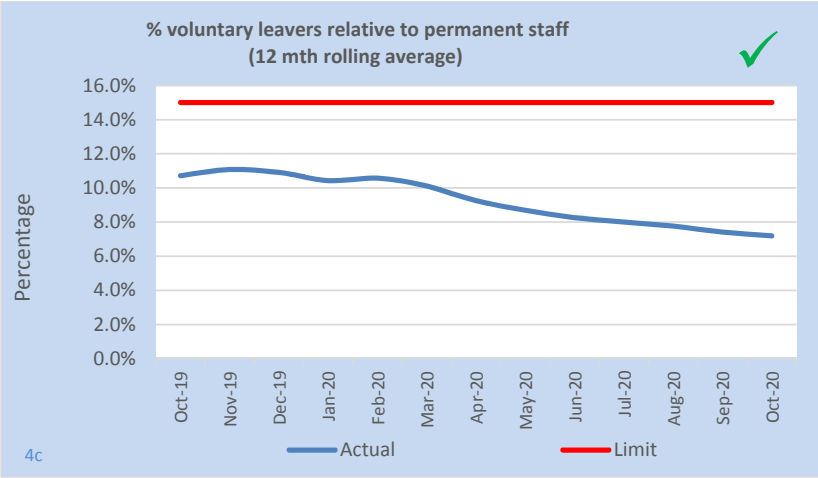
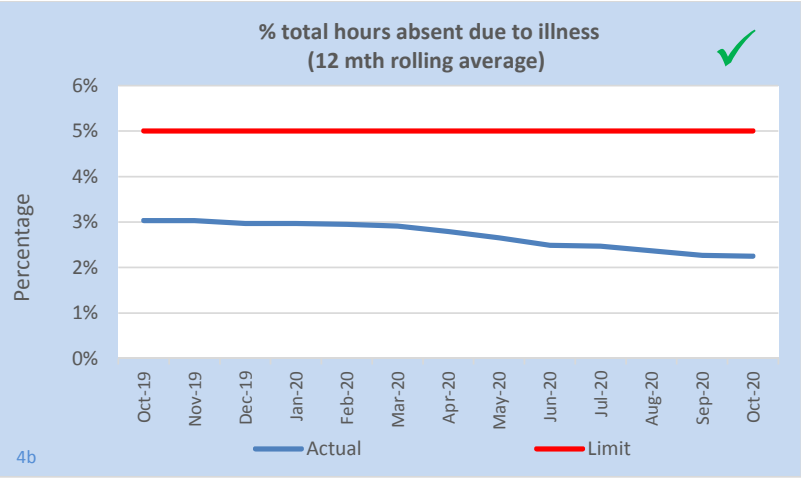
Capital	Measure	SOI Target	Commentary/Result
<b>Financial Capital &amp; Resources</b>	<b>We are a financially-sustainable business.</b> Watercare group's debt headroom (Set measure in conjunction with Council and establish baseline)	Baseline is 3.54	3.44
<b>Intellectual capital</b>	<b>We create new value in our infrastructure supply chain through the Enterprise Model.</b> Establish and implement an Infrastructure Carbon Portal and corresponding toolkit to assess ways to reduce carbon emissions during the construction of water and wastewater assets. (Deliver and implement portal and toolkit. For the Enterprise Model, monitor and report on the target of a 40% reduction post 2024.)	Establish Baseline	Carbon portal launched internally in September. Functionality and content feedback provided and being improved. Training created (3 modules) with 102 sessions completed and there are now 68 users with access to the Carbon Portal. First business case to include capital carbon presented to Board (Hunua 4 extension).
<b>Intellectual capital</b>	<b>We create new value in our infrastructure supply chain through the Enterprise Model.</b> Establish and implement an Infrastructure Cost toolkit across the programme and project to deliver new ways to reduce costs during the construction of water and wastewater assets. (Deliver and implement the toolkit. For the Enterprise Model, monitor and report on the target of a 20% reduction post 2024).	Establish Baseline	An EM Toolkit structure has been set up. More and more tools will be added to the Toolkit over time. An example of a tool that will reduce costs is the standard/structured agendas for the Collaboration workshops. This includes agendas for 2 x 40:20:20 (Carbon: Cost: W, H&S) challenge workshops.
<b>Assets and infrastructure</b>	<b>Watercare will operate responsibly</b> We will meet the 2 DIA targets that relate to assets and infrastructure (refer Appendix E, numbers 14 and 15). (Meet 100% of the DIA and Auckland Plan targets)  (Dry Weather and Wet Weather Overflows)	Pass/Fail	Pass

Capital	Measure	SOI Target	Commentary/Result
Assets and infrastructure	We will develop and use talent, processes and technologies to manage non-revenue water and ensure optimal supply efficiency. (Establish baseline and demonstrate continuous improvements on previous year) <b>by 30 June 2021</b>	Establish Baseline by 30 June 2021	Leak detection of 6000km/year is being conducted with the intention to train the capability in house. Pressure management and smart metering trials are underway citywide  Planned Targets: <ul style="list-style-type: none"> <li>• Create ** DMA's PMA's by 2023</li> <li>• Maintain Real losses below 13%</li> <li>• By 2025 achieve **** L/C/d</li> </ul>
Natural Environment	<b>Watercare will operate responsibly.</b> We will meet all DIA natural environment targets (refer numbers 1 and 2 in Appendix E). (Meet 100% of DIA targets)  (Compliance, PCC)	Pass/Fail	Pass
Natural Environment	<b>We will implement Mitigation measures in line with our responsibility to keep global warming within 1.5oC.</b> We will reduce annual greenhouse gas emissions from Scope 1 and Scope 2 emissions (operational mitigation). (• 2020/2021: Complete work on a plan to achieve a 45% reduction in operational emissions by 2030 <ul style="list-style-type: none"> <li>• June 2021: Finalise targets in line with ACAP</li> <li>• 1 March 2022: Baseline established and roadmap targets published in our next SOI. These targets will consider the contribution to the region's interim 2030 and 2050 targets.</li> <li>• 30 September 2022: Report on first target and publish targets through to 2024 in the 2021–2024 SOI)</li> </ul>	Finalise Targets by June 2021 Establish Baseline by 1 March 2022	Emission reduction road map (draft) due in January 2021. Reviewing the methodology and approach for measuring the emissions from wastewater processing with WaterNZ.
Natural Environment	<b>Water is precious – We continue to encourage our customers to be mindful of their water use</b> The average consumption of water per residential connection. (• 1 March 2021: Baseline established, and sector targets published in our next SOI <ul style="list-style-type: none"> <li>• 30 September 2021: Report on target and publish targets through to 2024 in the 2021–2024 SOI)</li> </ul>	Establish Baseline by 1 March 2022	Connections data has been collated, need to define distinction between domestic and non-domestic and define connections



Capital	Measure	SOI Target	Commentary/Result
<b>Natural Environment</b>	<p><b>Water is precious – We continue to encourage our customers to be mindful of their water use</b></p> <p>The average consumption of water per non-domestic connection.</p> <ul style="list-style-type: none"> <li>• 1 March 2021: Baseline established, and sector targets published in our next SOI</li> <li>• 30 September 2021: Report on target and publish targets through to 2024 in the 2021–2024 SOI)</li> </ul>	<p>Establish Baseline by 1 March 2022</p>	<p>Connections data has been collated, need to define distinction between domestic and non-domestic and define connections</p>

3. PEOPLE, CAPABILITY AND LEARNING



7.2

## PEOPLE, CAPABILITY AND LEARNING continued

### One brand customer experience in the field

To deliver a consistent customer, (CX) experience for our customers through our frontline staff in the field, we are now presenting CX soft skills training to not only our own MSN maintenance crews, but also our City Care and Downer crews. The CX training for MSN whanau started in June this year and has contributed to a significantly improved NPS (72 in October 2020) for this team. The training for City Care and Downer crews kicked off on 9 November and by 26 November 108 of their staff would have completed the module.

Our service people find the focus on customer interactions particularly valuable and often comment on how it has given them the confidence they needed to have those, sometimes, challenging conversations with customers.



#### 4. COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE

##### WORKING WITH LOCAL BOARDS

- Franklin Local Board joined the Mayor and other dignitaries at the opening of the Pukekohe East water reservoir in early November. The members also joined Watercare staff for a tour of the Pukekohe Water Treatment Plant during construction. Water situation updates continue to be shared with Local Boards on a regular basis.
- A briefing was provided to Hibiscus and Bays Local Board on water and wastewater charges as well as the new “Town to Tank” water supply offer. Puketapapa Local Board were taken for a tour of the May Road Central Interceptor construction site and received a briefing on the works and an invite to a public open day at the Keith Hay Park construction site. Rodney Local Board was also briefed on the Warkworth to Snells Algies wastewater project and proposed route changes.
- Local Board services and CCO elected member liaison staff came together for two workshops on the CCO review findings with the aim of meeting with the Local Board Chairs in December for further discussion.

##### WAIKATO DISTRICT COUNCIL (WDC) STATUS UPDATE

- The Asset Management Plan and Business Plan were submitted to WDC on 30 June 2020. Workshops were held with the WGB in September to help understand the request for an additional \$228 million funding over the 10-year LTP period. Work is continuing with WDC to try and reduce the programme to an affordable level.
- Work continues on preparing discharge consent applications for Raglan, Meremere and Te Kauwhata. The Meremere 35-year discharge consent was lodged on 18 September 2020 and it is expected the consent will be granted in December.
- The first major programme of works in WDC –Te Kauwhata reservoir, Whangamarino WTP upgrade and the Network Renewals programme has been tendered.
- The Waikato and Auckland DHBs have notified WSL that all WDC Water Treatment Plants were fully compliant in the 2019/2020 financial year.

There were no significant treatment plant or network outages in October 2020.

## MĀORI RIGHTS AND INTERESTS IN WATER

Māori have long asserted ownership of water as one of their taonga. I experienced this on a recent visit to Northland in the company of personnel from Auckland Council and the DIA. Various spokespeople from a number of the runanga stated forcibly that they owned the waters in the North.

The Iwi Leaders Forum have endeavoured to get successive Governments to address the issue. The Crown response has been one of either “everyone owns the water” or “no-one owns the water”.

Administration of the rights to take and discharge water (i.e. use but not ownership) have been in the hands of Regional Council.

Ngāi Tahu have recently lodged a claim in the Christchurch High Court seeking recognition of “rangitiratanga” over all freshwater in the Ngāi Tahu takiwa (region).

Rangitiratanga as a concept can be translated to mean leadership, authority, or autonomy for example, but it is not ownership.

Te Runanga o Ngāi Tahu, the representative body of Ngāi Tahu and 15 tribal leaders have asked the Court to declare that Iwi have shared authority with the Crown over policy and management of the waterways.

In a 2013 case of NZ Māori Council v the Attorney General, The Supreme Court, cited Crown statements that it was “open to discussing the possibility of proprietary rights in water, short of full ownership”.

However, no real progress has been made, hence the filing of the statement of claim by Ngāi Tahu.

There is a precedent for co-management in respect to the Waikato River.

In December 2007, the Crown and Waikato-Tainui reached agreement in principle for the settlement of the historical claims of Waikato-Tainui in relation to the Waikato River. Such claims had previously been excluded from the settlement of Raupatu Claims, reached in 1995. These claims include such matters as *“the waters of the Waikato River [are] desecrated, polluted, and depleted”* and that the *“legislative framework for land use planning, water use planning and resource planning ... fails to properly take into account Waikato-Tainui concerns for the Waikato River”*. In the agreement in principle, the Crown acknowledged (amongst other acknowledgements) that it had *“failed to respect, provide for and protect the special relationship of Waikato-Tainui with the Waikato River”* and that *“the deterioration of the health of the Waikato River ... has been a source of distress for the Waikato-Tainui people”*

In order to address those claims, the settlement offered by the Crown set out in the agreement in principle included preparation of a “Vision and Strategy” for the Waikato River that must be *“consistent with the overarching purpose of this settlement and the commitment by the Crown and Waikato-Tainui to enter a new era of co-management over the Waikato River to restore and protect the health and wellbeing of the River for future generations while incorporating the Waikato-Tainui Objectives for the Waikato River”*. The overarching purpose of the settlement was *“to restore and protect the health and wellbeing of the Waikato River for future generations”*.

The agreement in principle was subsequently enshrined in the Deed of Settlement which included the Vision for the Waikato River and the Objectives for the Waikato River that now form part of Te Ture Whaimana applicable today. The Deed of Settlement also provided for the establishment of a Waikato River co-governance group, the Waikato River Authority, with the purpose of providing direction through the vision and strategy to achieve the restoration and protection of the health and wellbeing of the Waikato River for future generations and promoting an integrated, holistic and co-ordinated approach to the implementation of the vision and strategy and the management of the Waikato River.

The Waikato River Authority has the right to appoint a member of the Board of Inquiry which will hear the application by Watercare to the second take from the Waikato River.

## COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE *continued*

### LEGISLATION UPDATE – changes since last month in *blue*

- The “Taumata Arowai – the Water Services Regulator Bill” was introduced to Parliament in December 2019. After consideration by the Select Committee, the hearing occurred in March 2020 and has been passed by the Parliament in July 2020. The Taumata Arowai – Water Services Regulator Act is expected to take effect through an Order in Council in early 2021. The key objectives of this Act are to:
  - a) protect and promote drinking water safety and related public health outcomes; and
  - b) effectively administer the drinking water regulatory system; and
  - c) build and maintain capability among drinking water suppliers and across the wider industry; and
  - d) give effect to Te Mana o te Wai, to the extent that Te Mana o te Wai applies to the functions and duties of Taumata Arowai; and
  - e) provide oversight of, and advice on, the regulation, management, and environmental performance of wastewater and stormwater networks; and
  - f) promote public understanding of the environmental performance of wastewater and stormwater networks.

The Act is divided into three parts and outlines the general functions of Taumata Arowai, board compositions and powers of the board. The Act also includes the establishment and functioning of Māori Advisory Group.

- While the Taumata Arowai Act was passed in July 2020, Taumata Arowai will not become fully operational until enactment of the Water Services Bill, projected to be in the second half of 2021. Until Taumata Arowai is fully operational, the Ministry of Health will remain the regulator for drinking water safety. The Bill contains all the details of the new drinking water regulatory system, and provisions relating to source water protection and Taumata Arowai’s wastewater and stormwater functions. The Bill did not reach for its first reading for MPs debate and vote. If successful, it will be sent to a Select Committee. The future stages of the bill were dependent upon the election outcome and parliamentary decisions. However, the bill is still expected to be passed in the second half of 2021.
- The Ministry for the Environment (MfE) released its Proposed National Policy Statement for Indigenous Biodiversity (NPS-IB) – and associated documents – on 26 November 2019 for public consultation. Submissions closed 14 March 2020. As the new NPS-IB is likely to have a number of significant implications upon Watercare’s existing and future operations, Watercare made a submission highlighting these implications, especially within areas identified as Significant Natural Areas (SNA’s) that contain most of our water supply headworks. The summary of submissions were released early September 2020. 7,305 submissions were received, with around 92% in support of the NPS-IB. The next step for

<p>MfE and DOC is to consider the issues raised in submissions and determine what amendments should be made to the consultation version. The final NPS-IB is anticipated to be released in the first half of 2021 <a href="#">and will likely have significant implications on Watercare.</a></p>
<ul style="list-style-type: none"> <li>Proposed Waikato Regional Plan Change 1 – Waikato Regional Council. On March 18, WRC councillors voted in favour of notifying a decisions version of Plan Change 1 (water quality). WRC has applied to the Environment Court to extend the appeal period out to 50 working days (it is normally 30 working days). An extension was granted through to 8 July. Overall, Watercare is relatively satisfied with WRC's PC1 decisions version, and did not appeal.</li> </ul>
<ul style="list-style-type: none"> <li><a href="#">The Waikato Regional Council has begun reviewing its Waikato Regional Coastal Plan and its Waikato Regional Plan. Community engagement on the Waikato Regional Plan will be held late 2020/21. As part of this review, "Variation No.6 – Water Allocation", which became fully operative in mid-2012, will also be reviewed. Watercare was an active submitter on Variation No. 6 and will need to be actively involved in all these Plan reviews.</a></li> </ul>
<ul style="list-style-type: none"> <li>The Waikato District Council is currently reviewing its District Plan. Watercare is concerned about a number of provisions within the Infrastructure and Energy chapter. We consider that changes are required to the policy framework to provide greater recognition of the functional need for water and wastewater infrastructure as it relates to our Waikato WTP and Pukekohe WWTP. <a href="#">Watercare presented its evidence to the Hearings Panel on 20 October, and it appeared to be favourably received. Watercare is also likely to present evidence for the "Extent of Zoning" topic at the Hearings in February 2021.</a></li> </ul>
<ul style="list-style-type: none"> <li>Waste Management New Zealand ("WMNZ") notified a series of resource consent applications (including land use consents, discharge and water permits) to construct and operate a new regional landfill in Wayby Valley (Dome Valley). WMNZ are also seeking a Private Plan Change to include a new precinct which would be included within the Auckland Unitary Plan. This plan change would specifically recognise this proposed Auckland Regional Landfill. Submissions closed 26 May, and Watercare made submissions on the resource consents and the Private Plan Change. Watercare neither supported nor opposed these applications, and has sought that any decisions avoid where practical, and otherwise minimise, potential adverse effects on our existing and future operations. The Hearing is expected to commence in November 2020 <a href="#">and Watercare is presenting its evidence on 2 December.</a></li> </ul>
<ul style="list-style-type: none"> <li>Public submissions to NZTA's Warkworth to Wellsford SH1 realignment opened mid-May and closed 29 June. Watercare made its submissions, and neither supported nor opposed. This application involves both resource consents and required designations. Construction is proposed to begin in 2030 and continue for seven years. Managing any impacts on the current and future Wellsford drinking water supplies from this highway realignment and retaining site access during construction, will be important issues, as well as any flooding related issues. Hearings commenced October and Watercare presented evidence to support its submission. <a href="#">The Hearings Panel decision is expected late 2020.</a></li> </ul>



- In late-May, the Government announced the next set of policy initiatives in the “Action for Healthy Waterways” package. The amended National Policy Statement on Freshwater Management (NPS-FM), and new National Environmental Standards for Freshwater (NES-FW) were gazetted 5 August. A new National Environmental Standard (“NES”) for Wastewater has now been delayed. Updates to the NES for Sources of Human Drinking Water are also proposed.
- The recommendations report from the Resource Management Review Panel, entitled “New Directions for Resource Management in New Zealand” was released in late July. This report – also referred to as the “Randerson Report” – is over 500 pages and contains an extensive series of recommendations for the future resource management system in New Zealand. Watercare made a submission to the Review Panel earlier this year. It is expected that the new Government will enact many of this Report’s recommendations. These recommendations could radically amend the RMA, or even entirely replace it with new statutes.

#### MĀORI ENGAGEMENT AND OUTCOMES IN OCTOBER 2020

##### Kia ora te umanga

- Watercare Project & Ngāti Tamaoho proposal for carving / whakairo for Papakura water treatment plant
- Waikato-Tainui and Watercare kawenata

##### Kia ora te reo

- Pukekohe East Reservoir Site Blessing.
- Translations and mihimihi coaching for Watercare Board Chair, Margaret Devlin
- Pukekohe bores, Hickeys Creek, Site Blessing, Pukekohe, Priyan Perera, Chief of Operations Shane Morgan, project staff and contractors

##### Kia ora te whānau

- Firewood arranged from Papakura WTP with Ngāti Tamaoho whānau

##### Kia ora te rangatahi

- Mark Ford Scholarship interviews @ Watercare, AKLD University, Chief of Operations, Shane Morgan 3 Māori interviews, 4 general interviews

##### Kia ora te taiao

- Watercare CI project, GAJV and Mana whenua Cultural Inductions, Māngere Training Centre
- Engagement with Ngāti Naho, Haydn Solomon, Matua Joe Heta, Peter Crabb, Tanvir Bhamji, Anshita Jerath Watercare, Garret Hall, Beca Consultants, Meremere consent and discharge.
- Te Ākitai Waiōhū, Jeff Lee, Anshita Jareth, Pukekohe WTP consent, Restoration, designation consent

- Mana whenua engagement with Ngāti Te Ata, Ngāti Tamaoho, Te Ākitai Waiōhū and Ngāi Tai ki Tāmaki with Papakura (Cossey's) and Pukekohe bores project. Papakura WTP Mana whenua engagement with Native Timber and arrangements.
- Watercare Mana whenua Managers kaitiaki forum hui

Kia ora te hononga

- Relationship meeting, Ngāti Te Ata, Josy Peita, Te Ākitai Waiōhū, Karen Wilson, Ngāti Tamaoho, Dennis Kirkwood, Raveen Jaduram, Marlon Bridge, Rob Fisher
- Continued communications with Mana whenua ō Tāmaki Makaurau water supply update and drought in Tāmaki Makaurau
- Engagements with Iwi regarding Waikato Awa water consents and documents Waikato 50 Project, Waikato Tainui, Te Taniwha o Waikato, Ngāti Te Ata, Ngāti Tamaoho and Te Ākitai Waiōhū. Mana whenua engagement @ Waikato Treatment Plant, Tuakau with Waikato Tainui, Te Taniwha o Waikato, Waikato River Authority, Ngāti Te Ata, Ngāti Tamaoho and Te Ākitai Waiōhū re: Waikato 50 project temporary upgrade, consent processes and timelines: Papakura project consents, Pukekohe project consents
- Watercare Central Interceptor Project, GAV and Mana whenua working group engagement meeting
- Meeting with Ngā Mātārae Māori representative Simone Anderson (Auckland Council) and Tipa Compain Ngā Mātārae - Watercare input into the Māori Outcomes Report
- IMSB meetings with representative Glenn Wilcox, overflows and storm water, North Shore, Akld water strategy, mana whenua engagement

### Smart meters to help drive water efficiency

As part of our water efficiency work with commercial customers, we are moving forward with the implementation of smart meter loggers on 1,000 of the 3,470 accounts associated with the top 100 customers based on consumption. These 1,000 accounts consume more than 90% of the total volume of the top 100 customers. By gaining useful and timely insights into the consumption data, we will be better equipped to support our customers' own water efficiency objectives while gaining both demand management and financial benefits for the company through reduced leak rebates and improved meter accuracy.

We have also identified schools as an important customer segment for amplifying water efficiency messages, driving behavioural change and reducing customer-side water loss. There are 394 customer-schools in Auckland with approximately 250,000 students, 20,000 teachers and a parent community of around 300,000. To enable a much closer relationship with water in and through schools, we will install smart meters on all of the 516 meters at the 394 schools in Auckland, with automated digital communication (e.g. a dashboard with notifications) to deliver the data to the individuals responsible for the schools' water management.

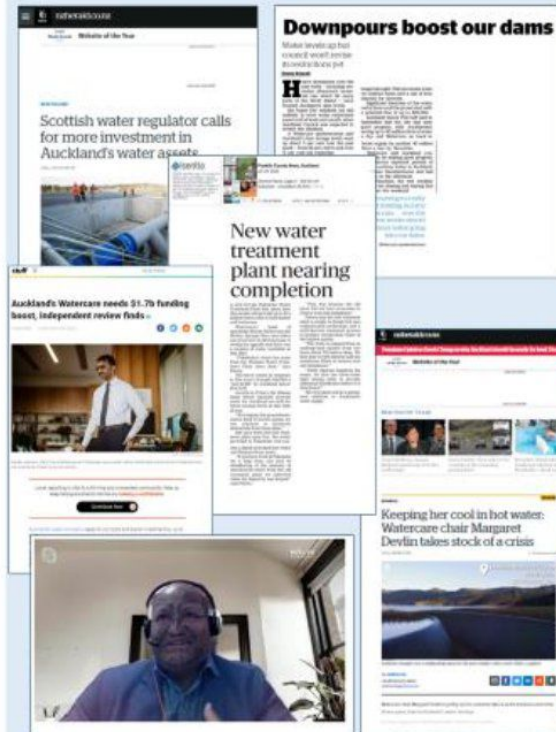
# Monthly snapshot of communications and stakeholder engagement



Enabling engaged communities and stakeholders

## Media

Media highlights include coverage focused on: our new water use tracker (Three News, Newstalk ZB); Aucklanders' collective water savings of four billion litres (Newstalk ZB); dam levels after the recent downpour (Newstalk ZB, NZ Herald); new water treatment plant at Pukekohe (Franklin County News), and the draft determination by Water Industry Commission of Scotland (WICS) for Watercare (RNZ, NZ Herald, Stuff, Business Desk).



Enabling safe, happy and empowered teams

## Staff

We promoted project milestones and awards including the commissioning of the new Pukekohe Water Treatment Plant into service; the Central Interceptor achieving a "leading" sustainability rating and recognition for head of supply chain, Stuart Bird, for procurement excellence. We also celebrated Watercare's 10 year anniversary with staff and promoted the daily water use tracker.



## Stakeholders

We published our 2020 integrated annual report and launched a companion online report. We continued to keep the local boards and councillors informed about the drought with water storage levels, consumption and water supply augmentation projects.



Enabling customer trust and value

## Customers and communities

We continued promoting the local water saving heroes campaign to keep Aucklanders engaged in water conservation. Aucklanders' understanding of current water situation and the reasons behind it remain stable at around 74 per cent, per latest survey. We plan to refresh the outdoor water savings campaign to ensure it stays top of mind over the summer months. We also launched the water use tracker to help Aucklanders monitor their collective water use over summer and remain focused on achieving savings. This tool is being shared with Aucklanders through several channels including billboards, digital advertising, social media and our external website. We also distributed the Spring/Summer edition of *Tapped In*, our customer newsletter, focusing on water efficient gardens, to residential customers.



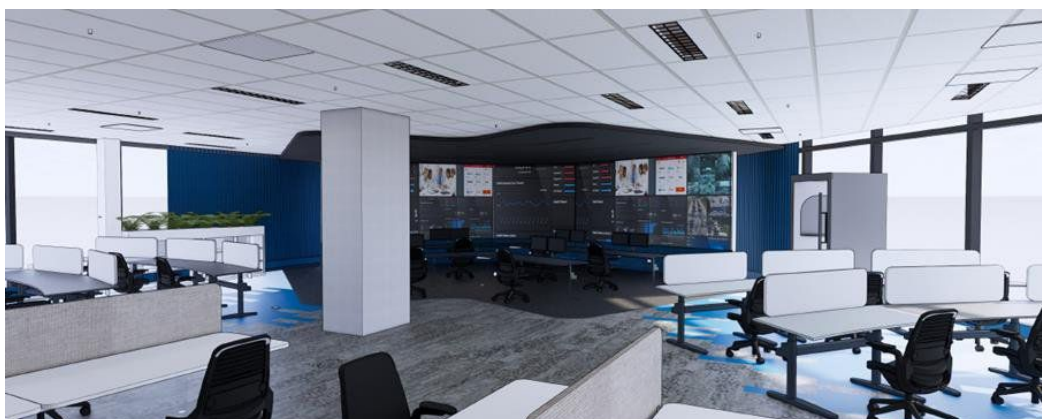
Watercare

## 5. SMART NETWORK/NERVE CENTRE UPDATE

Watercare is establishing the Nerve Centre to provide a "one stop shop" for all Watercare assets with co-located teams working together to predict and quickly solve complex, mission critical problems for our customers by leveraging inputs and data from all areas of our business. The Nerve Centre will interconnect people, solutions and data to improve the ability to share information and take action to solve customer impacting incidents.

Work is currently underway on Level 3 of Newmarket to create the Nerve Centre. The Nerve Centre is due to operational start in late January 2021, following which the existing Central Control Room (CCR) will be decommissioned.

7.2



The Nerve Centre will further enhance the management of our Smart Network business model. Smart (digital) meters have now been approved for roll-out to our top 100 commercial customers as well as schools. This rollout will occur over the first half of 2021.

Further work is underway to understand value and identify best investment opportunities for smart meter rollout across other customer segments.





**6. STRATEGIC CONSENTS:** Changes since last month in blue font.

Project Name	Description of Activity	Reason for Consent / Designation	Note	Status	Lodgement Date (Target or Actual)	Decision Date (Target or Actual)	Consenting Impact on Project
<b>North East Wastewater Conveyance - Warkworth to Snells</b>	New alignment being investigated for the NE wastewater conveyance project.	Existing resource consent apply where the project is within the park, and under the river, however a s127 will be applied for to alter condition 1, to change the referenced plans. Additional resource consents required for earthworks in the private properties.	The existing consents, gained in 2016 and 2019 provide for up to four pump stations on private land, and pipeline mainly within the road corridor. The proposed new alignment includes minor changes to works in Lucy Moore Park and the river crossing but moves the pipeline from the road corridor to being drilled at depth under private properties. Design investigation is progressing, and landowners have been approached. The new consents will be lodged as two separate applications. The first consent application was lodged 3 November for tree removal at the pump station site. This application should be processed swiftly enabling works to start early in the new year, at which point the application for the pipe will be lodged.	LODGED	03/11/2020	20/03/2021	

7.2

Project Name	Description of Activity	Reason for Consent / Designation	Note	Status	Lodgement Date (Target or Actual)	Decision Date (Target or Actual)	Consenting Impact on Project
<b>Otara Catchment ww upgrade. (formerly called Otara WW capacity upgrades, Otara Sewer Diversion, 205R East Tamaki Road)</b>	Medium and long term wastewater improvements for the Otara catchment including re-use of the abandoned Hunua 1 watermain, a storage tank adjacent to existing PS31, and a rising main option to follow the southern motorway.	Likely resource consents required for earthworks, vegetation alteration, diversion of water, structure in stream.	<p>Consultation continues with Parks and the Local Board for the 3000m<sup>3</sup> storage tank and the proposed infrastructure in Billington Reserve. Kāinga Ora – Homes and Communities are proposing to develop their land on Billington Avenue (state housing subdivision). This provides an opportunity to purchase one or both of the residential sites at the head of the cul-de-sac and reconfigure the proposed elements that were to be erected in the Reserve onto one or both of the residential properties. This layout would be beneficial to all parties as it would remove the bulk of the structures from the reserve, open up the end of the street and entrance to the reserve, would allow easier construction and provide additional space if required at a later date. Watercare is currently negotiating with Kāinga Ora to purchase the property(ies).</p> <p>The alignment of the section of pipe through the property owned by George Western Foods (Tip Top) or around the esplanade reserve that bounds this site is still being investigated. The final alignment has not been selected at this stage due to ongoing discussions with the land owner (who are Australia based). The team continue to prepare the application for the Billington and Sandbrook Reserve Sites.</p>	APPLICATION PREPARATION	1/03/2021	31/05/2021	
<b>Papakura WTP - Discharge Consent</b>	The Papakura WTP is being reinstated as a response to the drought.	Discharges to water	<p>The temporary and permanent WTPs will require consents for discharge of off-spec water and stormwater into Hays Creek for both commissioning and operation.</p> <p>The project team has been established and the design and technical work is currently underway. Effects of the discharge is currently being assessed by the Ecologist. Separate applications will be lodged for the temporary and permanent plants. <a href="#">The first consent application for the temporary WTP was lodged 29 October. The application is currently being reviewed by the Council specialist.</a></p> <p><a href="#">The second consent application for the permanent WTP will be lodged in November.</a></p>	APPLICATION PROCESSING	29/10/2020	20/12/2020	

Project Name	Description of Activity	Reason for Consent / Designation	Note	Status	Lodgement Date (Target or Actual)	Decision Date (Target or Actual)	Consenting Impact on Project
<b>Pukekohe Water Take, Seddon Street, Pukekohe</b>	Replacement of existing groundwater permits	Water take	<p>Replacement of existing consent for water take from the Hickeys Bores was lodged mid July 2014. The take is not in use, however Watercare opted to replace the consent for future use. A s92 response was submitted to Council in December 2014. Council advised on 25 June 2015 that further information was needed on social and economic effects and that the application may need to be notified. A meeting was held with HortNZ to discuss a draft MoU on 21 August 2015. Council has communicated that Watercare are to reply to questions, but no progress has been made recently.</p> <p>As a result of the analysis for the Waikato WTP 2nd water take and the drought taskforce, the project is being reactivated to ensure Watercare's level of service is maintained. A separate project to acquire the water take consents (bore and spring take) and designation of the site has commenced. These are identified as new projects below.</p> <p>The lodgement of this consent allows for s124 continued water take and the commissioning and operation of the package plant.</p>	SECTION 92	1/07/2014	TBC	
<b>Pukekohe WTP - Groundwater and Spring Take</b>	The Pukekohe WTP is being reinstated as part of the drought response. The project includes renewing the existing groundwater and new spring permits.	Water take	<p>A consent application for a ground water take and spring take has been prepared and was lodged with Council 21 August. A formal s92 request was received seeking clarification on groundwater methodology <a href="#">and ecological matters related to the surface take</a>. A formal response was provided to Council on 16 October addressing these matters. Council has issued <a href="#">a second s92 requesting more information on the ecological effects on the spring take</a>. Watercare's response was provided on 4 November. Mana Whenua consultation is ongoing</p>	SECTION 92	21/08/2020	<a href="#">30/11/2020</a>	
<b>Waikato 'A' WTP Take, Discharges &amp; Intake Structure</b>	Water take, discharge and in-river works associated with a new supply from the lower Waikato River.	Water take and discharges to water.	A consent application has been lodged for an additional take and awaits processing by the Waikato Regional Council. We understand there are 103 applications ahead of ours to be processed. This application has now been "called in" and is covered below.	COUNCIL PROCESSING	23/12/2013	TBC	

Project Name	Description of Activity	Reason for Consent / Designation	Note	Status	Lodgement Date (Target or Actual)	Decision Date (Target or Actual)	Consenting Impact on Project
<b>Waikato 'A' WTP, Water Take &amp; Intake Structure – Board of Inquiry</b>	Water take and in-river works associated with a new supply from the lower Waikato River.	Water take, occupation of riverbed	<p>On 30 June Environment Minister David Parker “called in” Watercare’s 2013 water take application from the Waikato River. The Environmental Protection Authority (EPA) administer the Board of Inquiry process. A three-member panel of commissioners has been appointed. The 2013 application will need to be refreshed to reflect new information.</p> <p>A paper has been approved to initiate the refresh. Mobilisation of the project team is complete. Workshops are being held with the different work streams.</p> <p>Watercare has fortnightly meetings with the Project Lead at the EPA to discuss progress, process and time frames. The refresh/amended application is scheduled to be resubmitted to the EPA by mid-December.</p> <p>Mana Whenua consultation is ongoing.</p>	APPLICATION PREPARATION	11/12/2020	TBC	



Project Name	Description of Activity	Reason for Consent / Designation	Note	Status	Lodgement Date (Target or Actual)	Decision Date (Target or Actual)	Consenting Impact on Project
<b>Waikato Interim (50MLD) WTP</b>	An interim 50MLD WTP to be operational by May 2021.	Various Consents	<p>Watercare has resolved to construct an interim WTP at the existing Waikato site to be commissioned by May 2021. The WTP will be independent of the existing WTP and will require the design and construction of a number of pieces of infrastructure. The proposal will include:</p> <ul style="list-style-type: none"> <li>• A new temporary intake structure which will be located adjacent to the existing intake structure. At this stage the location of the intake structure, including raw water pump, is likely to be located on a floating barge adjacent to the existing intake structure and fixed into position either by fixing it to the riverbank, or by temporary piles.</li> <li>• A new 600mm diameter rising main from the intake structure to the temporary water treatment plant.</li> <li>• A new temporary treatment plant with the capacity to treat 50 MLD of water, Treated Water Tank and Pump Station.</li> </ul> <p>Watercare met with WRC regulatory team 9 July to streamline the consenting process.</p> <p>The Project requires numerous construction related consents. Consents and OPW have been obtained for:</p> <ul style="list-style-type: none"> <li>• Bulk earthworks</li> <li>• Contractors laydown area</li> <li>• Treated water raising main</li> <li>• Earthworks and stream works associated with the WTP</li> <li>• Raw water raising main</li> <li>• Geotechnical Investigations for the Water intake structure</li> </ul> <p>Consent lodged with WRC for:</p> <ul style="list-style-type: none"> <li>• <a href="#">Water intake structure (Floating Pump Station)</a></li> </ul> <p>Consent under preparation are:</p> <ul style="list-style-type: none"> <li>• Commissioning and discharge consents</li> </ul>	MULTIPLE APPLICATIONS AT VARIOUS STAGES	On-going	On-going	

Project Name	Description of Activity	Reason for Consent / Designation	Note	Status	Lodgement Date (Target or Actual)	Decision Date (Target or Actual)	Consenting Impact on Project
<b>Waikato WTP Off-spec Water/ Stormwater/ Sparging Discharge Consent Replacement</b>	Replacement of existing discharge permits from process, stormwater and air sparging to an unnamed tributary and the Waikato River.	Discharge to water.	<p>The consents for the discharges from the existing Waikato River WTP expired in May 2017. An AEE and application for replacement consents was lodged in October 2016 and has been accepted for processing by Waikato Regional Council. All technical matters have been addressed with Council.</p> <p>The application has been placed on-hold pending the preparation of a cultural impact assessment by Waikato Tainui/Te Taniwha o Waikato (TToW). On-site meetings have been held in November 2019 on the project.</p> <p>A CIA in support of the application was received from TToW on 8 July. The CIA and proposed conditions were provided to WRC on 10 July. Watercare is awaiting a response from WRC.</p>	COUNCIL PROCESSING	26/10/2016	30/11/2020	
<b>Western Water Supply Strategy</b>	Upgrade or replacement of the existing Huia WTP. Includes: investigation of best location, new WTP; two new treated water reservoirs and associated pipelines.	Notice of Requirement, various regional consents.	<p>The hearing for the resource consent application commenced on the 24 February 2020. The hearing was adjourned to allow for kauri dieback testing to be undertaken. The Commissioners appointed an independent facilitator to manage the discussions on how the testing for kauri dieback would be undertaken and then analysed. <a href="#">The company that all parties agreed should carry out the work is scheduled to forward their report on the testing to Watercare on the 20th of November.</a></p> <p><a href="#">A second round of discussions will be held on the 6th of December to determine the appropriate kauri dieback protocols to be adopted.</a> The hearing will then be reconvened.</p> <p>An Outline Plan of Works (OPW) for the construction of the plant and reservoirs was lodged on 20 December 2019. Watercare has agreed that the comments from the Council on the OPW can be deferred to the release of the decision of the resource consent application so as to allow for the alignment of the conditions for the two separate applications.</p>	HEARING	24/05/2019	18/12/2020	

Project Name	Description of Activity	Reason for Consent / Designation	Note	Status	Lodgement Date (Target or Actual)	Decision Date (Target or Actual)	Consenting Impact on Project
<b>Westhaven - North Shore Boost Pump Station (BPS)</b>	Construction of a boost pump station for delivery of water to the south-eastern part of the North Shore through watermain NS 1 & 2.	Potential designation of site and consents.	<p>The BPS is proposed to locate adjacent to the NS1 &amp; NS2 watermain within the open space to the west of the southern landing of the harbour bridge. This open space is heavily constrained by an AUP-OP scheduled site of significance to mana whenua (SSMW), the NZTA Northern Pathway Project, Panuku's plans for a harbour front reserve, and existing infrastructure.</p> <p>Discussions with Panuku have identified a preferred site on the western side of the watermain, within NZTA land adjacent to the Curran St onramp. This site option received the support of the Local Board when presented in conjunction with Panuku on 13 October.</p> <p>Watercare have the support of the majority of mana whenua to locate the BPS within the SSMW, subject to cultural mitigation.</p> <p>Preliminary design and consenting will commence following no objection from NZTA.</p>	PLANNING ASSESSMENT	01/03/2021	31/05/2021	
<b>Whenuapai and Redhills Wastewater Scheme</b>	Provision of new wastewater infrastructure to provide for the proposed growth in Whenuapai. The infrastructure includes a new Brigham Creek wastewater pump station, 2km of rising main, and just over 1 km of 315mm rising main that will divert flow from Kumeu, Huapai, and Riverhead to the new pump station.	Notice of Requirement, various regional consents.	<p>Watercare are providing infrastructure in line with the Whenuapai Plan Change, enabling growth in the north. The proposed infrastructure will follow the existing arterial routes or proposed new roads in public and private land. The works will be enabled through resource consents, with a potential to designate to protect the route and the pump station sites for additional infrastructure to be delivered in several years.</p> <p>The project team are working with the Supporting Growth Alliance - NZTA and AT - (SGA) to co-ordinate consenting work, delivery programme, and lodgement of designation. The final basis of design report, completed 29 May, was informed by engagement with SGA and the developer. A new location for the temporary pump station was proposed and agreed with the developer in September. The environmental reporting has recommenced with a further site visit and investigation underway. The lodgement of consent is due December 2020.</p> <p>The construction programme is two years long and needs to be completed by 2022. To achieve this, resource consents need to be granted early 2021. Engagement with Mana Whenua has commenced, and a site visit was undertaken on January 30.</p>	PLANNING ASSESSMENT	11/12/2020	26/02/2021	

## 7. ENTERPRISE MODEL

### ENTERPRISE MODEL STATUS UPDATE AND OVERVIEW

Delivery of key drought augmentation projects is progressing very well, and an ongoing review of the remainder of capital programme continues.

### SUCCESSES TO DATE

#### EMA, Governance and Contract Deliverables

- Programme Control Group continues to strengthen intervention processes, Value Capture framework and initiative roll out and adoption.
- Joint Watercare / MBIE Construction Sector Accord Beacon Project communications continues to grow with production of video.
- Innovations and initiatives toolkit continue to be rolled out.
- Outreach and briefing sessions now focusing on ensuring delivery teams understand their responsibilities.
- KPIs framework established and data gathering continues.

#### Work Allocation

- Construction partner allocation has been reassessed following allocation of Drought augmentation projects.

#### Programme Level Opportunities and Outreach

- Key supply chain initiatives identified. Market soundings to be initiated.
- Assessment of Watercare's digital journey of the tools for asset management, construction delivery and digital design is advancing.

#### Carbon and cost baseline

- Carbon: this baseline has been developed utilising a Carbon Portal developed by Mott McDonald. This portal has been used internationally and modified for New Zealand. This is the first carbon baseline for an infrastructure programme in New Zealand. Our carbon baseline is **374,644 tonnes** over ten years.
- Cost: this baseline is based upon the 2018 AMP and is **\$2.215 billion** over ten years.

**OPPORTUNITIES AHEAD**

- Supply chain and programme level initiatives have been scoped and are being coordinated with Watercare's Supply Chain Team.
- Wider implementation of EM principles through the EM Framework and Project Management Frameworks.
- Implementing of KRA / KPI reporting structures for reporting against baselines and training regarding tools.

**Risks & Opportunities**

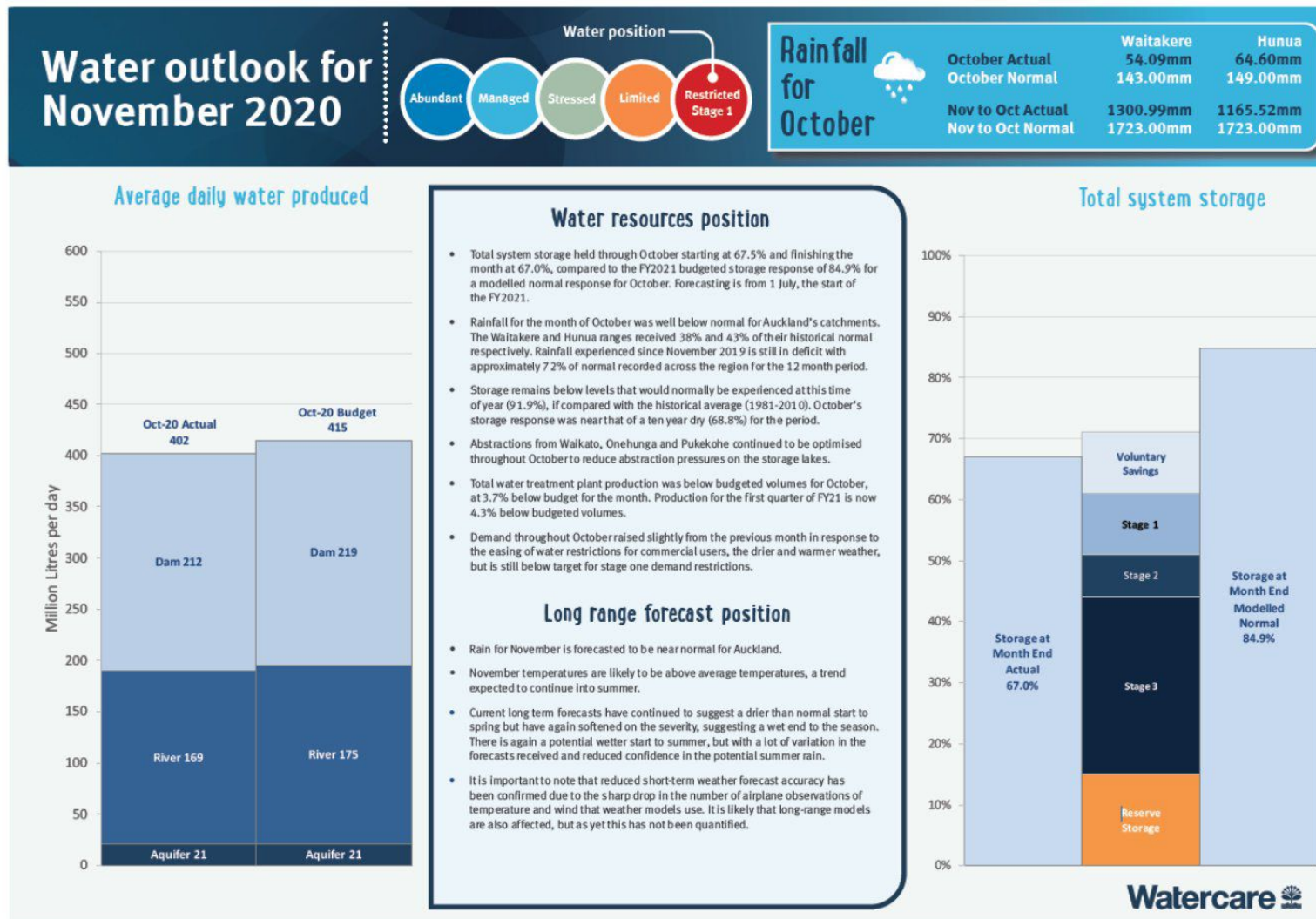
The following risks and opportunities have been identified:

<b>Risk to Enterprise Model Success</b>	<b>Mitigations</b>
<ul style="list-style-type: none"> <li>• Continuity of Forward Works Pipeline delivery</li> <li>• Ability for Watercare and partners to change</li> <li>• Strategic misalignment across six organisations</li> </ul>	<ul style="list-style-type: none"> <li>• Drought project allocation</li> <li>• Change Management Plan being executed</li> <li>• Joint Strategy Plan implementation</li> </ul>
<b>Opportunities to ensure Enterprise Model success</b>	<b>Enablers</b>
<ul style="list-style-type: none"> <li>• Demonstration of all partners commitment to the EM</li> <li>• Build support for the Enterprise Model within Watercare and partners organisations</li> <li>• Promote EM with externals to gain third party advocates</li> </ul>	<ul style="list-style-type: none"> <li>• Mindset / culture &amp; behaviours</li> <li>• Outreach, showcases scheduled and communications plans implemented</li> <li>• Joint Governance Board and Executive access to Government</li> </ul>

## 8. ASSETS AND INFRASTRUCTURE

- The back to basics campaign has been launched across all infrastructure sites. The rollout was fronted by Watercare project managers, project engineers and leaders. It has been well accepted by our contractors who have taken an active involvement in both the rollout and the interaction inherent in the programme design. We will continue to monitor the effectiveness of the campaign.

## 9. NATURAL ENVIRONMENT • WATERCARE'S DROUGHT MANAGEMENT RESPONSE



## RESOURCE MANAGEMENT ACT COMPLIANCE – Auckland Council



October 2020 Summary	Compliance proceedings	Nil	Environmental incidents of significance	0
	Category 4 non-compliant consents held by Watercare	0	Category 3 non-compliant consents held by Watercare	1

7.2

	May	Jun	Jul	Aug	Sep	Oct
<b>Number of non-compliant consents held by Watercare in Auckland<sup>1</sup></b>	13	16	13	15	14	12
<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>	3	3	3	1	1	1
<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>	11	14	9	12	12	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, but monitoring shows no adverse environmental effects.	Upgrade underway. Pumps arrived on site and are being commissioned.	3 – Ongoing issue (negligible environmental impact)

## RESOURCE MANAGEMENT ACT COMPLIANCE - Waikato Regional Council



October 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

7.2

	May	Jun	Jul	Aug	Sep	Oct
<b>Number of non-compliant consents held by Watercare in Waikato <sup>1</sup></b>	1	1	3	2	1	7
<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	0	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>	1	1	3	2	1	4

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

## 10. SUPPLIER CODE OF CONDUCT AND SUPPLIER DIVERSITY UPDATE

Watercare's Supplier Code of Conduct ("the Code") sets the minimum standards applicable to all suppliers providing goods, services or work to us. The Code is based on seven principles:

- Customer and community
- Health, safety and security
- Te whai rawa – the prosperity and well-being of Māori
- Human rights and workplace conditions
- Environmental sustainability
- Business resilience
- Ethical business

Publication and implementation of the Code commenced in December 2019. This involved informing Watercare Suppliers of the Code and receiving their signed acknowledgement of the Code.

We currently have 75 suppliers with an annual spend over \$1M (representing 88% of our total annual spend) and of these 55 have acknowledged the Code. The remaining 20 suppliers are being contacted to acknowledge the Code. This work will be completed in the first quarter of 2021.

All new suppliers are also required to acknowledge the Code as part of their onboarding.

### Supplier Diversity Statistics

Achieving broader outcomes with a particular focus on those less able to access opportunities is an area of focus for the supply chain team.

We are capturing supplier diversity data for engagement of businesses as follows:

Business Type	% of Active Suppliers	Spend (FY20) \$K	% of Total Spend
<b>Māori Owned (&gt; 50% ownership)</b>	1.6	1,758	0.16
<b>Pasifika Owned (&gt; 50% ownership)</b>	0.9	2,592	0.24
<b>Woman Owned (&gt; 50% ownership)</b>	3.0	2,904	0.27
<b>Social enterprises</b>	1.2	10,337	0.97
<b>Small Business (&lt;20 employees)</b>	27.9	30,645	2.87
<b>Sole traders</b>	1.8	566	0.05

We recognise that use of these businesses is low and we will actively look at ways to increase engagement with these businesses in 2020/21.

The initial Supplier Diversity focus will be on increasing our engagement with Māori businesses and promoting Māori outcomes. This supports our Sustainable Procurement Framework in valuing Te Ao Māori and lifting Māori social and economic well-being. This will involve:

- Developing and implementing a Māori outcomes plan including targets.
- Engaging with Watercare teams to see how we create and improve opportunities for Māori businesses.
- Engaging with external agencies to explore ways that we can increase our engagement with Māori businesses. In this regard we are currently we are working with:
  - Auckland Council
  - Auckland Transport
  - He waka eke noa
  - Akina
  - Diversity Works NZ

## 11. DELEGATED AUTHORITY OF THE CHIEF EXECUTIVE

<p><b>For the month of October 2020, there was one document required to be signed by Marlon with the delegated authority provided to the Chief Executive by the Board in relation to deeds, instruments and other documents.</b></p> <ul style="list-style-type: none"> <li>• 1 x Entry and Easement Agreement in favour of Watercare</li> </ul>	<p><b>In October 2020, there were six Capex/Opex contracts, over \$100,000 approved by the Acting Chief Executive in accordance with the delegated authority provided by the Board.</b></p> <ul style="list-style-type: none"> <li>• Kerry Drainage - - Papakura WTP Early Civil Works</li> <li>• MTL NZ Limited - Consultancy for Waikato 50 Commissioning Management</li> <li>• ABB Limited - Waikato 50 HV Switchgear</li> <li>• Custom Controls Limited - Supply of Valves and Equipment for Rosedale WWTP Digester Refurbishment Programme</li> <li>• GHD Limited - Design &amp; Construction Management Agreement for Level 2, 3 &amp; 4 Office Fitout</li> <li>• ABB Limited - Waikato 50 LV VSD: Raw Water and Treated Water</li> <li>•</li> </ul>	<p><b>In October 2020, there were no capex approvals signed in accordance with the delegated authority provided to the Acting Chief Executive by the Board in relation to Capex approvals below a threshold of \$15million.</b></p>
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# Board - Public Session - Directors' Corporate Governance Items

Board Planner 2020				Board Planner 2021											
		November	December	January	February	March	April	May	June	July	August	September	October	November	December
Meetings	Board	24-Nov 8.30am-12.30pm	15-Dec 8am-11am (Teleconference)	29-Jan	26-Feb	30-Mar	29-Apr		1 June (May Results)	5-July (June Results) 29-July	30-Aug	30-Sep	28-Oct	30-Nov	14-Dec (Teleconference)
	Audit and risk committee				3-Feb			26-May		2-Jul	TBA		28-Oct		
	Te Tangata Komiti	25 Nov 3pm - 5pm		27-Jan 3pm			28-Apr 10am			26-July 10am	19-Aug 10am			24-Nov 10am	
	AMP & Major Capex Committee	19 Nov (9.30-12pm)			18-Feb 10am			20-May 10am			11-Aug 10am			18-Nov 10am	
	STP Committee	23-Nov 10am (TBC)													
	Committee for Climate Action														
	CCO Oversight Committee meetings	24-Nov	8 Dec (M Devlin)												
Events	Community and Stakeholder Relationships				TBC: Meet the Diversity & Inclusion Committee										
Governance	Charter reviews					AMCC Terms of Reference		A&R Charter		Committee for Climate Action Terms of Reference	Corporate Governance Charter Te Tangata Charter				
	Policy reviews	<i>Fraud &amp; Corruption Policy (2021)</i>	Corporate Governance Charter Review	Good Employer Policy											
	Risk report due to Council														
	Enterprise Risk report to Board														
	Compliance			Statutory compliance			Statutory compliance			Statutory compliance			Statutory compliance		
	H&S Quarterly report				Oct-Dec 20 Report		Jan-Mar 21 Report			Apr-Jun 21 Report			Jul-Sept 21 Report		
	Shareholder interaction		Q1 briefing to CCO Oversight Committee TBC												
	Site Visits			Site Visit											
Board Training	Board training & development	H&S Board Update	Privacy Law (once new laws are in place)		Mental Health & Wellbeing in the workplace										
Business strategy	Strategic planning & Deep Dives	Deep Dive: TBA													
Business planning	Key finance and business decisions		Auckland Council Draft Annual Plan - approve Watercare input*	Approve half year accounts	a) approve financials for Draft SOI including projected 21/22 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	a) approve 2020/21 accounts, b) delegate final sign off of 2021/22 Annual Report c) Approve Auckland Council Reporting Pack		AMP		Auckland Council Draft Annual Plan - approve Watercare input*
	Statement of intent		2021/22 Letter of Expectation to be received	Draft 2021-2024 SOI for Board's review	Approval of Draft 2021-2024 SOI					Present shareholder SOI feedback at public meeting. Public Deputations received  Final 2021-2024 SOI issued to shareholder	Final 2021/2022 SOI adopted by Auckland Council		2020/2021 SOI Results to be presented to Board at Public Meeting. Public Deputations received.		2022/23 Letter of Expectation to be received

\* Statutory public Board meeting - deputations invited

^ Extraordinary Audit & Risk and Board Meeting to meet shareholder half year and annual report timeline

## Disclosure of senior executives' interests

Purpose			Team		
Information	Discussion	Approval	Prepared and Recommended	Submitted	
			<b>Rob Fisher</b> Company Secretary	<b>Marlon Bridge</b> Acting Chief Executive	
Intellectual capital	People and culture	Community and stakeholder relationships	Financial capital & resources	Natural environment	Assets and Infrastructure
					

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### 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
Marlon Bridge	<ul style="list-style-type: none"> <li>Trustee – Te Motu a Hiaroa (Puketutu Island) Governance Trust</li> <li>Director – WCS Limited</li> </ul>
Rebecca Chenery	<ul style="list-style-type: none"> <li>Director – Lutra Limited</li> </ul>
Shayne Cunis	<ul style="list-style-type: none"> <li>Director – The Water Research Foundation (USA)</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>
Jason Glennon	<ul style="list-style-type: none"> <li>Director - Michaels Ave Investments Limited</li> </ul>
David Hawkins	<ul style="list-style-type: none"> <li>Nil</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>
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>
Nigel Toms	<ul style="list-style-type: none"> <li>Director – TRN Risk &amp; Resilience Consulting</li> </ul>
Steve Webster	<ul style="list-style-type: none"> <li>Director – Howick Swimgym Limited</li> </ul>



**Report to the Board of Watercare Services Limited**  
Prepared for the 24 November 2020 meeting

## Directors' appointment terms, committee memberships, and meeting attendances

Purpose			Team		
Information	Discussion	Approval	Prepared and Recommended	Submitted	
			<b>Rob Fisher</b> Company Secretary	<b>Marlon Bridge</b> Acting Chief Executive	
Intellectual capital	People and culture	Community and stakeholder relationships	Financial capital & resources	Natural environment	Assets and Infrastructure
					

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### 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
- details of directors' attendance at Board and committee meetings over the calendar year.

### 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
Hinerangi Raumati-Tu'ua	1 August 2019	31 October 2022
David Thomas	1 November 2014	31 December 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)	*	✓		✓	
Dave Chambers		Committee Chair			
Nicola Crauford			✓	Committee Chair	✓
Brendon Green	✓		Committee Chair		Committee Chair
Hinerangi Raumati-Tu'ua	Committee Chair				
David Thomas	✓	✓			
Frances Valentine			✓	✓	✓

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

Table 3: Attendance at Board and committee meetings in 2020 is detailed in the table below

Board member attendance 2020	Attendance at Board meetings												Attendance at Audit and Risk Committee meetings		Attendance at AMP & Major Capex Committee meetings				Attendance at Strategic Transformation Project Committee meetings	Attendance at Te Tangata Komiti meetings					Attendance at Committee for Climate Action meetings														
	Board 28 January 2020	Board 20 February 2020	Board 28 April 2020	Extraordinary 19 May 2020	Board 28 May 2020	Board 30 June 2020	Board 28 July 2020	Special Board 10 August 2020	Board 25 August 2020	Board 29 September 2020	Board 27 October 2020	Board 24 November 2020	A&R 28 January 2020	A&R 25 May 2020	A&R 10 August 2020	A&R 24 August 2020	A&R 27 October 2020	AMCC 6 March 2020	AMCC 23 April 2020	AMCC 28 July 2020	Catch up AMCC 6 August 2020	AMCC Workshop - 15 September 2020	AMCC 19 November 2020	STPC 19 June 2020	STPC 23 November 2020				TTC 29 January 2020	TTC 29 April 2020	Catch-up TTC 11 June 2020	TTC 29 July 2020	TTC 24 August 2020	TTC 25 November 2020	CCA 18 February 2020	CCA 22 May 2020	CCA 6 August 2020	CCA 13 October 2020	
Margaret Devlin	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓					✓	✓	✓	✓	✓			✓	✓	✓	✓
Nicki Crauford	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓															
Brendon Green	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓															
Julia Hoare	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓															
David Thomas	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓					✓	✓	✓	✓	✓	✓					
Colin Magee (Board Intern)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓						✓	✓	✓	✓	✓					
Hinerangi Raumati-Tu'ua	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓															
Dave Chambers	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓						✓	✓	✓	✓		✓					✓	✓	✓	✓	✓	✓					
Frances Valintine	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓			✓	✓	✓	✓	✓		✓															