

WATERCARE SERVICES LIMITED

AGENDA	BOARD MEETING	Tuesday, October 27, 2020
Venue	Watercare Services, Level 3 Boardroom, 73 Remuera Road, Remuera	
Time	9.30am	

Open Public Meeting

Item	Spokesperson	Action sought at governance meeting	Supporting Material
1 Opening Karakia	David Thomas		
1.1 Meeting Administration	Chair	For discussion	Nil
2 Apologies	Chair	Record apologies	Nil
3 Minutes of Meeting	Chair	Approve Board Meeting Minutes 29 September 2020	Board Minutes 29 September 2020
4 Disclosure of Directors' Interests	Chair	For noting	Report
5 Public Deputations	Chair	For information	Verbal update
6 For Approval			
6.1 Update to Watercare's commitment to health, safety and wellness	Bronwyn Struthers	For approval	Report
7 For information			
7.1 Our performance under the 2019/20 Statement of Intent	Rob Fisher	For information	Report
7.2 September 2020 Central Interceptor Report	Shayne Cunis	For information	Report
7.3 Drought Update	Mark Bourne	For information	Presentation
8 For discussion			
8.1 Safety Moment	All	For sharing	Nil
8.2 Acting Chief Executive's Report	Marlon Bridge	For discussion	Report
8.3 Review of the Water Supply and Wastewater Network Bylaw 2015	Mark Bishop / Rob Fisher	For discussion	Report
8.4 Board Committee Updates	Committee Chairs	For discussion	Nil
9 Directors' Corporate Governance Items			
9.1 Board Planner	Chair	For noting	Report
9.2 Disclosure of Senior Executives' Interests	Chair	For noting	Report
9.3 Directors' Appointment Terms and Committee Memberships and meeting attendances	Chair	For noting	Report
10 General Business	Chair	For discussion	Nil
10 Closing Karakia	David Thomas		Nil

Date of next meeting	Tuesday 24 November 2020
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MINUTES

SUBJECT	WATERCARE SERVICES BOARD MEETING
VENUE	Watercare Services, Level 3, 73 Remuera Road, Remuera
DATE	29 September 2020
TIME	9am
STATUS	Public Session

	<p>Present: Margaret Devlin (Chair) Julia Hoare (Deputy Chair) Dave Chambers Nicki Crauford Brendon Green David Thomas Hinerangi Raumati-Tu'ua Frances Valintine (absent from 9.15am)</p> <p>Board intern Colin Magee</p>	<p>In attendance : Raveen Jaduram (CE) Nigel Toms (Acting CFO) Steve Webster Amanda Singleton Shane Morgan Rebecca Chenery David Hawkins Rob Fisher Jason Glennon Bronwyn Struthers (until 10.20) Shayne Cunis Mark Bourne</p>	<p>Guests: Councillor Linda Cooper Sarah Holdem - CCO Oversight and Governance Councillor Watson (via Teams) for Items 1-4.2 Councillor Sayers (via Teams) for Items 1-4.2 Councillor Walker (via Teams) for Items 1-4.2</p>
1.	<p>Brendon Green opened the meeting with a karakia.</p> <p>1.1 Meeting Administration</p> <p>Margaret Devlin announced that Marlon Bridge, the current Deputy Chief Executive, will be stepping in as Acting Chief Executive from 5 October when Raveen will step down and support Marlon through the transition.</p> <p>The Board has commenced a recruitment process and has engaged Kerridge and Partners to work with us. A new CEO is likely to be in place sometime after Christmas 2020.</p> <p>Jodie Atkin, the new Governance Coordinator was introduced. She will be assisting Emma McBride with governance matters.</p> <p>Rob Fisher provided an update on Emma's progress, noting that she is good spirits and is doing well but we are likely to be without her until March next year whilst she undergoes further treatment and recovers.</p> <p>Rachel Hughes is acknowledged for her fantastic work on the Sam and Flo books which are also now available online in Te reo Māori.</p>		
2.	<p>Apologies</p> <p>Apologies were received from Marlon Bridge and James Davies. Frances Valintine was an apology from 9.15am.</p>		

3.	<p>Minutes of Previous Meetings</p> <p>The Board resolved that the minutes of the public section of the Board meeting held on 25 August 2020 be confirmed as true and correct with the amendment that Nicki Crauford joined at item 5.3, and that the second sub-heading of 5.3 be changed to 5.4.</p>
4.	<p>Review Disclosure of Directors' Interests</p> <p>No changes to the Directors' interests were required.</p>
5.	<p>Public Deputations</p> <p>Councillor Sayers addressed the Board regarding people who are currently established water tank water users. Many of these people need to increase their drought resilience and one possible mechanism, on which Council and Watercare could possibly collaborate to address this, could be for people to connect to the reticulated water network. Councillor Sayers advocated for a brave, practical and feasible decision from Council and Watercare. Councillor Sayers recognised that some people may feel they are missing out on an opportunity, whilst others may feel that they are subsidising others. He noted that any scheme would need to be clear and not open to interpretation. Whether just new builds would be included, or whether established households that have not connected over the years could be included, would need to be considered, among a range of other considerations.</p> <p>Councillor Walker noted that the situation for people on tank water in the coming summer will be different to that experienced last summer. This is because many more people will have been working from home due to Covid and because of the recent issues with the Auckland Harbour Bridge.</p> <p>He advised his view that it must be recognised by Watercare that people who rely on tank water do make a contribution to Auckland's water supply.</p> <p>He suggested a hybrid approach particularly for people in urban areas who are near a reticulated supply, who may be committed to remaining on tank water but need a supplementary water supply. Some people have, in the past, had access to a tap at the boundary of the property from which they were able to top up their tanks without connecting fully to the network. He noted that new connections have a high access charge as it assumes that people will be connecting fully to the network, which is a very different circumstance to a situation in which Watercare may wish to assist people on tank water. He noted that Watercare will have some information about some people on tank water as they are customers who are metered for their wastewater usage, but it will not have detailed information about the amount of water held in their tanks. This work would need to be done in his view.</p> <p>In summary, Councillor Walker suggested that there is an opportunity for Watercare to recognise the contribution that tank water users make and to work with them to develop a hybrid development charge to enable a different form of connection to the reticulated water system. He also noted the opportunity to look at bore water and supplementary supplies, and to develop best practice for a number of water users including those on water tanks.</p> <p>He noted that he and Councillor Sayers would be happy to work with Watercare on this, perhaps by way of a working party.</p> <p>Councillor Watson wrapped up by making a plea to Watercare that this specific set of people be considered. He explained that in the past the response to these people has been to tell them that the network is available and so it was up to them to choose to connect or not. He said that this is not an option for many of these people due to the IGC cost, being over \$7,000. The past summer was problematic and included issues such as water carriers being unable to cope with demand. Further, he opined that with climate change, this may be a situation that arises on a regular basis. He explained that in the past, councils such as Rodney have offered similar solutions to that being suggested here. He would like Watercare to come up with an accessible option for this defined group of vulnerable people, to be able connect to the network.</p> <p>The Chair thanked the Councillors for their advice; she noted that this topic was covered in a paper to be discussed in the confidential session and noted the Councillors' offer to work with Watercare.</p>

6.	<p>For Information</p> <p>6.1 August 2020 Central Interceptor Report</p> <p>The report was taken as read.</p> <p>Shayne Cunis spoke to this report and answered questions from the Board.</p> <p>Shayne reported that TBM was being loaded on the ship that day and is expected to arrive in Auckland on 11 November and on site on 27 November 2020.</p> <p>He noted that border issues are still affecting the project. He advised more staff with families are coming into New Zealand and other staff will be returning to their home countries at the end of the year. It is possible that Australians may get pre-approval to return to New Zealand before they leave. He noted that the system is not seamless and people are coming in sporadically, but we have had a lot of success and have been more successful than a lot of other major projects in gaining access to key staff to enter the country. These people are critical as they are required for commissioning the pre-cast factory in Auckland and to commission the TBM.</p> <p>When asked about setting up a quarantine programme for the project, as was done for CRL, Shayne advised that Watercare was part of that programme which had been presented to Central Government, with a view to using the facilities at Kaikoura. However, nothing can proceed until after the national election.</p> <p>When asked about ground conditions at the Māngere pumping station, Shayne explained that there are zones in the ground that are very weak as it is largely reclaimed land. As a result, and because the trench is so large, the area of ground collapses. As such, different construction methods, from those initially planned for, have been required. These changes will come at a cost. He acknowledges that more borehole testing could have been done in the area on some of the surface works. We had been very good at borehole testing on the route of the tunnel given its depth, which is what we had been most concerned about, but the surface sites are only about five or six metres below the surface.</p> <p>When asked if, given the ground conditions, we are creating a problem for the future, Shayne confirmed that we are not. In fact we are solving a problem as what is being put back is stronger than the natural ground condition so this will be a lasting solution.</p> <p>In response to a question about recent news stories regarding erionite, Shayne explained that his team have retested the material from the boreholes and this is in the layer of material called Parnell Volcaniclastic Conglomerates (Parnell Grit). They found that on balance it is highly unlikely that they will come across it. The team is nonetheless, assuming that the soil may be contaminated so they are treating it as if it were asbestos. PPE is being used and the spoil is being disposed of appropriately. He explained while there are potential risks, this is not as extensive as is being reported.</p> <p>Shayne reported that the Western Isthmus project is progressing well.</p> <p>He also noted that the project team had been involved in a social enterprise making over 1400 lunches and they celebrated both Māori and Tongan language weeks.</p> <p>The Chair requested a complete update on impacts of Covid on the project for the Board for next month. Shayne will report on the impacts and what they are doing to mitigate those.</p> <p>6.2 Director Expenses</p> <p>The Chair noted that the purpose of this paper was to provide greater transparency around Directors' expenses.</p> <p>In relation to a question as to whether Directors' expenses need to be addressed monthly, the Board agreed that it can be addressed quarterly.</p>
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6.3 Drought Update

Mark Bourne provided an update to the Drought report provided in the Board Papers.

He highlighted the following:

- there is no update to the long-term weather forecast, this will be updated at the end of the month;
- as at this morning lake levels remain static at 67.5% and have remained static for 19 days in a row and out flow is matched with inflow;
- the 7-day rolling demand remains low at 384MLD, significantly lower than the target (405MLD)
- but an increase in demand is expected in October (414MLD) due to the commencement of daylight-savings and this is consistent with expectations and modelling going forward and is also consistent with the changes to restrictions approved by Auckland Council in the previous week;
- the non-storage 7-day production is only moderately low (186ML compared to 190ML) and the change is due to increased production at Waikato;
- production has been trimmed in-line with decreased demand;
- also the 7-day production from storage facilities has been substantially lower than demand;
- rainfall is at 45% of normal this month, where 76% was expected, therefore this is lower than expected but is expected to increase in October.

Mark was questioned about last week's movement on water restrictions and in particular about the definition of 'commercial activity'.

Mark explained that one would think that this refers to non-residential customers. However, where the difficulty comes in is where commercial operators are operating on residential premises. The question here is whether this use is residential use or commercial use. The intent of the change was to allow commercial enterprises to make controlled use of the water. The definition is taken from the Taxation Act, such that if you are a tax paying entity, it is a commercial activity. The Council is working with us this and there will some advertising around this.

There was a discussion around restrictions and the definition. It was noted that currently a home-owner can hire someone to wash their house or water their vegetable garden, using their own water, but they cannot do these things for themselves. This makes the messaging around restriction very hard to convey.

It was noted by the Chair that now we have clarified the definition of 'commercial' we need to review this usage on a fortnightly basis, taking into consideration dam levels and demand.

Mark noted that in other jurisdictions, restrictions are tailored to their individual areas and there is little consistency between drought management plans. He explained that we have identified activities and then split those activities between residential and commercial in an attempt to be equitable across our customer base. In some jurisdictions the activity is targeted, for example, in some Australian jurisdictions, there is no washing of hard surface areas with water irrespective of whether it is commercial or residential. However, in New Zealand, restrictions tend to focus on residential use. It was also noted that further explanation of the definition may be required as some segments remain unclear, such as schools which are not residential, but they are not commercial tax paying entities either.

Augmentation Status Update

Mark noted a number of changes:

- the Pukekohe Bore is to be commissioned on 25 October, but there will be work ongoing after this date;
- Hays Creek remains on target to go into production in December, the earthworks are largely completed and the project is now at the phase of equipment being assembled on site and early next month the first shipment of water treatment equipment will arrive from Australia;
- at the Waitakere WTP, the plant is consistently operating at its 15ML output;
- the phase of works at the Waikato existing WTP is largely completed now and the 100ML seasonal consent has been granted and because the river has dropped below median, we are exercising that consent now;
- the Hamilton City consent has also been granted and in the event the river flows are below median from 1 October, this consent will be exercised;
- there are currently 60 to 70 contractors on site on Waikato 50 project, and over 70 staff working on the design at BECA co-locations office, the concept design is now completed, and consultation is progressing both with iwi and with other parties;
- the consent application for that work is about to be lodged;
- detailed plant configuration design has commenced;
- at Onehunga, production has been increased to 20ML and is on target to reach 24ML at the end of December;
- Before the drought commenced, Ardmore was producing 140MLD and is now successfully operating at 80MLD, which is a significant decrease. This preserves lake storage.

In response to a question from the Chair, Mark confirmed that the power supply at Waikato is to be upgraded as a separate capital expenditure to the Waikato 50 project and is a piece of work that has been planned for some time. A report is being circulated around Management at present.

Mark was asked what the risk is around the timeframe for the completion of Waikato 50 given the short timeframe. Steve Webster responded that there is always a risk with tight timeframes with a target of 31 May 2021 and the team is doing all that it can.

The Chair emphasised that whilst the timeframe is tight, the Board would not be expecting shortcuts on health and safety. She also asked whether there is plan in case of delay.

The Chief Executive noted that there is no risk in terms of water resource, noting that in June, July and August demand tends to be lower and we therefore have that period to finish the project from a water resource perspective. In terms of the contract we are working to meet the May deadline without compromising the quality of the project or compromising health and safety.

Non-revenue water

Updates this month are:

- the first phase of pressure management is completed;
- a business case is currently being prepared for the next tranche which is a further 30 DMAs (district meters), if required this will allow pressure reduction in almost 20% of the city's metropolitan network (by volume);
- leakage control is underway in 5 zones in which 1084 kilometres of pipelines have been surveyed, 596 leaks have been identified and 2.030MLD have been saved;

	<ul style="list-style-type: none"> 2774 domestic meters were replaced in August and a business case is being prepared for smart metering and an additional tranche of smart metering activity.
7.	<p>For Discussion</p> <p>7.1 Safety Moment</p> <p>There was no safety moment discussed.</p> <p>7.2 Chief Executive's Report</p> <p>The report was taken as read. Management responded to questioning from the Board.</p> <p>Health, Safety and Well-being</p> <p>Bronwyn Struthers spoke to Health, Safety and Well-being. She noted the importance of having a close relationship with the Contractors and the Contractors being fully engaged. She explained that it is critical to have a clear vision and to adhere to that vision throughout the particular project.</p> <p>Bronwyn was asked why the Central Interceptor project is doing so much better in health and safety than other projects. There were a number of views on this. In Bronwyn's view, the relationships on CI are new, different and fresh compared to the traditional relationships and the way of working with other contractors. She noted that Richard McIntosh has focused on establishing a more collaborative relationship with contractors, including initiatives such as using co-branded materials on sites on the other projects.</p> <p>Steve Webster noted that we have 2 main contractors and 3 or 4 smaller contractors. In his view the main difference is that CI is a single project, but Watercare runs an infrastructure programme across the city, across multiple contractors and multiple disciplines. We do have strong relationships with those contractors which are collaborative in nature. Steve noted that everyone in the industry wants the same outcome, they all want to keep their people safe and doing everything can to do so. In his view there is no great difference between CI and other projects. He noted that CI is new and has a long way to go before it hits its stride. On the other hand, the HS&W programme has been running for a long time and we have strong relationships to drive the health and safety culture into the programme. Steve also noted that CI has greater resources available to it which could be the difference. The Chair noted that issue of resources should be included in the terms of reference for the independent review of HS&W.</p> <p>In response to a question, Steve noted that the difference between the current programme and the Enterprise Model is that the Enterprise Model has the advantage of having less organisations to deal with. Across the programme we deal with a number of organisations and the objective of the Enterprise Model was to reduce the number of organisations which enables more focussed relationships. However, the drive around safety is similar.</p> <p>Bronwyn noted that the data shows that LTI for Watercare employees is now very similar to those of our contractors. The data for Watercare employees indicates that 70% of injuries are due to manual handling and so a programme has been developed to improve that. Our critical risks are those which can result in serious harm or fatalities. These are constantly under review. Standard operating procedures are being simplified with a view to reducing them to a one-page document that will be produced in a number of languages.</p> <p>With regard to the independent Health and Safety review, it was noted that the Board discussed this at this morning's Board Only Session. Whilst Health and Safety was not included within the remit of the Audit and Risk Committee, in this instance, the Board agreed that the Terms of Reference for the Health and Safety review should be shared with the Audit and Risk Committee for input. The aim of the review will be to understand what 'good' looks like and what best practice looks like.</p>

A programme has been developed to train project managers in the infrastructure team so that they can adequately talk about health and safety on site in a way that is about care, and does not only concentrate on the need to deliver a contract on time and on budget.

In answer to a question from the Chair regarding the incident in which biogas was released from a digester at Rosedale, Shane Morgan reported that the digesters at Rosedale were due for a major maintenance overhaul. There will be a significant programme of works including a major re-fit of digester 3 which will cost \$8m. All four digesters will be overhauled over the next two years.

In relation to the gas alarm being triggered at Ardmore WTP, Shane responded that a drum was changed over as part of routine operations, and approximately 30 minutes later the alarm sounded. An investigation was conducted by two workers wearing self-contained breathing apparatus. The room was vented and the drums were gassed down to make the area safe. FENZ attended the site, monitored and remained available as standby. There were no injuries as result of this incident. Such incidents occur from time to time, standard operating procedures were followed and the incidents are tracked.

The Board requested an update on the ICAM for next month.

The Board raised questions on the remainder of the CEO report as follows:

- The SOI performance targets.
- In regard to setting targets on the new SOI measures, it was noted that all required numbers were available, and the Board requested that they be provided. Raveen undertook to provide the numbers for next month's meeting.
- The Board requested a report for next month regarding the involvement of the students at the University of Auckland's Annual SDG Solveathon.
- In answer to a question around the timeframe for the report on Māori Outcomes and the training of the Board in this respect, Richard Waiwai noted that these conversations need to be further progressed and the report will be finalised by next month.
- The Board would also see further visibility in relation to procurement in relation to Māori Outcomes and where that is heading.
- Sarah Holdem informed the Board that a Council workshop had been held about features and challenges around balance sheet separation and noted that there are still some hurdles and some disagreement about the changes that may be required.
- The Government's plan for water reform was discussed and it was noted that the timeline is quite tight.
- In relation to the MfE's move to reduce plastic in the environment, Watercare is considering its position and will work with Council in developing its submission to the paper.
- It was noted that the Board may need to consider the region to the north of Auckland and the effects of the drought there. The resilience in Auckland could be to be extended to the resilience of those regions.
- David Hawkins reported that a lot of work is being done in Communications although many activities have been restricted due to Covid.

	<p>7.3 CCO Review Recommendations</p> <p>Sarah Holdem noted that the new Chief Executive will appoint a new project manager to be responsible for the CCO review.</p> <p>It was noted that new Chief Executive, Jim Stabback should be invited to a Watercare Board meeting.</p> <p>The Chair asked whether the STP could be used to address the issues experienced in delays in obtaining consents.</p> <p>Rebecca Chenery reported that there is potential to do so. Steve Webster also reported that there is a working group which has identified the lack of visibility and integrated systems we requested.</p> <p>7.4 Board Committee Updates</p> <p>AMP and Major Capex (AMCC) Committee</p> <p>Nicki Crauford, Committee Chair reported the AMCC had met on 15 September. The AMP was being presented in the confidential session of the Board meeting.</p> <p>Strategic Transformation Programme (STP) Committee</p> <p>The team has made progress with information and a report has been produced by Grant Thornton.</p> <p>Te Tangata Komiti (TTK)</p> <p>The Committee had not met since the last Board meeting. The next committee meeting is scheduled for 29 November.</p> <p>Committee for Climate Action (CCA)</p> <p>Brendon Green, Committee Chair, reported that there has been work done on the carbon mitigation programme and on the solar programme. There will be a meeting of the committee on 13 October.</p> <p>Audit and Risk (ARC) Committee</p> <p>The Committee had not met since the last Board meeting. The next meeting is set down for 27 October.</p>
8.	<p>Directors' Corporate Governance Items</p> <p>8.1 Board Planner</p> <p>It was noted that the Board meetings need to be updated and meeting dates finalised for the sub-committees.</p> <p>8.2 Disclosure of Senior Executive's Interests</p> <p>The report was noted.</p> <p>8.3 Directors' Appointment Terms and Committee Memberships and meeting attendances</p> <p>The report was noted.</p> <p>Director recruitment is progressing. The panel will include Councillor Filipaina and IMSB member Wilcox and will be assisted by Kerridge and Partners. It is expected that an appointment will be made in January.</p> <p>Sarah Holdem had no update on the Board Intern and undertook to follow that up.</p> <p>As previously noted an additional AMCC meeting on 15 September.</p> <p>Hinerangi noted that she attended the special board meeting on 10 August.</p>
9.	<p>General Business</p> <p>Councillor Linda Cooper spoke to the CCO Governance Review. She acknowledged the good beginnings of the work being done between Council and Watercare staff on the water strategy.</p>




	<p>She noted that she hopes that drought management, and in particular the roll-out of smart meters, and getting leakage rates down to 11% rather than 13%, will be reflected in the AMP.</p> <p>She noted that the AMP will need to be amended to reflect the water strategy once that work is complete.</p> <p>She noted that AMP needs to reflect the direction that is being set by Council because that is part of the SOI.</p> <p>She noted that the AMP needs to be signed off by the Governing Body.</p> <p>The Chair noted that the AMP was to be looked at during the confidential session and the development of the water strategy had been delayed by Covid.</p> <p>The Chair also noted the Board will also be discussing the impact of increased investment on pricing.</p> <p>Councillor Cooper noted that further conversation is required and she asked whether there is an option to delay some of the expensive work that is to be done. She did not want us to be overly reliant on managing demand. She noted that Council and Watercare need to find the way forward together.</p> <p>The Chair noted that the water strategy is about giving Watercare direction. She noted that the water strategy is not about saving capital expenditure, but rather, may be about redirecting those funds.</p>
	<p>Brendon Green provided a closing Karakia.</p> <p>The meeting closed at 10.47am.</p>

CERTIFIED AS A TRUE AND CORRECT RECORD

Margaret Devlin
Chair

Report to the Board of Watercare Services Limited
Prepared for the 27 October 2020 meeting

Disclosure of Directors' interests

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

Director	Interest
Julia Hoare	<ul style="list-style-type: none"> • Deputy Chair, The a2 Milk Company Limited • Director, The a2 Milk Company (New Zealand) Limited • Director, Port of Tauranga Limited • Director, Auckland International Airport Limited • Director, Meridian Energy Limited • Chair, Auckland Committee, Institute of Directors • Member, Advisory Panel to External Reporting Board • Vice President, Institute of Directors National Council • Member, The Sustainable Finance Forum Leadership Group
Nicola Crauford	<ul style="list-style-type: none"> • Chair, GNS Science Limited • Director and Shareholder - Riposte Consulting Limited • Board member - Kāinga Ora - Homes and Communities • Director – CentrePort Limited Group • Trustee – Wellington Regional Stadium Trust • Advisory Board member – Stats NZ
David Thomas	<ul style="list-style-type: none"> • Chair, Ngāti Whakaue Tribal Lands Inc. • Chair, Gypsum Board Manufacturers of Australasia • Shareholder / Employee, Fletcher Building Limited • Director, New Zealand Ceiling & Drywall Supplies Limited • Chair, Altus NZ Limited • Director, Winstone Wallboards Limited
Brendon Green	<ul style="list-style-type: none"> • Director, Kaitiaki Advisory Limited • Director, Tainui Kawhia Incorporation • Director, Peak2Peak Limited • Director, Hiringa Energy Limited • Executive Director, Advanced Biotech NZ Limited • Management contract, Tainui Kawhia Minerals • Australia-NZ representative, Wattstock LLC (USA) • Representative of Waipapa Marae, Kawhia, Te Whakakitenga o Waikato Tainui • Runanga Manukau Institute of Technology - Te Whakakitenga o Waikato representative • Member – Waikato District Council – Infrastructure Committee • Advisor – Te Taumata Aronui – Ministry of Education • Adjunct Senior Fellow – University of Canterbury – Department of Chemical Engineering

Director	Interest
Hinerangi Raumati-Tu'ua	<ul style="list-style-type: none"> • Chair, Parininihi Ki Waitotara Incorporated • Trustee, PKW Trust • Chair, Ngā Miro Trust • Chair, Nga Kai Tautoko Limited • Chair, Te Kiwai Maui o Ngaruahine Limited • Director, Taranaki Iwi Holdings Management Limited • Director, Aotearoa Fisheries Limited • Director, Sealord Group Limited • Director, Port Nicholson Fisheries GP Limited • Director, Te Puia Tapapa GP Limited • Director, Tainui Group Holdings Limited • Executive Member, Te Whakakitenga O Waikato • Member, Venture Taranaki
Dave Chambers	<ul style="list-style-type: none"> • Director, Paper Plus New Zealand Limited • Director, Living Clean NZ Limited • Director, Turners and Growers Fresh Limited
Frances Valentine	<ul style="list-style-type: none"> • Director and CEO, The Mind Lab Limited • Director and CEO, Tech Futures Lab Limited • Director, Harcourt Jasper Limited • Director, Pointed Tangram Limited • Director, Harper Lilley Limited • Director, On Being Bold Limited • Director, Sandell Trustees Limited • Selection Advisor, Edmund Hillary Fellowship • Trustee, Dilworth Trust Board • Futures Advisor, BNZ Bank
Colin Magee (Board intern)	<ul style="list-style-type: none"> • Chair, Ākau Ltd and Ākau Foundation • Member, Advertising Standards Complaints Board • Contractor, College of Law • Director, C Magee Limited • Director, MyCap Limited • Director, MyCap Markets Limited • Member, Te Ārai Tūpono (Audit and Risk Committee) of Te Wānanga o Aotearoa

Report to the Board of Watercare Services Limited
 Prepared for the 27 October 2020 Board meeting

Update to Watercare's commitment to health, safety and wellness

6.1

Purpose				Team		
Information	Discussion	Endorsement	Approval	Prepared	Recommended	Submitted
				Chris Hancock HSW Business Partner	Bronwyn Struthers Head of HS&W	Marlon Bridge Acting Chief Executive
Intellectual capital	People and culture	Community and stakeholder relationships		Financial capital & resources	Natural environment	Assets and Infrastructure
						

1. Recommendation

It is recommended that the Board approve the updated Watercare commitment to health, safety and wellness (Commitment) for the next 24 months.

2. Key Points

The proposed Commitment, attached as **Appendix A**, differs from the current version in so much as it includes:

- additional wording identified in the recent ACC Accredited Employer Programme¹ audit with regards to Watercare's commitment to timely rehabilitation of Watercare staff.

3. Purpose and context

The Commitment sets out Watercare's general approach to health, safety and wellness.

The Commitment also addresses the Watercare employee's commitment and general responsibilities to health, safety and wellness. The current document has been in place for the last 4 years and is currently reviewed and reissued annually.

The current Commitment was due for review in May 2020 and, as such, is 4 months out of date.

The Commitment is posted in all Watercare manned premises.

¹ The ACC Accredited Employer Programme allows employers to take on the responsibility of managing their own workplace health and safety, including claims management and rehabilitation of their own employees following a work injury. This ideally will offer improvement in case management, improved return to work and a cost saving to the business.

4. The details

In the recent ACC Accredited Employer Programme external audit, it was established that Watercare needed to:

- ensure that the health and safety commitment statement is reviewed and signed by the Chief Executive; and
- ensure that there is a documented commitment to timely rehabilitation.

To address these two findings, it is requested that the Board approve the addition of the new wording below.

Current Wording	Proposed wording
Establish and maintain an early return-to-work programme in consultation with injured employees	Establish and maintain an early return-to-work programme in consultation with injured employees and <u>support their timely rehabilitation and safe return to work</u>

As these were critical findings they will need to be addressed by Watercare to remain part of the Accredited Employer Programme. The deadline for this is the beginning of November 2020.

Once approved it is requested that the Chair of the Board and the current Acting Chief Executive sign the updated Commitment.

The final document will be made available in Our Place and displayed at all Watercare sites.



Our commitment to health, safety and wellness

Safety – I Care, We Care, Watercare

6.1

At Watercare, we are committed to making every reasonably practicable effort to establish and maintain a safe and healthy environment for people to work and to visit.

We understand our health and safety responsibilities and are committed to continually improving practices at all of our locations, for our benefit and for visitors.

To achieve this, we will:

- Provide a safe and healthy working environment for all people by identifying, understanding and managing workplace hazards
- Create an open and inclusive environment where health, safety and wellness issues are raised and managed transparently
- Establish safe working practices and ensure they are adhered to at all times
- Provide appropriate leadership, training and communication to all employees
- Have all incidents and near misses accurately reported, recorded and investigated when and where required and apply the learnings
- Actively promote and support the health and wellness, both physical and mental, of our team
- Establish and maintain an early return-to-work programme in consultation with injured employees and support their timely rehabilitation and safe return to work
- Provide opportunities for employees or their representatives to be involved with and participate in matters relating to the health and safety of themselves and their colleagues
- Ensure full compliance with relevant legislation, regulations, codes of practice, policies and procedures for all aspects of our operation
- Annually review our health and safety systems to ensure they remain appropriate for the needs of the business.

We are all employees of Watercare and together we will contribute to making this a healthy and safe place, to work or to visit. Therefore we will:

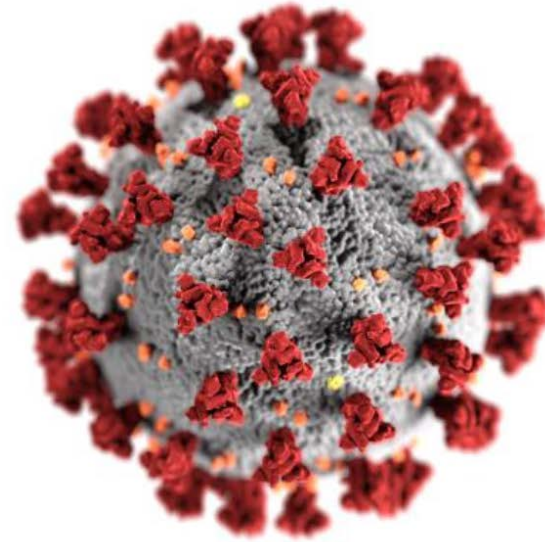
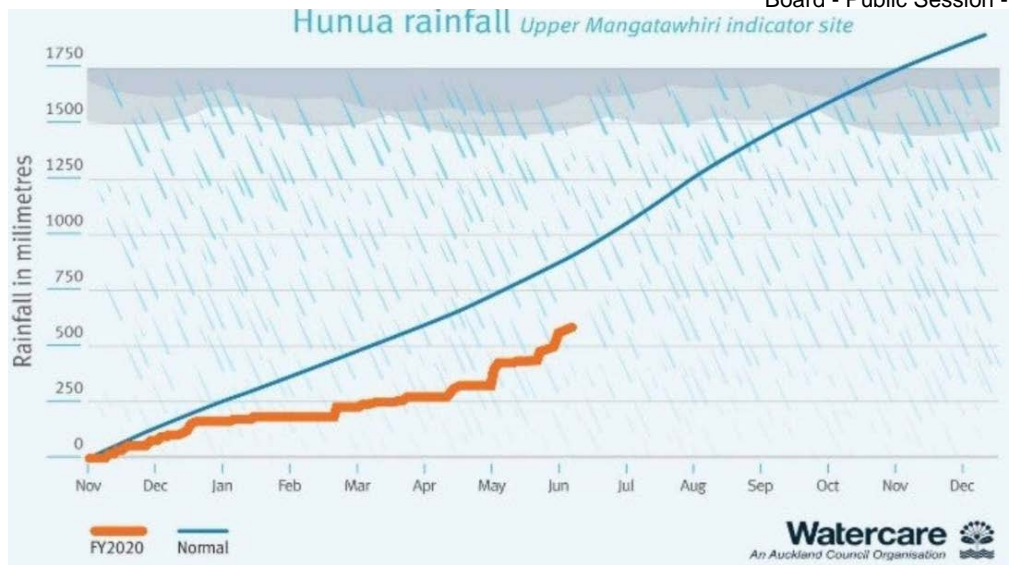
- Look out for our own safety and the safety of others
- Comply with all safe work procedures, rules, signs and instructions
- Stop any activity we feel is unsafe and ask for help when we need it
- Seek opportunities to improve the health and safety of our work environment
- Correctly use all equipment provided to us, including safety equipment
- Immediately report all hazards, all unsafe work conditions and equipment, and all incidents and near misses
- Participate actively in incident investigation and injury rehabilitation plans and activities
- Develop, implement and actively monitor controls to ensure a healthy and safe place of work
- Make sure that no action or inaction by me causes any harm or injury to me or any other person.

Acting Chief Executive

Chair of the Board

Issue Date: Oct 2020
Review Date: Oct 2022

Watercare 
An Auckland Council Organisation



7.1

Watercare Services Limited 2019/2020 Performance



15 SOI Measures achieved

- Median response time for attendance to urgent call outs ✓
- Median response time for resolution of urgent call outs ✓
- Median response time for attendance to non-urgent call outs ✓
- Median response time for resolution of non-urgent call outs ✓

Total number of water complaints per 1,000 connections received by Watercare: ✓

- Drinking water clarity
- Drinking water taste
- Drinking water odour
- Drinking water pressure or flow
- Continuity of supply
- Our response to the above

Total number of wastewater complaints per 1,000 connections received by Watercare: ✓

- Sewage odour
- Sewerage system faults
- Sewerage system blockages

Median response time for attendance at sewerage overflows ✓

Median response time for resolution of sewerage overflows ✓

Number of dry-weather overflows from Watercare's sewerage system: ✓



7.1



15 SOI Measures achieved (cont.)

Compliance with Resource consents for sewerage discharge: ✓

- Number of abatement notices received by Watercare in relation to those resource consents
- Number of infringement notices received by Watercare in relation to those resource consents
- Number of enforcement orders received by Watercare in relation to those resource consents
- Number of convictions received by Watercare in relation to those resource consents

Average number of wet-weather overflows per discharge location: ✓

Net Promoter Score (NPS): ✓

The extent to which Watercare's drinking water supply complies with part 4 of the drinking water standards (Bacterial Compliance Criteria) ✓

The extent to which Watercare's drinking water supply complies with part 5 of the drinking water standards (Protozoal Compliance Criteria) ✓

The average consumption of drinking water per day per resident (gross PCC) (12 month rolling average) ✓

7.1

One SOI measure was not achieved: Real loss

7.1

The percentage of real water loss from Watercare's networked reticulation system (rolling 12-month average): Result: 13.2%. Target: ≤13.0%.

- The water loss in this measure is calculated by deducting water sales volumes and unbilled water usage from the total volume of water produced.
- Losses due to firefighting, meter under-reading and theft are included in this measure but we acknowledge that leaks in the network are the most significant component of water lost to the network.
- This year we are reporting real loss percentages from February 2019 to January 2020 due to issues in reading meters and billing during the March-May Covid-19 lockdown.*

Actions we are taking:

1. We undertook a programme of leak detection in Maungakiekie and Māngere, as they were areas identified as having a high percentage of non-revenue water. We found and fixed over 600 leaks, saving about 1.4 million litres of water per day (with other areas included, we saved over 2 million litres per day).
2. District metered areas have been introduced in the Maungakiekie and Manukau Bulk Supply Zones to enhance oversight of water loss/unbilled usage.
3. Reducing leakage and losses due to leakage (pressure management and smart network tools) are a focus of our forthcoming water efficiency strategy.

***Note:** Our current billing data from July 2019 to June 2020 has real loss at 12.8%, as at the end of July 2020, but we are using the data available at the time that the auditors signed off on the measure

ASSETS AND INFRASTRUCTURE



Value –
Future-proofed growth and supply
assurance; high-performing assets

Level of investment:

- We have invested over \$550 million in assets and infrastructure, a record year of investment to support Auckland's growing water and wastewater needs.

Investment highlights:

- A tunnelling breakthrough for the final section of the Hunua 4 Watermain, a 31-kilometre pipeline from Manukau to central Auckland which will ensure additional capacity for distribution.
- A new water reservoir in Pukekohe to enable more processing of water from the Waikato.
- A pump station and watermain connecting Albany and Pinehill reservoirs which boosts our ability to supply water to an increasing Northern population.
- Application and for resource consent for the Huia Water Treatment Plant replacement which will provide additional treatment capacity/security of supply to Auckland.
- Augmentation measures: Pukekohe and Hays Creek

7.1

INTELLECTUAL CAPITAL



**Value –
Industry-leading thinking
and processes**

Rapid transition due to Covid-19

- Two thirds of staff equipped to work from home.
- New IT security and bandwidth needs managed efficiently and successfully as they arose.
- Communication platforms adopted and training provided across the business.
- Online training via our online tool Immerse increased fivefold.

Accolades

- Our Enterprise Model was lauded by the Construction Sector Accord. This Accord was created to improve performance in the construction sector, and recognises the Enterprise Model in producing better construction sector outcomes by changing the way we work together.
- We continue our work on the Central Interceptor, piloting the use of recycled wastewater in its construction. The project was awarded a 'leading' rating for sustainable design from the Infrastructure Sustainability Council of Australia.
- For a full list of industry awards, refer to the Annual Report.

7.1

PEOPLE AND CULTURE



Value –
Safe, engaged and empowered
teams; customer trust and value

Staff engagement and employee experience

- Our staff engagement measure, eNPS, rose from +21 to +36 in June, meaning that significantly more of our staff would recommend a job at Watercare.
- Our people recommend working at Watercare because they like the people they work with and the work that they do.
- Staff turnover has decreased (from 10.9% to 8.2%) this year. This retention was also reflected in our staff survey in June: the impact of Covid-19 on perceived relative job security helped to raise the score.
- Questions on inclusiveness, bullying and harassment and diversity also elicited positive results, particularly on the inclusive culture.

Health, safety and well-being

- Increasing injury numbers are an issue which we are addressing by encouraging wellbeing through our 'Industrial Athlete' programme, rollout of Mental Health First Aid training for managers and a comprehensive focus on staff well-being during Covid-19 lockdowns.

New tools for increasing capability

- Unconscious bias education rolled out to people leaders in the organisation emphasising the importance of diversity and inclusion.
- Two leadership programmes initiated: Future Stars (aimed at younger workers) and Growing Greatness (aimed at women)

7.1

CUSTOMER AND STAKEHOLDER RELATIONSHIPS



Value –
Engaged, safe communities;
a thriving economy

Highlights

- We supplied safe and reliable 'Aa' graded water, exceeding standards, and surpassed our attendance and resolution of water and wastewater faults despite an increase in callouts this year.
- We continued our school education programme, promoting the value of water to Auckland schools.
- We launched our 'Water is Precious' campaign in February to increase community awareness of the value of water.

Covid-19 impacts

- We carried out critical repairs to the network, collected and analysed samples, and maintained the delivery of high-quality drinking water despite the obstacles brought about by Covid-19 restrictions.
- We had to estimate meter reads and reduced phone services during the first lockdown but still managed to attract positive customer feedback, reflected in our net promoter score of +43.

Drought

- Water restrictions were implemented across Auckland in May 2020 banning the use of outdoor hoses and water blasters, managing customer feedback and questions on what they can do.
- We worked with the Council to provide seven sources of non-potable water to commercial customers.

7.1

FINANCIAL CAPITAL AND RESOURCES



Value –
Minimum-cost, cost-efficient,
financially stable

Highlights:

- Revenue was \$752m, exceeding our expected revenue due to increased demand for water over the long, hot and dry summer.
- Total assets grew from \$10.39b to \$10.84b, relating to new infrastructure spending being capitalized.
- Our operating expenses were higher for the year, due to additional workplace expenditure arising from Covid-19 (such as laptops, PPE, technology solutions), and higher than budgeted asset operating costs and maintenance expenses associated with the drought.
- Our debt rose by only \$245.6m, despite a higher than ever capital expenditure programme (\$615m).
- We continued to explore new revenue opportunities and started providing three waters services to Waikato District Council in 2019/2020.
- We became the majority shareholder of Lutra, a software company specializing in the water and wastewater industry.

Looking ahead:

- The drought-imposed water restrictions have surfaced customer expectations about resilience of supply, and a conversation about whether to 'drought-proof' Auckland in the context of a changing climate has begun in earnest with our stakeholders.

7.1

NATURAL ENVIRONMENT



Value –
Protected and enhanced natural environment and leading-edge resource efficiency

Drought:

- We urged Aucklanders to change the way that they think about water. We put more resource behind promoting the importance of not being wasteful and we were delighted with the water savings of Aucklanders
- We have maximised our take from the Waikato River and Onehunga aquifer in order to preserve the water in our lakes and enable them to recharge.

Environmental Initiatives:

- Our Central Interceptor Wastewater treatment tunnel project has been using non-potable water at its construction sites, and will be using recycled wastewater to clean and operate the tunnel boring machine.
- We planted over 300,000 seedlings in the Hunua Ranges as part of our progressive regeneration of a former pine forest with native trees and plants over the next 30 years.
- We partnered with Vector to install a floating solar array on the oxidation pond of our Rosedale wastewater treatment plant, which is the largest solar project in the country.
- We expanded our fleet of electric vehicles from five to 30, as part of our efforts to reduce our carbon footprint
- We were recognised as a 'Utility of the Future Today' for our efforts in sustainability and resource recovery.

7.1



7.1

Report to the Board of Watercare Services Limited

Prepared for the 27 October 2020 Board meeting

Central Interceptor report for September 2020

HIGHLIGHTS AND LOWLIGHTS

- Progress continues to be made on shaft excavation works at Māngere Pump Station and May Road, and secant piling works has begun at Haycock Avenue.
- The rising main works has again been impacted by poor ground conditions with works suspended for a week pending temporary works design and excavation method reviews by the Contractor. A second section of pipe was pulled into the trench.
- The Tunnel Boring Machine (TBM) left the Port of Antwerp, Belgium on 28 September 2020.
- Further applications for entry into New Zealand have been approved for critical project staff including those staff associated with the TBM assembly. Getting skilled personnel into New Zealand remains the highest risk to the successful delivery of the project.
- The Project celebrated Tongan Language week and Maori Language week in September and joined the **'Fly the Flag'** day recognising Suicide Prevention in the construction industry in conjunction with **Mates in Construction**.
- The Contractor received notice that Factory Acceptance Testing of the Microtunnel Boring Machine (MTBM) has been delayed for 5 weeks due to Covid-19 related issues and is now due to be delivered to site mid January 2021. It is not on the project's critical path.
- The construction of the Segment Precast factory at Wilsons Precast Facility continues. This has significantly derisked the project for the supply of this critical item.

FUTURE OUTLOOK

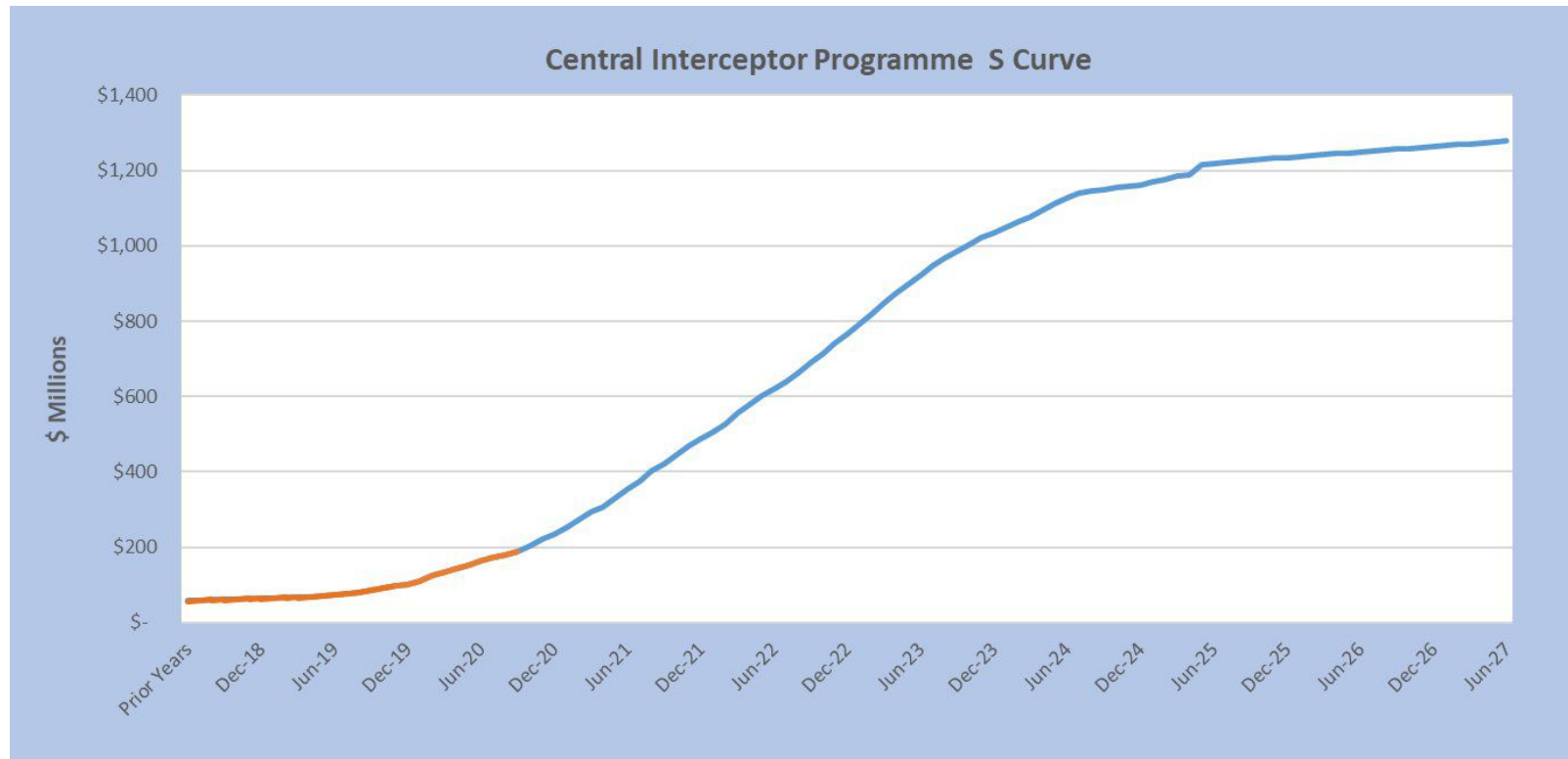
- Completion of the shaft excavation at Māngere Pump Station, followed by construction of the base slab beginning in October.
- The condition assessment report and 3D model for the Māngere WWTP Confluence Chamber will be delivered in October. This will determine design and methodology for construction works.
- The TBM remains on schedule to arrive at the Ports of Auckland in mid-November.



Shayne Cunis

Executive Programme Director, Central Interceptor

1. FINANCIAL SUMMARY



7.2

Project Expenditure

- Total project expenditure (including Grey Lynn Tunnel) to date is \$187.3M against an approved budget of \$1.268B. This level of expenditure aligns with the forecast.
- Committed Risk to date is \$10.8M. This includes COVID 19 impacts of \$7.9M (TBM relocation \$5.1m, Pre-lockdown \$0.2m, Lockdown \$2.6m)
- The Total Outturn Cost for the programme of works remains at \$1.267B.
- A \$30M advance payment was issued to GAJV in March 2019, which will be repaid over the first few years of the contract. A second \$20M additional advance payment was issued to GAJV in December 2019, with \$16M of this to be repaid by June 2021 and the remainder repaid by 2023.

2. PROJECT SUMMARY



HEALTH, SAFETY & WELLNESS

- A new Link Sewer site has opened at Miranda Reserve. Small quantities of asbestos containing materials were found during top soil removal which was safely managed by a specialist contractor. Link sewer sites present unique challenges with access/egress and public interface issues. Traffic controls are in place and remain effective, but ongoing vigilance will be required.
- Central Interceptor joined 'Fly the Flag' day, an initiative by **Mates in Construction** as a campaign to promote awareness of suicide in the construction industry. A stand-down was held at May Road and Mangere pump station to take a moment to recognise the benefits of coming together as mates helping mates.
- There is a very low risk of Erionite presence at MPS. This will only affect 2-3 shifts during shaft excavation as the Parnell Volcanic Conglomerate layer is removed. An occupational hygienist has been engaged to assist with briefing worker's on the hazards associated with potential erionite exposure and access to the shaft has been restricted to authorised personnel only during this period, along with increased use of PPE. The material will be disposed at an approved landfill as opposed to taking to Puketutu.

DELIVERY

- **Māngere Pump Station:**
Main Shaft excavation has extended to 32.7m below ground level
Inlet Shaft excavation has extended to 31.9m below ground level
Sections of the HDPE rising main pipes have now been pulled into the trench
- **May Road:**
Shaft A excavation has extended to 23.3m below ground level
Coring of basalt in Shaft B is ongoing, with expected completion in early October
Construction works on Roma Road and associated retaining wall nears completion
- **Keith Hay Park:**
Network Sewer 4 diversion has been completed
- **Haycock Avenue:**
Site establishment has been completed
Secant piling for the shaft has commenced
- **Dundale Avenue:**
Site establishment activities are nearing completion
- **Miranda Reserve:**
The Contractor has taken possession of site
Site establishment activities have commenced

PEOPLE

- Foreign essential workers continue to arrive in the country, with a number having now completed their periods of managed isolation and commenced work on the project
- In line with recent changes to border restrictions, we are supporting our ex-pat staff members to apply for multiple-entry visas prior to leaving New Zealand. If successful, this will go some way towards addressing the retention risk associated with ex-pat staff not having certainty of their ability to return prior to departing to visit their home countries
- We continue to see growth and development of Watercare employees engaged in the project. As part of our Engineering Pathways program, over the past 24 months Jane Kubala has progressed from Intern to Student Engineer, and upon completing her studies has now joined the project full-time as a Graduate Engineer. We will continue to use the Engineering Pathways program as means to grow and develop the next generation of Engineers, with a focus on female and Maori/Pasifika Engineering students

RISKS

- Section 5 provides greater detail on the current risks in play and the movements from last month.
- Due to the ongoing nature of the Covid pandemic and continued uncertain of the impact to local and international supply chain and labour markets, this is currently deemed the most critical risk to the project.

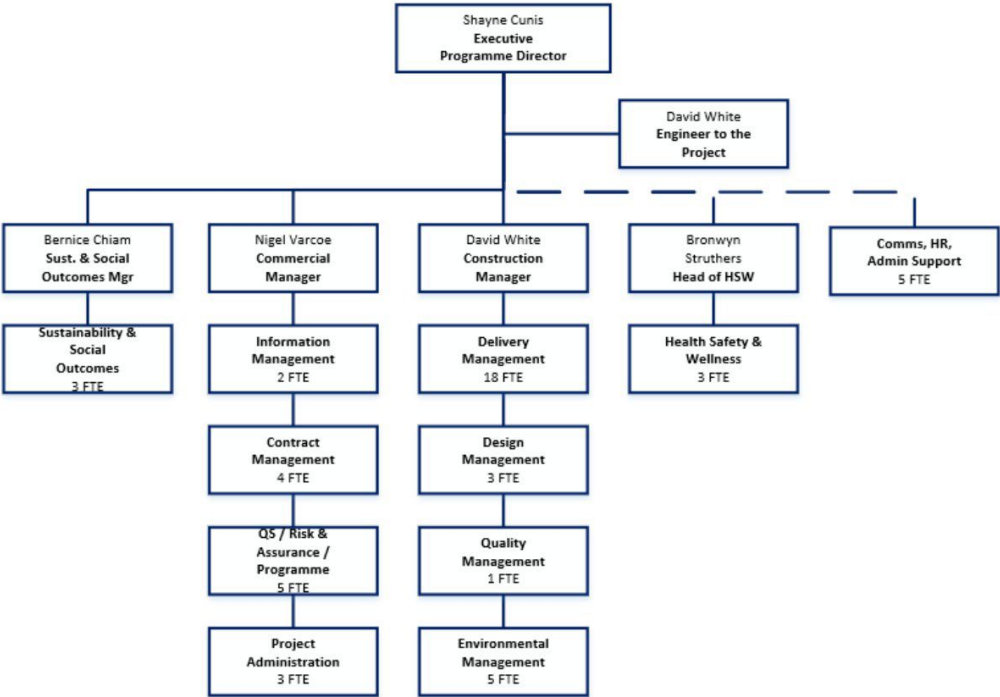
CONSENTS & APPROVALS

- Council is processing the application to vary the Activity Specific Noise Management Plan resource consent condition to delete the requirement for written endorsements. Notification decision expected in October.
- Draft application for the construction of a haul road at Western Springs remains with Regional Facilities, as landowner. As their development plans have been delayed, the requirement for a new accessway is now being reconsidered.
- Work continues to assess the feasibility of a new haul road between Morning Star Place and Fergusson Avenue. Survey and geotechnical investigations to be completed in October. A traffic safety assessment currently underway.
- The preliminary design stage of the Public Arts concept for Keith Hay Park is progressing and is due for completion in October.

STAKEHOLDER & COMMUNICATIONS

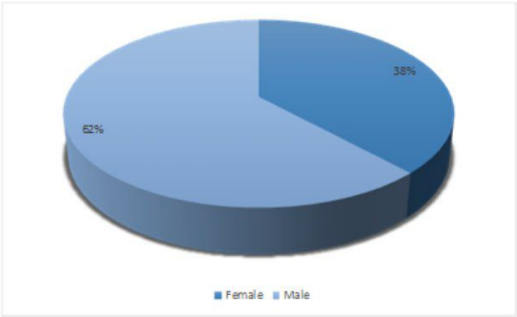
- Further stakeholder communications have been issued including the latest project newsletter to local boards and Councillors and more than 4900 residents and businesses along the tunnel route.
- Work continues apace on the CI Mobile Visitor Centre. The branding and design elements have been agreed as have the concepts for the augmented reality and virtual reality presentations and the children's games.

3. ORGANISATION STRUCTURE

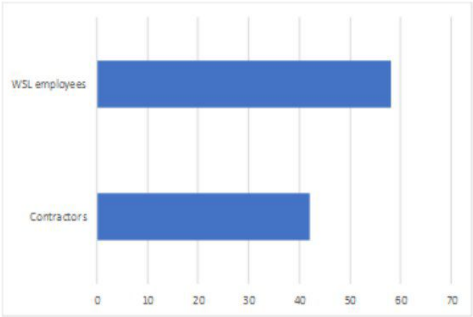


7.2

Gender balance



Workforce split



4. Health, Safety & Wellness

Watercare, its partners and the GAJV worked a total of 86,686 hours in September 2020. The rolling Lost Time Injury Frequency Rate (12 monthly) is 0 and the Total Recordable Injury Frequency Rate (TRIFR) is 3.28 per million hours.

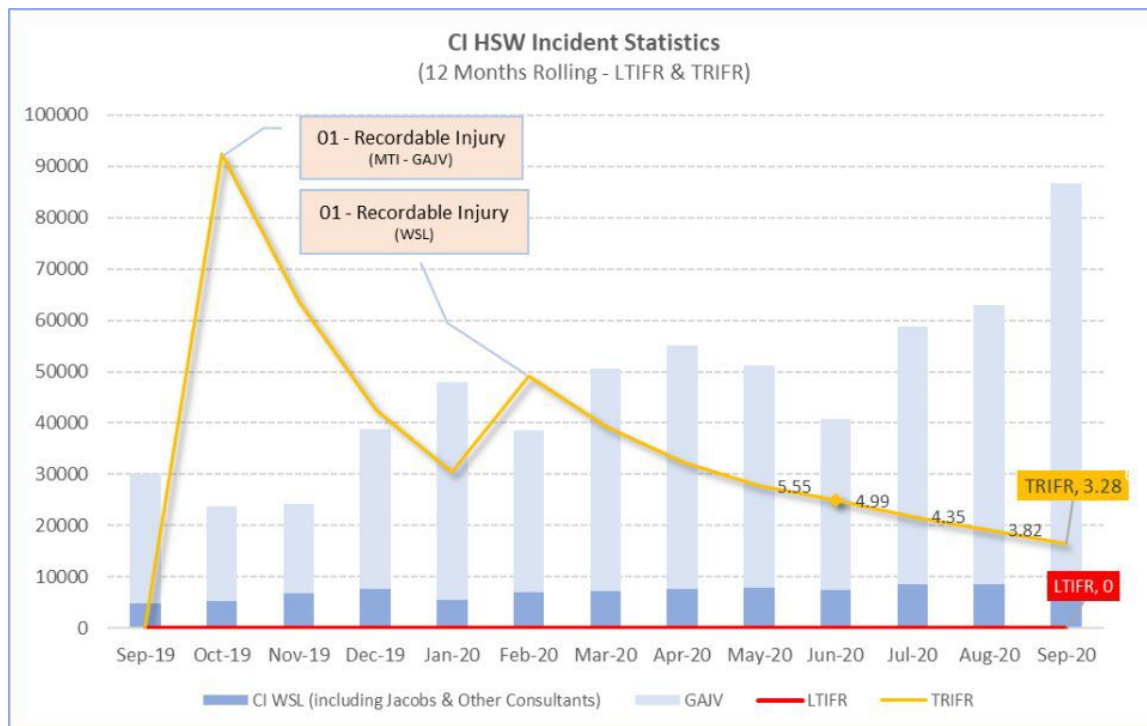


Figure 1: H&S Statistics (12 months rolling rate)

No serious injuries reported during this month. The GAJV reported five Minor First Aid cases, seven Close Calls, and three property damage during this period.

	Hours Worked*	FAI	MTI	LTI	Close Call	PD	RO	NI
Watercare Employees	4,635.0	0	0	0	0	0	0	0
Jacobs Construction Management	2,245.0	0	0	0	0	0	0	0
Other Consultants*	2,633.0	0	0	0	0	0	0	0
Ghella Abergeldie JV	77,174.0	5	0	0	7	3	1	0
Total	86,686.0	5	0	0	7	3	1	0

* Includes Jacobs Design Support and Grey Lynn Tunnel (81% of hours worked)

Classification	Description
First Aid Incident (FAI)	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.
Medical Treatment Injury (MTI)	A medical treatment injury (MTI) 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
Restricted Duties Injury (RDI)	A restricted duties injury (RDI) 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.
Loss Time Injury (LTI)	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 shift
Close Call	A close call is an incident which did not result in injury, illness or damage, but could have potentially done so.
Property Damage (PD)	Is when a structure, plant, light vehicle etc. has occurred
Report Only (RO)	An incident, injury, illness that is not work related and or has happened away from the project, vehicle accident to and from works etc.
Notifiable Incident (NI)	An incident that requires to be Notifiable to WorkSafe
Combination of incidents	In a result where there are multiply classifications the highest severity and outcomes must be taken into consideration

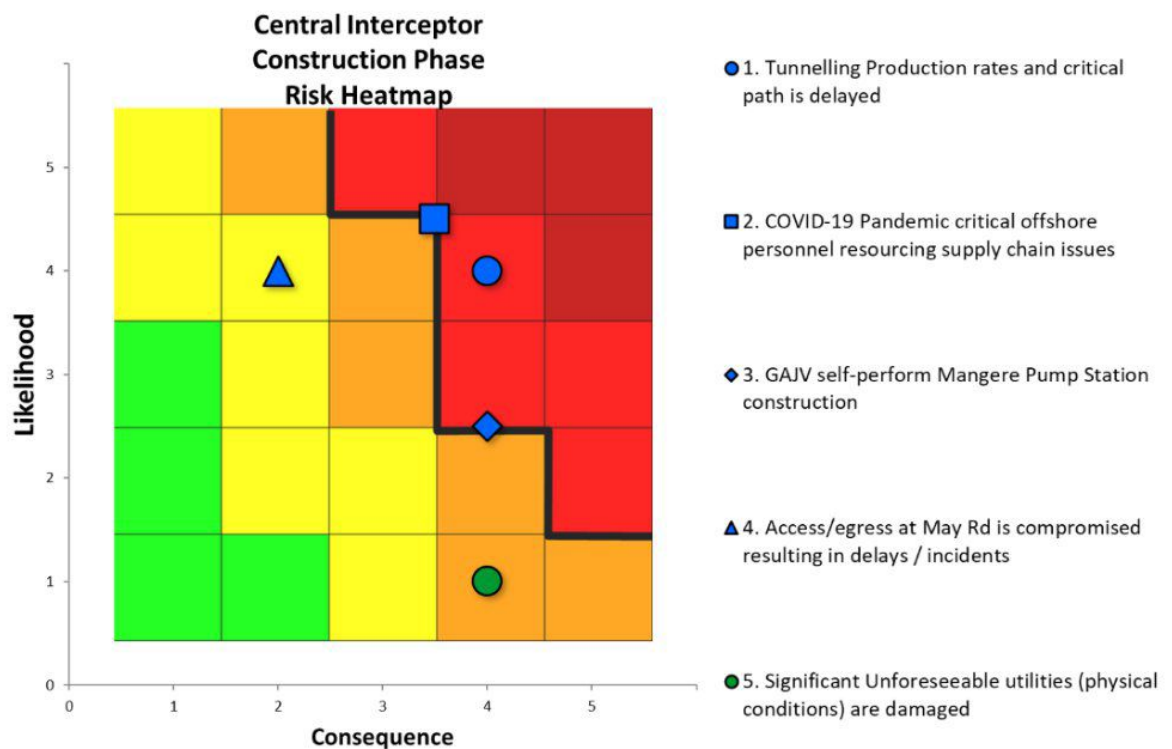
5. Risks

Covid-19

September has seen Auckland drop to Alert Level 2, with the rest of NZ reducing to Alert Level 1.

Due to the ongoing nature of the Covid pandemic and continued uncertainty of the impact to local and international supply chain and labour markets, this is currently considered the most critical risk to the project.

Risk Heatmap








Risk Description		Risk Reduction Actions
Tunnelling production rates and critical path is delayed 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.
COVID-19 Pandemic critical offshore personnel resourcing and supply chain issues 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 incl. engagement with suppliers. Staff movement restrictions between sites.
GAJV self-perform Mangere Pump Station construction Contractor proposing to self-perform delivery of Mangere Pump Station works. Quality and/or commissioning issues arising from Insufficient capability within Contractor to successfully deliver works.		Approval process and in-depth review of contractor capabilities. Engagement of appropriate sub-consultants where required. Yet to approve.
Access/egress at May Rd is compromised due to conflicting activities from leaseholders/tenants 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 under construction.
Significant utilities (unforeseeable physical conditions) are damaged 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.

Photo Update – September 2020



MPS – Main Shaft excavation



May Road – Shaft A excavation



Haycock Ave – Commencement of piling



Miranda Reserve – Staff dismantling playground for relocation



MPS – Rising Main progress

6. Construction Programme

When is the Central Interceptor being built?



Central Interceptor
Watercare

Report to the Board of Watercare Services Limited
Prepared for the 27 October 2020 Board meeting



Chief Executive's report for September 2020

HIGHLIGHTS AND LOWLIGHTS

1. Health, Safety & Wellness

- There were two Lost Time Injuries (LTI), and one Medical Treatment Injury (MTI) involving Watercare employees in September 2020.
- There were two Lost Time Injuries (LTI) involving contractors in September 2020.
- The rolling 12-month Lost Time Injury Frequency Rate (LTIFR) for employees is 10.19 per million hours, exceeding our target of ≤ 5 .
- The rolling 12-month Total Recordable Injury Frequency Rate (TRIFR) for employees is 20.39 per million hours, exceeding our target of ≤ 20 .

2. SOI measures and customer service

- This year, we have the same SOI measures as last year, plus 15 new additional SOI Performance Measures, which are aligned with our Integrated Reporting Capitals.
- Trust index tracking at 47% vs target of 55%, this is largely driven by negative publicity around the drought.
- Water efficiency metric is tracking well at 74%, an all-time high driven by the heightened awareness during the drought with our comms both mass media and targeted customer campaign.
- NPS is at 40 (12-month rolling average), a 1 point decline vs last month. The decline is driven by some high scores in September 2019 now not in the rolling average. The September month NPS increased by +5pts and, is showing improvements driven by a focus on agent knowledge and communication and first call resolution.
- Customer Satisfaction score increased to 73%, again driven by the above factors and with additional focus on addressing leaks promptly. The current conversations are challenging, and the new agents are receiving ongoing soft skills training.
- Complaints within SLA have improved to 95.9% with a lot of focus on monitoring resolution time frames.
- Ebill now at 61.5% the slight decline is driven by an email glitch where some emails were not delivered. The underlying number, if we remove this error, continues to grow.

3. People, Capability and Learning

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

4. Community and stakeholder relationships

- Local Boards continue to be updated on the drought response.
- We also continue to liaise with Local Boards. Information on the Kowhai Reservoir roof replacement was shared with the Hibiscus and Bays Local Board.
- **Waikato District Council:** The WDC operations and maintenance contract reached the milestone of the completion of the first year of the delivery of services. Watercare commenced undertaking laboratory and trade waste services for WDC on 1 October 2020.
- **Legislation update, including submissions on various bills:** As Parliament is currently in recess, there are no significant updates to this CE report. All special votes are expected to be counted by late October, and Parliament is anticipated to be summoned by mid-November. The Water Services Bill is predicted to have its first reading, and then go out for public submissions in mid-December.
- **Māori Engagement & Outcomes:** A significant focus in September 2020 continued to be Waikato Awa water consents and documents and continuing consultation.
- **Communications snapshot:** The drought continues to receive extensive coverage in the media and current affairs shows.

5. Strategic Consents

Numerous consents are underway and in preparation with two consents having been granted in October, including:

- Consent with a daily take limit was granted for Hays Creek water storage lake on 13 October 2020.
- New consents will be lodged in relation to the North East Wastewater Conveyance.
- Consultation is continuing with Parks and the Local Board for the proposed storage tanks as part of the Otara Catchment WW upgrade. These applications are being prepared.
- The application is also being prepared for the Papakura Discharge consent. The project team has been established and the design and technical work is underway.
- Council granted amended commissioning consents to include off-spec discharge for the Pukekohe WPT on 7 October.

6. Enterprise Model Update

- Priority work continues on the Drought Response projects, particularly Papakura Water Treatment Plant and Pipeline and Waikato 50. The Enterprise Model design and construction teams have fully mobilised and work continues as per programme.
- The Puketutu Pump Station project is now well underway.
- Strong communication and continuous improvement learnings continue across all organisations with regular updates on 40:20:20 initiatives, Construction Sector Accord Beacon Project, carbon portal roll-out and adoption of new solutions.

7. Assets and infrastructure – Back to Basics

- We have been working closely with our contractors following a spike in incidents and near misses associated with our critical risks in May and June this year. COVID-19 has been challenging for our people and our contractors with the lockdowns and additional health and safety protocols on our sites increasing stress. This has led to people being distracted at times from the work that they are doing and the risks they face. In order to help get people's minds back into wellbeing, health and safety and looking after each other we are launching a 'Back to Basics' campaign across all of our active infrastructure construction projects.
- The campaign will run for 4 months from October, with a different theme each month. The site teams will come up with an action, related to the theme, that they can take on site to make work safer. For example, the theme for October is Taking Care of the Gear so teams could focus on checking that the test tags on equipment are up to date or doing some maintenance checks on plant.
- This campaign will help Watercare support our contractors and site teams to make our sites safer, it helps us demonstrate greater leadership and care in the wellbeing, health and safety of our people and the wider Watercare whanau. We have established an e-mail address where the site teams can send photos, ideas and videos that we can share across our contractors. We want the Back to Basics campaign to be fun, drive a culture of engagement and care on our projects, and continue to help to reduce the number of incidents and near misses on site.

8. Natural Environment

- **Water Resources position:** Total system storage increased through September from 66.7% to 67.5%. Rainfall for September was well below normal for Auckland's catchments. Storage remains below normal for this time of year.
- **Long-range forecast position:** Rain for October has been forecast to be below normal for Auckland. Long-term forecasts continue to suggest a drier than normal start to spring but have softened on the severity.
- **Reduced short-term** weather forecast accuracy has been confirmed due to the drop in aeroplane observations. It is likely that long-range observations are also affected.

9. Resource Consent Compliance

- Watercare currently holds 521 active consents across Auckland and Waikato. Of these, 196 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 September 2020, 15 of our 196 discharge and take consents were technically non-compliant; 14 under Auckland Council and one under Waikato Regional Council. One non-compliance in Auckland was Category 3. This is the Huia Village Water Treatment Plant (note, not the Huia WTP). The upgrade is underway and has been delayed by the required stand-down due to COVID-19 earlier in the year. No non-compliances were Category 4.

FUTURE OUTLOOK

UPCOMING BOARD ACTIVITY

- AMP & Major Capex Committee meeting – 19 November 2020
- Board meeting — 24 November 2020
- Te Tangata Komiti meeting — 26 November 2020

UPCOMING BUSINESS CASES REQUIRING BOARD APPROVAL

Management plans to present the Board with business cases for the following projects in the second half of FY 2020:

- Avondale Branch sewer
- Wellsford WWTP Upgrade
- Waiuku Water Treatment Upgrade
- North Harbour WM Duplication — Northern



Marlon Bridge

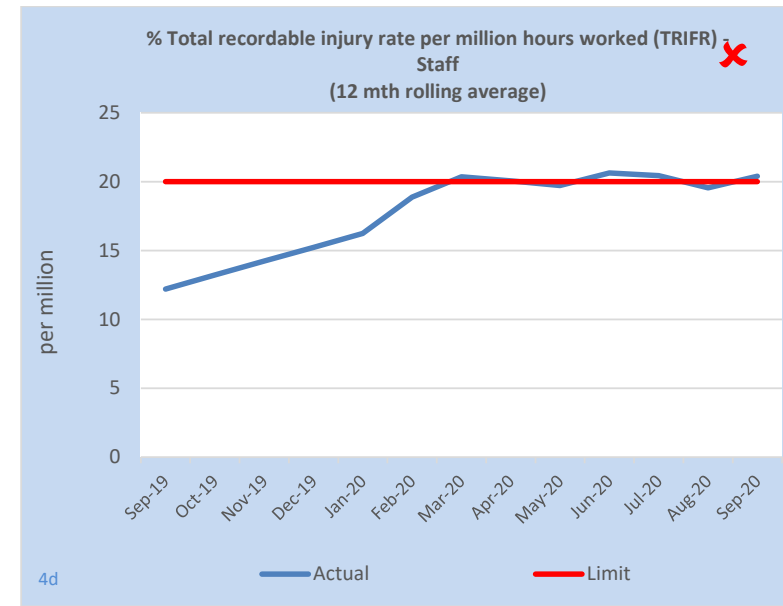
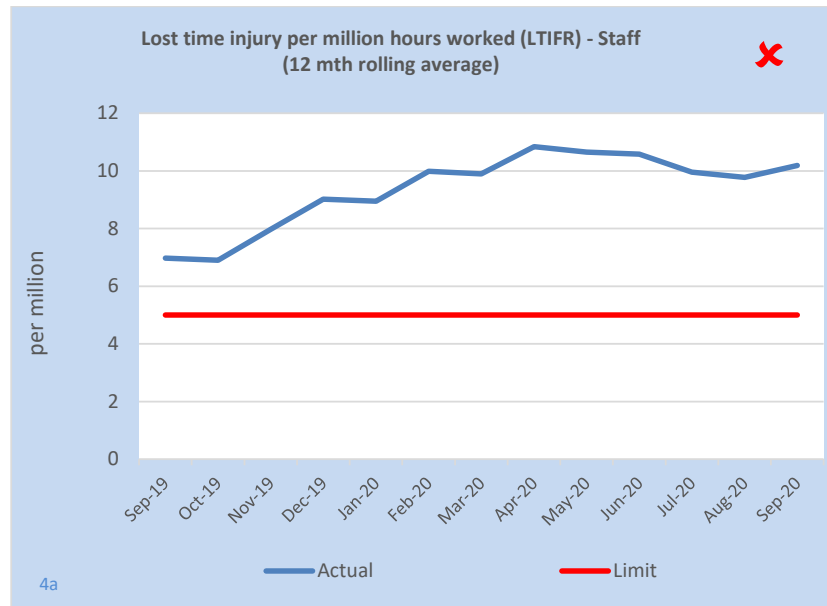
Acting Chief Executive

1. HEALTH, SAFETY & WELLNESS UPDATE



An Executive Safety Group has been established consisting of the Chief People Officer, Chief Operations Officer, Chief Infrastructure Officer, Chief Customer Officer and Head of HSW. This group meets fortnightly and will lead the HSW review.

We have been in contact with specialist providers and are working through the scope of the review with each of them. We plan to have a recommendation by the end of October.



HEALTH, SAFETY & WELLNESS UPDATE continued

SIGNIFICANT INCIDENTS/HAZARDS/CLOSE CALLS

There were six significant incidents in September 2020.

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
Watercare LTI Operations – Maintenance Delivery 13581 09/09/20	Yes – Driving LTI – 1 day	A worker jumped into their work van and misjudged the height of the door. The worker hit their head on the door frame. Although it was sore, the worker thought nothing of it until the next day, when they started vomiting. The worker was taken to the doctor where they were prescribed medication and deemed unfit for work for one day.	<ul style="list-style-type: none"> Any injuries to the head must be taken seriously and monitored. All incidents and injuries, however small, must be recorded in case they escalate. 	<ul style="list-style-type: none"> The team were made aware of the incident and the learnings. Symptoms of concussion were reiterated. The injured worker was monitored for the following week to ensure they had fully recovered.
Watercare LTI Operations - Rosedale WWTP 14103 27/09/20	No – Insect bite LTI – 1 day	A worker was completing maintenance on the centrifuge when they noticed a short, sharp pain in their finger. The pain did not last, and nothing was visible, so the worker put it down to a bump or a pinch. The worker was not wearing gloves for this task. When the worker showered at the end of the day, their finger and knuckles swelled up and were uncomfortable. The worker then went to the medical centre where they were treated for a spider bite and deemed unfit for work for one day.	<ul style="list-style-type: none"> All incidents and injuries, however small, must be recorded in case they escalate. 	<ul style="list-style-type: none"> Equipment was inspected but no insects were found. The SOP is being reviewed, particularly with respect to wearing gloves Workers have been advised to keep an eye out for insects and spiders in the workplace.
Contractor LTI Customer - Arthur D Riley Ltd 13281 02/09/20	Yes – Working in Traffic LTI – 5 days	A meter reader was walking across a driveway when a car reversed into them, hitting their knee. The worker was taken to the medical centre where they were assessed as having a strain and partial tear to their knee. The worker was deemed unfit for work for five days.	<ul style="list-style-type: none"> Members of the public can be unpredictable and may act in ways we don't expect so vigilance is required. 	<ul style="list-style-type: none"> The contractor leadership team conducted a toolbox talk with their team to remind them to take care in driveways and at vehicle crossing points.


Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
Contractor LTI Infrastructure- Wells Limited 14129 11/09/20	No – Manual Handling LTI – 2 days	A worker strained their shoulder when installing a cable tray. The incident was not reported until two weeks after the event. The contractor believes the incident would have been managed by First Aid on site had the worker reported it immediately.	<ul style="list-style-type: none"> • Early reporting ensures early treatment and can reduce treatment and recovery requirements. 	<ul style="list-style-type: none"> • Contractor to reinforce the importance of early reporting.
Watercare MTI Operations – Waikato 13344 04/09/20	No – Manual Handling Medical Treatment Only	The worker was lifting a 20kg container of chlorine solution in constricted work environment when they strained their back. The worker went to the doctor and was referred to a physiotherapist for treatment.	<ul style="list-style-type: none"> • Manual handling continues to be an area of risk. 	<ul style="list-style-type: none"> • Site assessment to be conducted to identify improvements.
Contractor LTI Infrastructure - Wells Limited 14129 11/09/20	No – Manual Handling LTI – 2 days	A worker strained their shoulder when installing a cable tray. The incident was not reported until two weeks after the event. The contractor believes the incident would have been managed by first aid on site had the worker reported it immediately.	<ul style="list-style-type: none"> • Early reporting ensures early treatment and can reduce treatment and recovery requirements. 	<ul style="list-style-type: none"> • Contractor to reinforce the importance of early reporting.

SIGNIFICANT INCIDENTS/HAZARDS/CLOSE CALLS

There were three significant incidents in September 2020.

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
Watercare Customer - Laboratory Hazard 13385 08/09/20	No – Manual Handling	Workers identified long grass and a steep, overgrown path leading to the Mt Eden water testing point as a hazard. The equipment they need to take to the sampling point is large and heavy and includes a trolley, tripod and chilli bins. There is the potential for slips, trips and falls.	<ul style="list-style-type: none"> A proactive approach has been taken to find solutions to this safety issue before anyone has been hurt. 	<ul style="list-style-type: none"> Following a site review, an alternative route has been found that is less steep. Vegetation was cleared and the site will be maintained by the council Watercare supervisor is investigating whether the testing frequency can be lessened. This approach was shared with other work teams.
Contractor Operations – Downers Wellbeing 13343 04/09/20	No – Working in the Public Domain	A work team attended a ‘no water’ complaint where they discovered water to a rental property had been shut off and the handle had been removed – presumably by the owner. The team were confronted by a customer in a very aggressive and threatening manner. Several gang members arrived on site who would not allow the crew to leave unless water was restored to the property. The gang members referred to the recent shooting of a police officer in Auckland. The workers restored water, left the site and contacted their supervisor.	<ul style="list-style-type: none"> Working in the public domain can present unexpected risks. 	<ul style="list-style-type: none"> Police were contacted. Contractor personnel are not prepared to press charges. Watercare continues to record details of security events and known hazards.
Contractor Infrastructure – Higgins Contractors Close call 13477 04/09/20	No – Working in the Public Domain	A traffic controller working on a rural road was sexually harassed and threatened by three members of the public. The worker walked to a nearby residence where the occupants stayed with the worker while they contacted their supervisor. The site layout was revised to ensure workers are no longer isolated.	<ul style="list-style-type: none"> When working in the public domain, risks to personal security may not be obvious. We must give the security element of risk more focus for lone workers. 	<ul style="list-style-type: none"> Police were contacted and an investigation is ongoing. The worker was moved to a location where they will no longer work alone. Site is now attended by two people.

HEALTH, SAFETY & WELLNESS UPDATE continued

<p>Working in the Public Domain:</p> <p>Further incidents occurred in September, two of an elevated nature. The Security Team continue to work with all teams to ensure workers are educated, supported and safe.</p>	<p>External audits</p> <p>Two external audits were completed in September.</p> <p>Both audits provided useful learnings and opportunities for improvement. We have created an action plan to close out non-conformances which will be complete by 2 November.</p> <p>Key areas of improvement are:</p> <ul style="list-style-type: none"> • Training competency • Rehabilitation and return to work knowledge across the business
<p>Back to Basics</p> <p>Our Back-To-Basics campaign is ready to launch. This is an Infrastructure site-based campaign designed to:</p> <ul style="list-style-type: none"> • Focus on activities to improve safety on site. • Support safety collaboration with our contractors. • Provide a positive and fun approach to encourage engagement and to support on site communication. 	<p>Online Induction for Contractors</p> <p>We were pleased complete our online contractor induction. An induction is available for all Watercare sites and can be completed by our contractors on a computer or phone. The induction includes assessments and completion is captured electronically in our online learning platform.</p> <p>Contractors will no longer need to attend site to complete induction reducing both their cost and time commitments.</p> <p>Eliminating face-to-face inductions for between 2500 and 3000 contractors each year represents a significant time and resource saving for the Operations team.</p>

Mates in Construction

During October, the Central Interceptor project held events on site to mark World Suicide Prevention Week. The events, including one for the night-shift team, were part of the Mates in Construction Fly the Flag campaign and included a visit from the project's Mates in Construction Field Officer and the Chair of the CHASNZ Board, Roger McRae, along with a bar-b-que.

The Mates in Construction agreement with the Watercare Infrastructure team is being finalised with the programme starting in October.



The Industrial Athlete- Program

Developed by Darrian Holten

Watercare

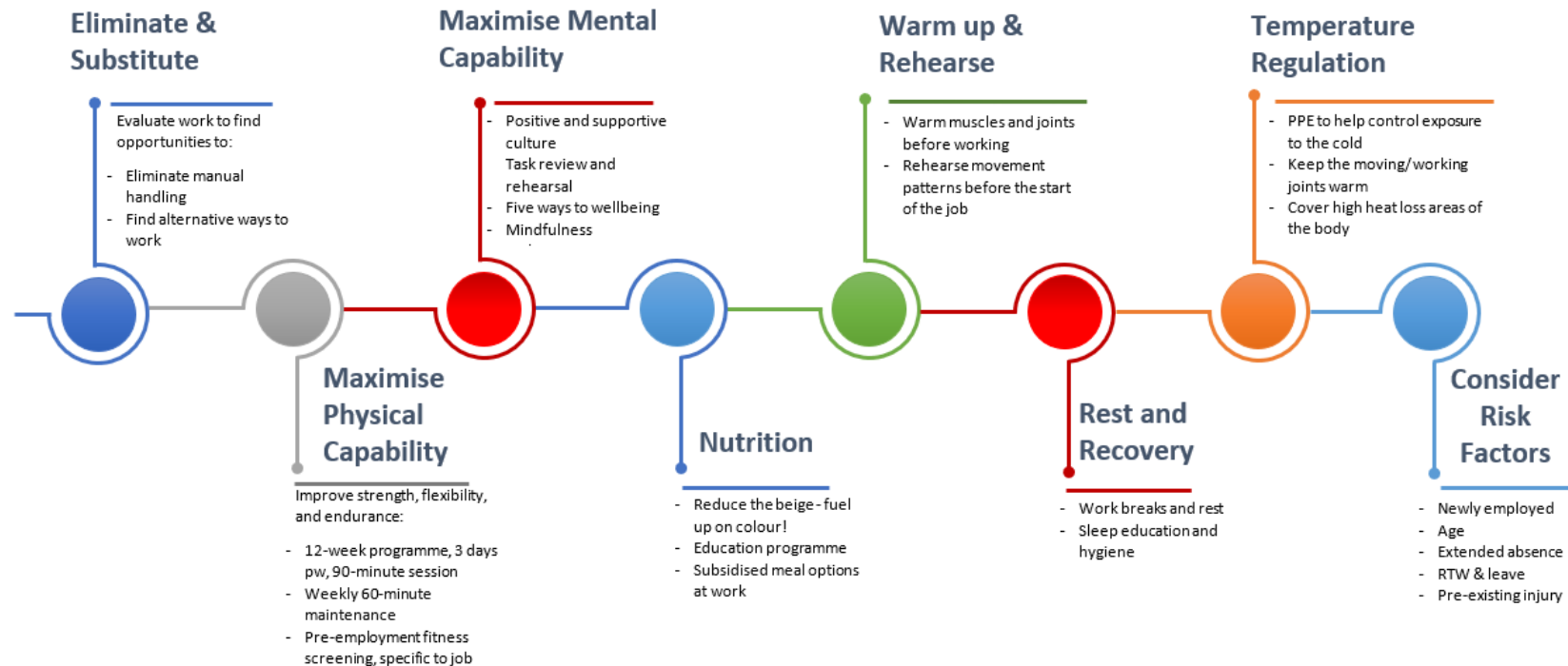


The Problem

- 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.



8.2

HEALTH & SAFETY QUARTERLY REPORT – JULY TO SEPTEMBER 2020**Watercare Injuries per Business Unit**

Month	Business Unit	Restricted Duties Injury (RDI)	Medical Treatment Injury (MTI)	Lost Time Injury (LTI)	Total Recordable Injuries (MTI+LTI+RDI)
July - 2020	Customer	0	0	1	1
	Operations	0	1	0	1
Aug - 2020	Operations	0	0	1	1
Sept -2020	Operations	0	1	2	3
3rd Quarter Total (Watercare Employees)		0	2	4	6
Total YTD (Sept 2019 to Sept 2020)		6	14	21	41

HEALTH & SAFETY QUARTERLY REPORT – JULY TO SEPTEMBER 2020 continued**Contractor Injuries per company**

Month	Company	Restricted Duties Injury (RDI)	Medical Treatment Injury (MTI)	Lost Time Injury (LTI)	Total Recordable Injuries (MTI+LTI+RDI)
Jul - 2020	Infrastructure – Self employed	0	1	0	1
	Manukau Rigging Welding	0	1	0	1
	CityCare	1	0	0	1
	Garden X	0	0	1	1
Aug - 2020	A.D Riley	0	0	1	1
	Fletcher Construction trading as Brian Perry Civil	1	0	0	1
Sept - 2020	A.D Riley	0	0	1	1
	Wells Ltd	0	0	1	1
3rd Quarter Total (Contractors)		2	2	4	8
Total YTD (Sept 2019 – Sept 2020)		6	13	9	28

Covid-19 Update 15 October 2020

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

Watercare has returned to 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.

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 7 October 2020.






Hello all,

As you may know, Auckland will move to Alert Level 1 at 11:59pm today. While it will be great to have our level 1 freedoms back, we still need to be ready in case COVID-19 reappears in our community.

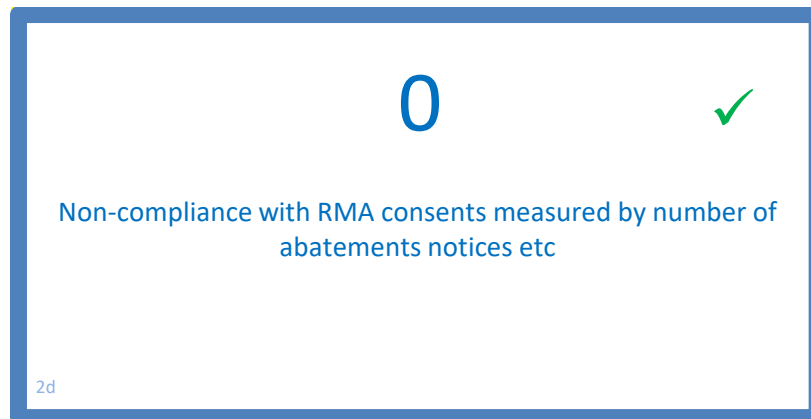
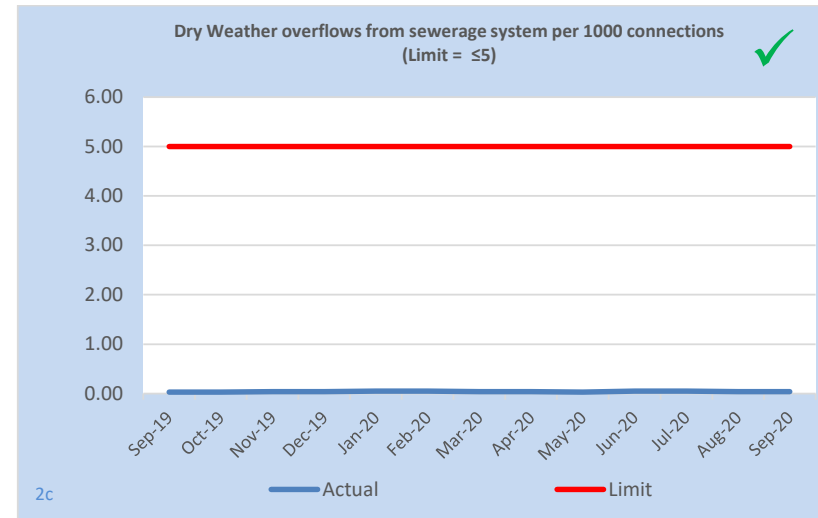
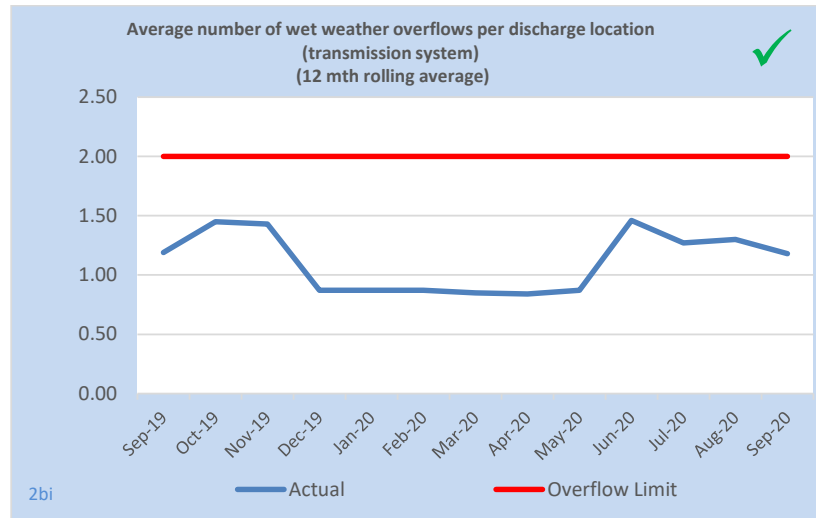
- **Keep track of where you go:** Swipe in and swipe out at work, use the NZ COVID Tracer or record details of places you've visited, the time you were there and who you were with.
- **Stay home if sick:** If you have cold or flu symptoms, stay home and call your GP or Healthline on 0800 358 5453 to see if you need a test. Speak to your manager about your work and keep them updated.
- **Keep up good handwashing practices:** Use soap and water for at least 20 seconds, and dry thoroughly. Cough and sneeze into your elbow. Keep surfaces clean.
- **It's still worthwhile to keep a safe distance** from people you don't know while out and about. This will help to minimise the spread of COVID-19 if community transmission returns.
- **Face coverings help keep you and others safe** when it is not practical to maintain physical distancing, so it is a good idea to continue wearing them in supermarkets and public transport.

Take care and stay safe.

COVID-19 Incident team

COVID-19 Second Wave	Actions completed	Actions Underway
People and Culture 	<ul style="list-style-type: none"> Regular contact is being encouraged for management with staff working from home We have reviewed all the existing protocols for Covid Alert Level 1 Masks, hand sanitisers and glove stocks remain at appropriate levels 	<ul style="list-style-type: none"> The return to work in the office/operational sites continues as appropriate
Assets and Infrastructure 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Messaging will continue to ensure complacency does not set in
Community and Stakeholder Relationships 		<ul style="list-style-type: none"> 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
Intellectual Capital 	<ul style="list-style-type: none"> We continue to follow Ministry of Health guidance on Covid response measures where appropriate 	<ul style="list-style-type: none"> Alert Level 1 guidelines will continue to be updated, in line with official guidance from the Government as these evolve Monitoring of International trends and local updates will continue to be reviewed
Financial capital and resources 	<ul style="list-style-type: none"> Financial constraints caused by claims from delayed projects are being monitored 	<ul style="list-style-type: none"> No claims have currently been received for delayed projects 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

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)

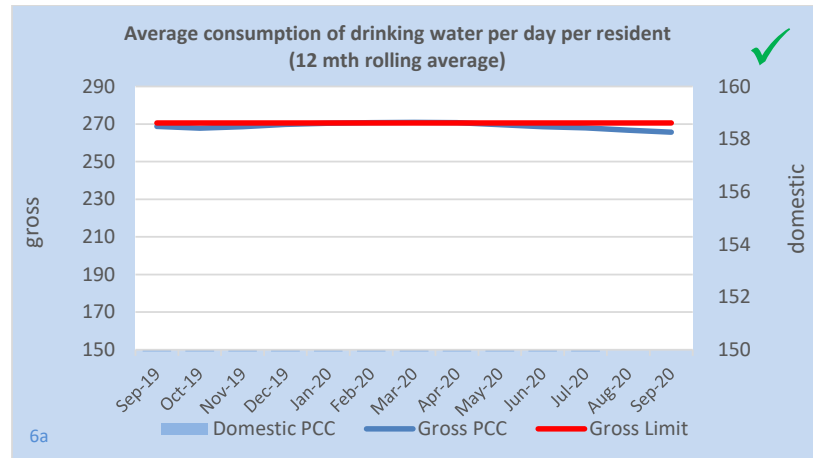
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100%



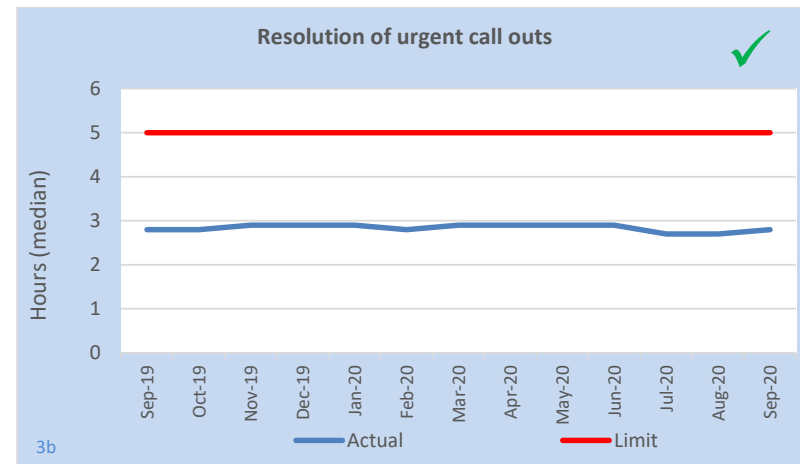
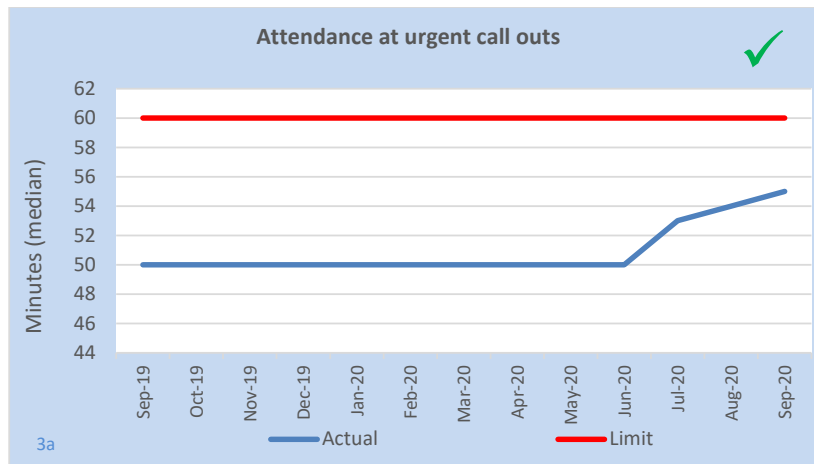
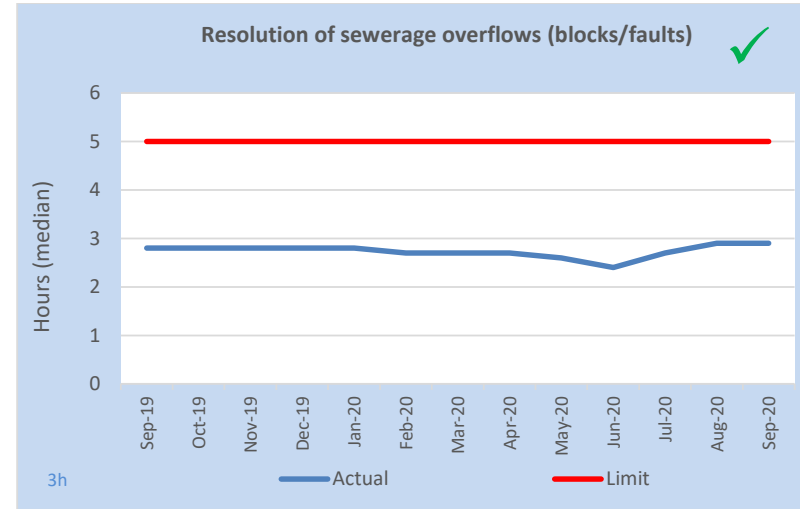
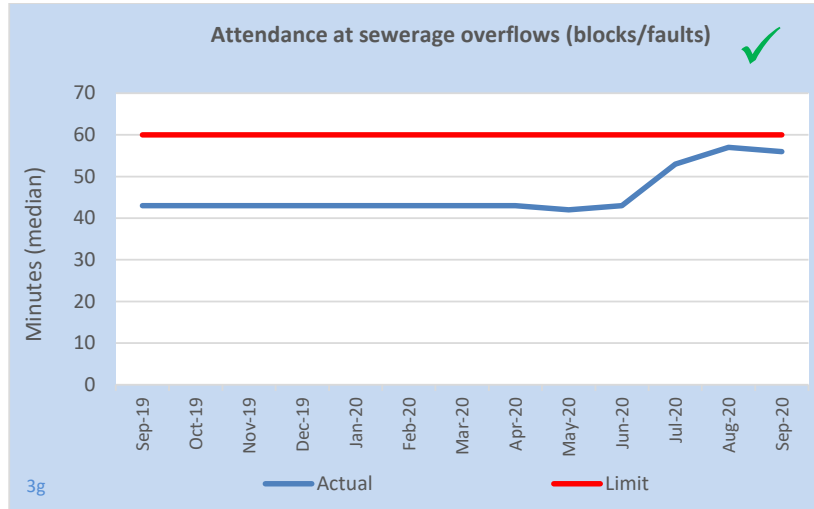
Compliance with Part 5 of the Drinking Water Standards
(protozoal)

1b



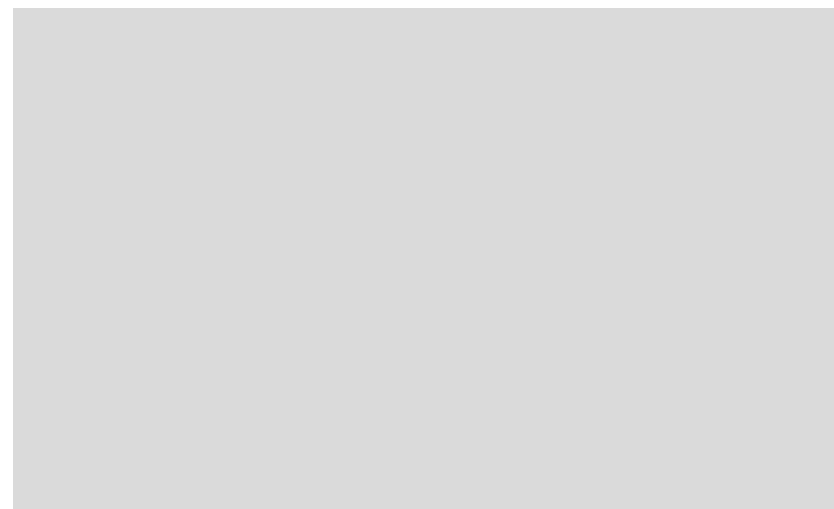
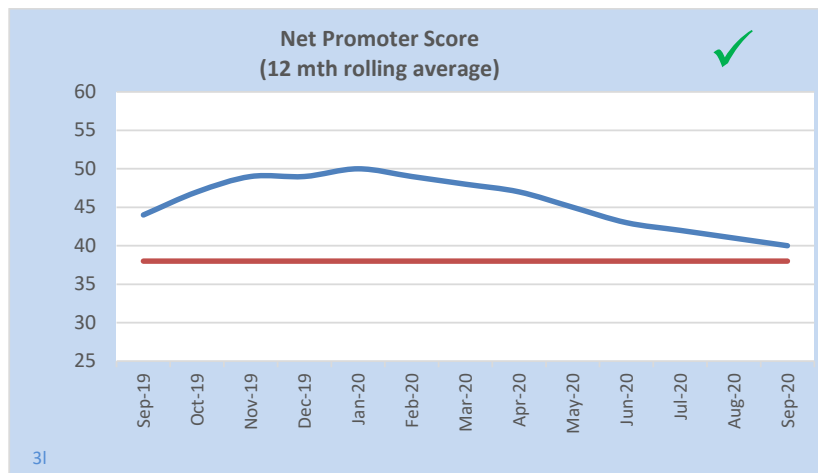
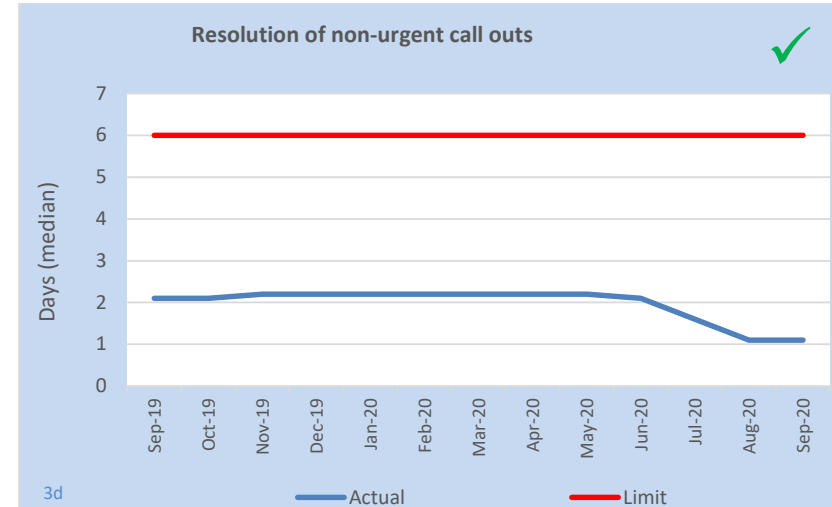
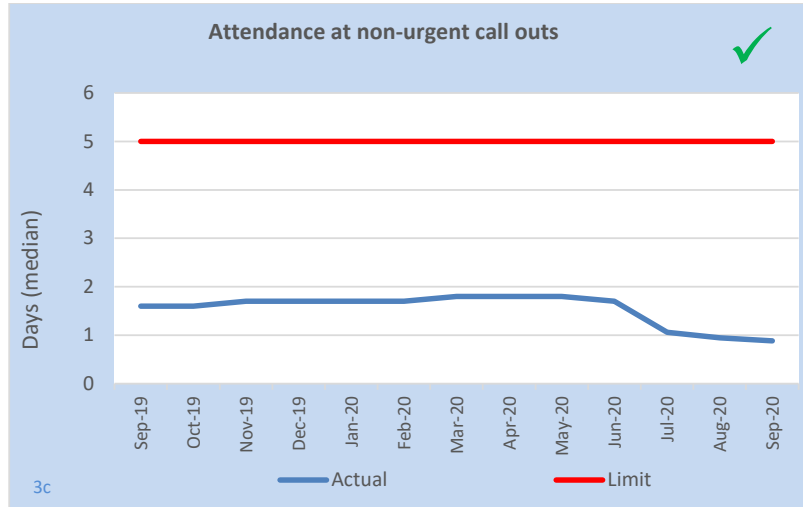


SOI MEASURES – 2020-2021 – Community and Stakeholder relationships

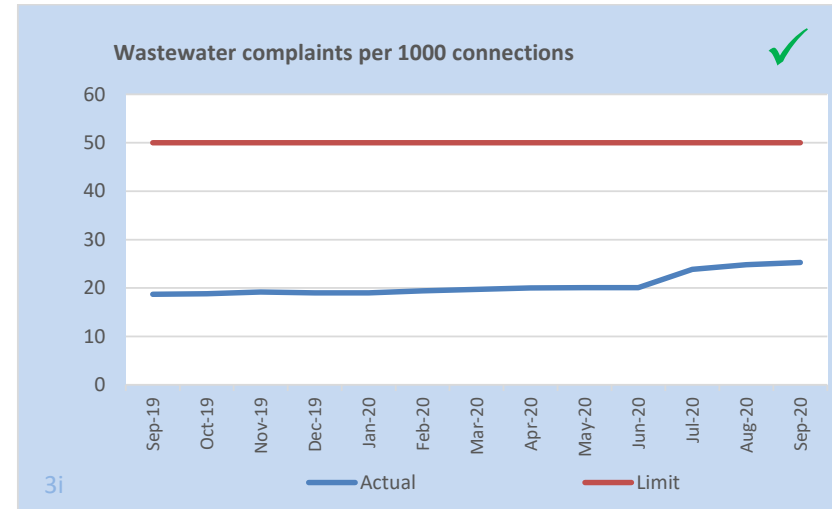
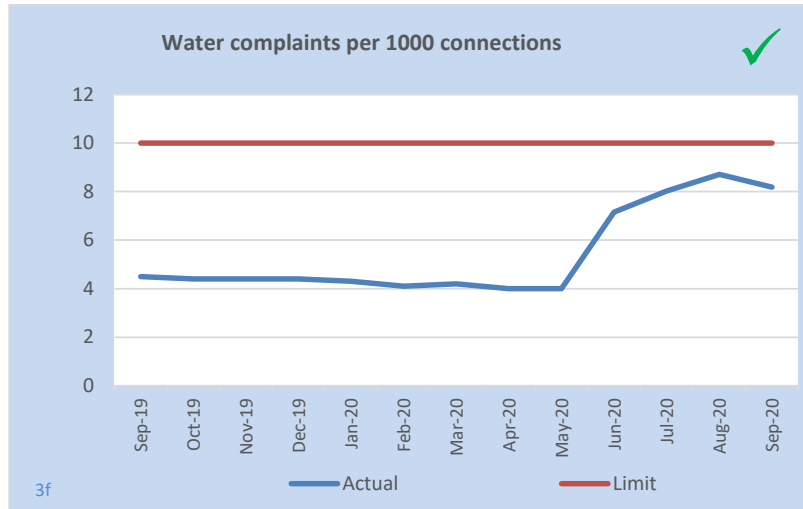




SOI MEASURES – 2020-2021 – Community and Stakeholder relationships



SOI MEASURES – 2020-2021 – Community and Stakeholder relationships



New SOI Measures for 2020-2023

Capital	8	Measure	SOI	Target	Sep 2020 Commentary/Result (Update Aug 20 comments if changed)	Date of Last Update
Customer & Stakeholder Relationships	New	We contribute to the delivery of Māori outcomes and deliver on the joint outcomes agreed by Council and CCOs (At least one kōrero with each of the 19 iwi every year and work with them to develop meaningful measures for Māori outcomes)	SOI	At least one kōrero with each of the 19 iwi entities every year	• Good progress is being made with 3 iwi entities contacted. Refer Māori Outcomes section of this report.	14/10/2020
Customer & Stakeholder Relationships	New	Watercare will operate responsibly. 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, Chemical & Protocol)	SOI	Pass/Fail	Pass	14/10/2020
People & Culture	New	We will improve our employee engagement. eNPS	SOI	≥20	eNPS is calculated quarterly. The next result will be provided in October scorecard	

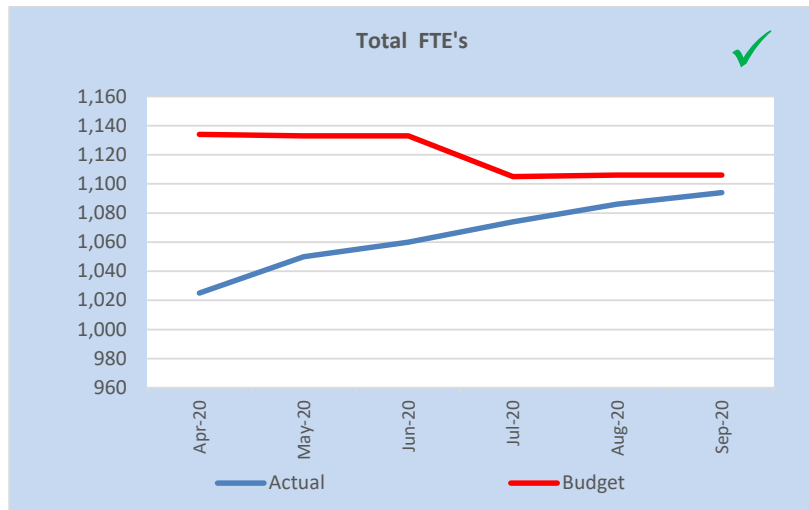
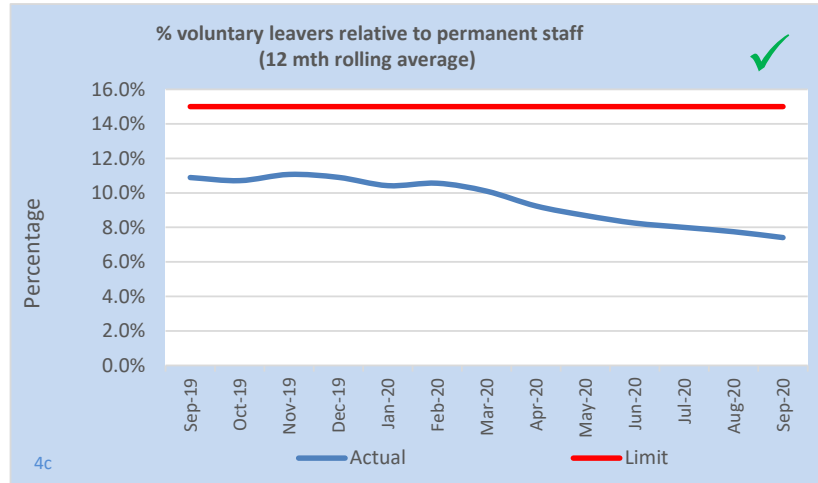
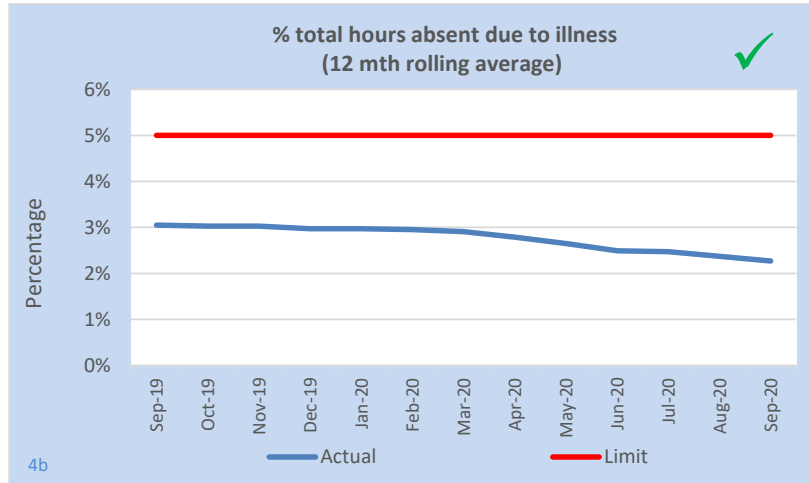
Capital	8	Measure	SOI	Target	Sep 2020 Commentary/Result (Update Aug 20 comments if changed)	Date of Last Update
People & Culture	New	Watercare has committed to the Diversity Agenda Accord. Improve gender workforce split in departments where the split is uneven (Identify 2020/21 baselines and improve on baseline)	SOI	10%	Quarterly update - increase of gender split in Infrastructure & Operations. Next update October Scorecard	
People & Culture	New	Watercare has committed to the Diversity Agenda Accord. Attract a more diverse range of applicants to apply for jobs at Watercare (Identify 2020/21 baselines and improve on baseline)	SOI	10%	Quarterly update on rolling average of applications from Māori / Pacific applications. Next	
Financial Capital & Resources	New	We manage operations efficiently, keeping costs to customers (collectively) at minimum levels. Percentage of household expenditure on water supply services relative to the average household income	SOI	≤1.5	<i>Refer to Scorecard FY21 for result</i>	
Financial Capital & Resources	New	We are a financially sustainable business. Watercare group's debt headroom (Set measure in conjunction with Council and establish baseline)	SOI	Establish Baseline	Financial Control has obtained the financial reporting calculation used in Auckland Council's group financial statements for the debt to revenue ratio. The calculation requires some data points which are not readily available at present, and this measure will be reported for the first time on the Q1 results.	

Capital	8	Measure	SOI	Target	Sep 2020 Commentary/Result (Update Aug 20 comments if changed)	Date of Last Update
Intellectual capital	New	<p>We create new value in our infrastructure supply chain through the Enterprise Model.</p> <p>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.)</p>	SOI	Establish Baseline	Carbon portal launched internally in September. Functionality and content feedback provided and being improved.	
Intellectual capital	New	<p>We create new value in our infrastructure supply chain through the Enterprise Model.</p> <p>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).</p>	SOI	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 include agendas for 2 x 40:20:20 (Carbon: Cost: W, H&S) challenge workshops.	

Capital	8	Measure	SOI	Target	Sep 2020 Commentary/Result (Update Aug 20 comments if changed)	Date of Last Update
Assets and infrastructure	New	<p>Watercare will operate responsibly We will meet the 2 DIA targets that relate to assets and infrastructure (refer Appendix E, numbers 14 and 15).</p> <p>(Meet 100% of the DIA and Auckland Plan targets)</p> <p>(Dry Weather and Wet Weather Overflows)</p>	SOI	Pass/Fail	Pass	14/10/2020
Assets and infrastructure	New	<p>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) by 30 June 2021.</p>	SOI	Establish Baseline by 30 June 2021	<p>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</p> <p>Planned Targets:</p> <ul style="list-style-type: none"> • Create ** DMA's PMA's by 2023 • Maintain Real losses below 13% • By 2025 achieve **** L/C/d 	
Natural Environment	New	<p>Watercare will operate responsibly. We will meet all DIA natural environment targets (refer numbers 1 and 2 in Appendix E). (Meet 100% of DIA targets)</p> <p>(Compliance, PCC)</p>	SOI	Pass/Fail	Pass	14/10/2020

Capital	8	Measure	SOI	Target	Sep 2020 Commentary/Result (Update Aug 20 comments if changed)	Date of Last Update
Natural Environment	New	<p>We will implement Mitigation measures in line with our responsibility to keep global warming within 1.5oC.</p> <p>We will reduce annual greenhouse gas emissions from Scope 1 and Scope 2 emissions (operational mitigation).</p> <p>(• 2020/2021: Complete work on a plan to achieve a 45% reduction in operational emissions by 2030</p> <ul style="list-style-type: none"> • June 2021: Finalise targets in line with ACAP • 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. • 30 September 2022: Report on first target and publish targets through to 2024 in the 2021–2024 SOI) 	SOI	<p>Finalise Targets by June 2021</p> <p>Establish Baseline by 1 March 2022</p>	<p>Greenhouse gas footprint verified for 2019/20. Emission reduction road map (draft) due in January 2021.</p> <p>Reviewing the methodology and approach for measuring the emissions from wastewater processing.</p>	
Natural Environment	New	<p>Water is precious – We continue to encourage our customers to be mindful of their water use</p> <p>The average consumption of water per residential connection.</p> <p>(• 1 March 2021: Baseline established, and sector targets published in our next SOI</p> <ul style="list-style-type: none"> • 30 September 2021: Report on target and publish targets through to 2024 in the 2021–2024 SOI) 	SOI	<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



PEOPLE, CAPABILITY AND LEARNING continued

CIO reported (Sarah Putt “New Zealand CIO community celebrated in CIO50” *CIO Australia* (online 14 October 2020))

‘Transformation, disruption, acceleration. Three words that describe the experiences of IT leaders in 2020 and which came to the fore during CIO50 New Zealand, a celebration and acknowledgement of the New Zealand CIO community.

Watercare chief digital officer Rebecca Chenery took the No. 1 spot in the CIO50 New Zealand awards, in recognition of her work leading a major transformation programme. This involved the replacement of legacy systems across finance, operations, asset management, infrastructure, customers, human resources, and health and safety.

The judges commented that the transformation was a “a massive list of KPIs, all of which were completed. This was a large-scale transformation programme, and the impact is apparent after two years. Chenery presents regularly to the board, is strategic business leader, and has demonstrated standout leadership.”

Second place went to Brian Northern, CIO of our Enterprise Model partner, Fulton Hogan.

4. COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE



WORKING WITH LOCAL BOARDS

- Fortnightly water supply updates continue to be shared with the local boards. Infographics on the Waikato water supply and source augmentation were included in the latest updates. A Pukekohe Matters public newsletter was also shared about the upcoming water supply from the bores. Local water saving hero campaign posters were sent to Local Board offices for display. Later this month Franklin Local Board members will join staff for a site visit of the Pukekohe Water Treatment Plant which is under construction.
- We also continue to liaise with Local Boards affected by our project works. Information on the Kowhai Reservoir roof replacement was shared with the Hibiscus and Bays Local Board. Watercare and Panuku staff also attended a Waitematā Local Board workshop to discuss future development of land at the southern end of the Harbour Bridge including a new water pump station essential for future water supply to the North Shore.
- Escalations continue to be responded to on matters related to overflows, leaks and projects.

WAIKATO DISTRICT COUNCIL (WDC) STATUS UPDATE

- The WDC operations and maintenance contract reached the milestone of the completion of the first year of the delivery of services.
- 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 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.
- Watercare will commenced undertaking laboratory and trade waste services for WDC on the 1st of October. The transition went smoothly with no issues.

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

COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE *continued*

LEGISLATION UPDATE

<ul style="list-style-type: none"> The “Taumata Arowai – the Water Services Regulator Bill” was introduced to Parliament in December 2019. This Bill would establish Taumata Arowai – the Water Services Regulator as a new Crown agent. This new regulatory body would oversee, administer and enforce the drinking water regulatory system. This bill is largely administrative in nature. The wider reforms to the drinking water regulatory system, including Taumata Arowai detailed functions and enforcement powers, will be provided for in the Water Services Bill. Watercare made its own submission in support of this new Crown agent. Watercare took this opportunity to highlight the need to address a number of future emerging challenges, and also made some recommendations for inclusion in the upcoming Water Services Bill. Watercare addressed the Health Select Committee in mid-March. This Bill is now an Act.
<ul style="list-style-type: none"> 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 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.
<ul style="list-style-type: none"> 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.
<ul style="list-style-type: none"> 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. Hearing commences 20 October.
<ul style="list-style-type: none"> 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.

<ul style="list-style-type: none"> 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.
<ul style="list-style-type: none"> 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.
<ul style="list-style-type: none"> 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 as recommended by the Panel.
<ul style="list-style-type: none"> The Ministry of Business Innovation & Employment (MBIE) is currently consulting on its "Whole-of Life Embodied Carbon Emissions Reduction Framework." Public submissions closed 30 September. This is the first public consultation under the new Building for Climate Change programme – the building and construction sector's contribution to New Zealand's goal of net zero carbon emissions by 2050. Watercare has contributed some submission text to Auckland Council for inclusion into their submission.
<ul style="list-style-type: none"> The Ministry for the Environment (MfE) is currently consulting on its "Reducing the impact of plastic on our environment – moving away from hard-to-recycle and single-use items". Public submissions close on 4 November. Watercare has contributed some submission text to Auckland Council for inclusion into their submission – main focus being for the Government to work towards reducing single-use plastics (especially wet wipes) that can cause wastewater network blockages.

MĀORI ENGAGEMENT AND OUTCOMES IN SEPTEMBER 2020Kia ora te umanga

- Watercare Project & Ngāti Tamaoho proposal for carving / whakairo for Papakura water treatment plant
- Waikato - Tāmaki Paihere whakaaetanga (Agreement) Iwi position, kawenata whanaungatanga document

Kia ora te reo

- Pukekohe WWTP Site Blessing, Pukekohe, Nathaniel Wilson, Te Taniwha o Waikato representatives
- Translations of Watercare education resource to Te Reo Māori, Professor Rangi Matamua, Claire Hooton, Punarau Media and Sarah Slater. E-book Sam & Flo Go around the bend, launch of e-book during māori language week
- Strategy for Te wiki o Te Reo Māori. Māori language activities

Kia ora te whānau

- Firewood arranged from Papakura WTP with Ngāti Tamaoho whānau

Kia ora te rangatahi

- Mark Ford Scholarship shortlist process for māori and non-māori applications

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.
- Ngāti Paoa Trust Board, Danelle & Dave Roebuck, Amber Taylor, Watercare project lead Westhaven Boost Pump project.
- Te Ākitai Waiōhua, Jeff Lee, Anshita Jerath, Pukekohe WTP consent, Restoration, designation consent
- Te Motu a Hiaroa master plan and Māngātangi Marae Poukai 2020
- Mana whenua engagement with Ngāti Te Ata, Ngāti Tamaoho, Te Ākitai Waiōhua and Ngāi Tai ki Tāmaki with Papakura (Cossey's) and Pukekohe bores project. Papakura WTP Mana whenua engagement with Native Timber and arrangements.

Kia ora te hononga

- Continued communications with Mana whenua o Tāmaki Makaurau water supply update and drought in Tāmaki Makaurau
- Westhaven Booster Pump project and mana whenua engagement, Ngāti Paoa Iwi Trust and Trust Board
- 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 Waiōhua. Mana whenua engagement at Waikato Treatment Plant, Tuakau with Waikato Tainui, Te Taniwha o Waikato, Waikato River Authority, Ngāti Te Ata, Ngāti Tamaoho and Te Ākitai Waiōhua re: Waikato 50 project temporary upgrade, consent processes and timelines: Papakura project consents, Pukekohe project consents
- Watercare Central Interceptor Project, GAJV and Mana whenua working group engagement meeting
- CCO Roundtable meeting, Panuku, Ngā Mātārae, ATEED, RFA and Auckland Transport at Watercare office
- TEAMS and phone meeting with Ngā Mātārae Māori representative Simone Anderson (Auckland Council) - Watercare input into the Māori Outcomes Report

Meeting with Ngā whānau manawa, Auckland Council, CE Jim Stabback, Patricia Reade, strategic 'kia ora Tāmaki Makaurau' outcomes

Monthly snapshot of communications and stakeholder engagement



Enabling engaged communities and stakeholders

Media

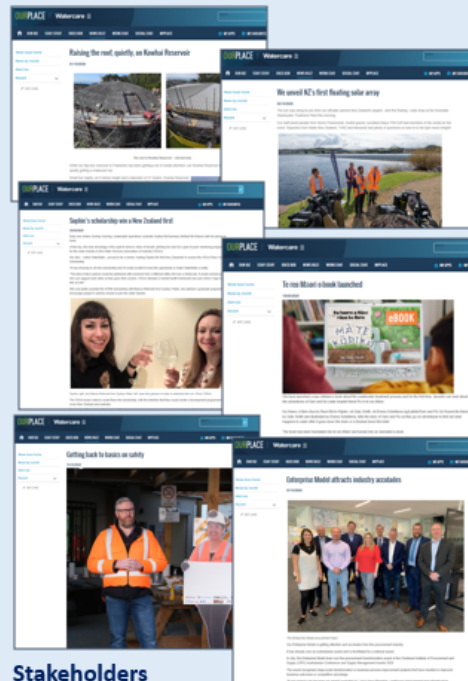
Highlights for this month include extensive coverage about the commissioning of our floating solar array in Stuff (and its various suburban newspapers), RNZ, TVNZ and NewsHub. Other coverage included: the announcement by Auckland Council to ease the restrictions for commercial users; Raveen's interview on RNZ about Watercare's ownership; commissioning of the Pukekohe East Reservoir; and inflow and infiltration investigations in Takapuna.



Enabling safe, happy and empowered teams

Staff

We continued to share water supply and drought updates internally. We promoted project milestones and awards as well as the Back to Basics health and safety initiative for the infrastructure teams. We also promoted the illustrated wastewater book in Te reo during Te Wiki o te Reo Māori.



Stakeholders



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 extensively using print, digital, radio and outdoor channels; we also began communicating the easing of restrictions for commercial users through a range of channels (website, public notice in NZ Herald, direct emails and social media). We announced the winner of the water savings tips competition we ran for our customers, with a front-loading washing machine as prize.



We continued our Facebook and Instagram advertising for the local water saving hero campaign as well as the easing of restrictions for commercial users announcement; we continued sharing our water storage levels; promoted the water conservation efforts by Aucklanders and the commissioning of our floating solar array.

5. 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
Hays Creek Water Storage Lake - Change to existing consent conditions	The Hays Creek water storage lakes and associated WTP is being reinstated as part of the drought response. To enable Watercare to achieve peak demand the existing consent conditions need to be amended.	Change to existing consent conditions	<p>The existing consent conditions require a daily take limit from the Hays Creek water storage lake. To fully utilise the source and achieve peak demand, the daily take limit will be removed. This will ensure that Hays Creek is consistent with all the other water storage lakes consents which do not have a daily take limit. A s127 application was lodged 2 June.</p> <p>A meeting with Auckland Council and specialists was held 6 July. A formal response to the s92 request was provided on 10 July. Consent was granted with a daily limit of 35MLD.</p>	GRANTED	2/06/2020	13/10/2020	
North East Wastewater Conveyance - Warkworth to Snells	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.	<p>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.</p> <p>The new consents will be lodged as two separate applications. As the works at the pump station site only trigger a consent in relation to tree removal, 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.</p>	APPLICATION PREPARATION	20/11/2020	20/03/2021	

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
Otara Catchment ww upgrade. (formerly called Otara WW capacity upgrades, Otara Sewer Diversion, 205R East Tamaki Road)	Medium and long term wastewater improvements for the Otara catchment including re-use of the abandoned Hūnua 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 3000m³ 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 based in Australia). The team continue to prepare the application for the Billington and Sandbrook Reserve Sites.</p>	APPLICATION PREPARATION	1/03/2021	31/05/2021	
Papakura WTP - Discharge Consent	The Papakura WTP is being reinstated as a response to the drought.	Discharges to water	<p>The WTP 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 (October) and permanent (November) plants.</p>	APPLICATION PREPARATION	22/10/2020	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
Pukekohe Water Take, Seddon Street, Pukekohe	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	
Pukekohe WTP – Designation	The Pukekohe WTP is being reinstated as part of the drought response. The project includes designating the existing WTP site.	Notice of Requirement	<p>The existing Pukekohe WTP did not have any legacy designation for the site. To ensure the future construction and operation of the facility are not compromised, a designation for water supply purposes will be sought. This will provide for long term protection and greater flexibility in any future development of the site.</p> <p>The existing bore hole number 2 is currently within Auckland Council land. Watercare property team are negotiating for the area surrounding bore hole 2 to be acquired.</p> <p>The Notice of Requirement was lodged 3 July as a non-notified application. Council made a non-notified recommendation with draft conditions on 15 September. The draft conditions were accepted by Watercare 18 September. Council will now complete the designation process by including the site in the Auckland Unitary Plan – Operative in Part (AUP-OP).</p>	GRANTED	3/07/2020	15/09/2020	

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
Pukekohe WTP - Discharge Consent - s127	The Pukekohe WTP is being reinstated as part of the drought response with a package water treatment plant.	Discharges to water	Council granted consent for the discharge of commissioning water and land use for the WTP on 4 August. Detailed design confirmed the requirement for off-spec discharge consents. An application to amend (s127) the commissioning consents to include off-spec discharge was lodged 26 August and granted by Council 7 October .	GRANTED	26/08/2020	7/10/2020	
Pukekohe WTP - Groundwater and Spring Take	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	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 formal response was provided to Council on 16 October. Mana Whenua consultation is ongoing.	SECTION 92	21/08/2020	16/11/2020	
Redoubt Reservoirs Expansion - Consent Package 2	Construction of Reservoir #4 at the existing Redoubt Reservoir complex. The new reservoir will provide an additional 45ML of drinking water storage, increasing the total storage capacity on site to 165ML.	Contaminated land, vegetation removal	An OPW and resource consents were approved for the Project in October 2019 and April 2020. It has since been identified that further consents are needed to create a toe-embankment to stabilise the slope directly north of the new reservoir site. To construct the toe-embankment approximately 6,000m2 of vegetation will need to be removed. In addition, contamination consents are required to disturb a small HAIL site in the vicinity of the works and for the permanent stockpiling of excess fill material on the neighbouring NZTA site. Watercare are currently formalising an agreement with NZTA for the stockpile proposal. The consent application was lodged 23 July and a decision was received 16 September .	GRANTED	23/07/2020	16/09/2020	
Waikato 'A' WTP Take, Discharges & Intake Structure	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
Waikato 'A' WTP, Water Take & Intake Structure – Board of Inquiry	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 Agency (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 had three meetings with the Project Lead at the EPA to discuss 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	

Waikato Interim (50MLD) WTP	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.</p> <p>The proposal will include:</p> <ul style="list-style-type: none"> • 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. • A new 600mm diameter rising main from the intake structure to the temporary water treatment plant. • A new temporary treatment plant with the capacity to treat 50 MLD of water, treated water tank and PS <p>Watercare met with WRC regulatory team 9 July to streamline the consenting process.</p> <p>The Project requires numerous construction related consents.</p> <p>Consents and OPW have been obtained for:</p> <ul style="list-style-type: none"> • Bulk earthworks • Contractors laydown area • Treated water raising main • Earthworks and stream works associated with the WTP • Raw water raising main • Geotechnical Investigations for the water intake structure <p>Consent under preparation are:</p> <ul style="list-style-type: none"> • Water intake structure (Floating Pump Station) • Commissioning and discharge consents 	MULTIPLE APPLICATIONS AT VARIOUS STAGES	On-going	On-going	
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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
Waikato WTP Off-spec Water/ Stormwater/ Sparging Discharge Consent Replacement	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	30/10/2020	

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
Western Water Supply Strategy	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. The company that all parties agreed should carry out the work have commenced testing. This process will take two months.</p> <p>Once the testing has been completed then a second round of discussions will be held to determine the appropriate kauri dieback protocols to be adopted. 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
Westhaven - North Shore Boost Pump Station	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 Westhaven Boost Pump Station (BPS) is required to boost the North Shore 1 and 2 watermain, in order to deliver security of supply, improve transmission resilience, meet current and future peak demand, and allow additional capacity for future growth for the South-Eastern zone of the North Shore.</p> <p>An options assessment undertaken in 2018 identified the preferred site in Westhaven at the southern abutment of the Harbour Bridge in an existing open space at Curran Street. The site identified, and agreed with the landowner Panuku, is within an AUP(OP) Scheduled Site of Significance to Mana Whenua (SSMW). In October 2019, two mana whenua groups raised concern for the proposal to locate the BPS within the SSMW. Since that time, the Project team have been working to secure an alternative site outside the SSMW.</p> <p>The open space to the west of the southern landing of the harbour bridge is heavily constrained by the NZTA Northern Pathway Project, Panuku's plans for a harbour front reserve, and other existing infrastructure. Due to these constraints, Watercare have been unable to secure a suitable site outside of the SSMW. Watercare will proceed with locating the BPS within the SSMW with the support of the majority of mana whenua, and subject to cultural mitigation recommendations.</p> <p>Further discussions with Panuku have identified the preferred site to be 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>Following no objection from NZTA, preliminary design and consenting is expected to commence late 2020.</p>	PLANNING ASSESSMENT	01/03/2021	31/05/2021	

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
Whenuapai and Redhills Wastewater Scheme	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	

6. ENTERPRISE MODEL

AMP & Priorities	Programme First	Programme Delivery	40:20:20	Leadership & Governance
				

AMP & Priorities

A further review of the FY21 capital programme review is underway in order to ensure budget is not exceeded whilst maintaining focus on priority works. The review will recommend which projects have to have a change of status in order to achieve FY21 budget compliance.

Programme First

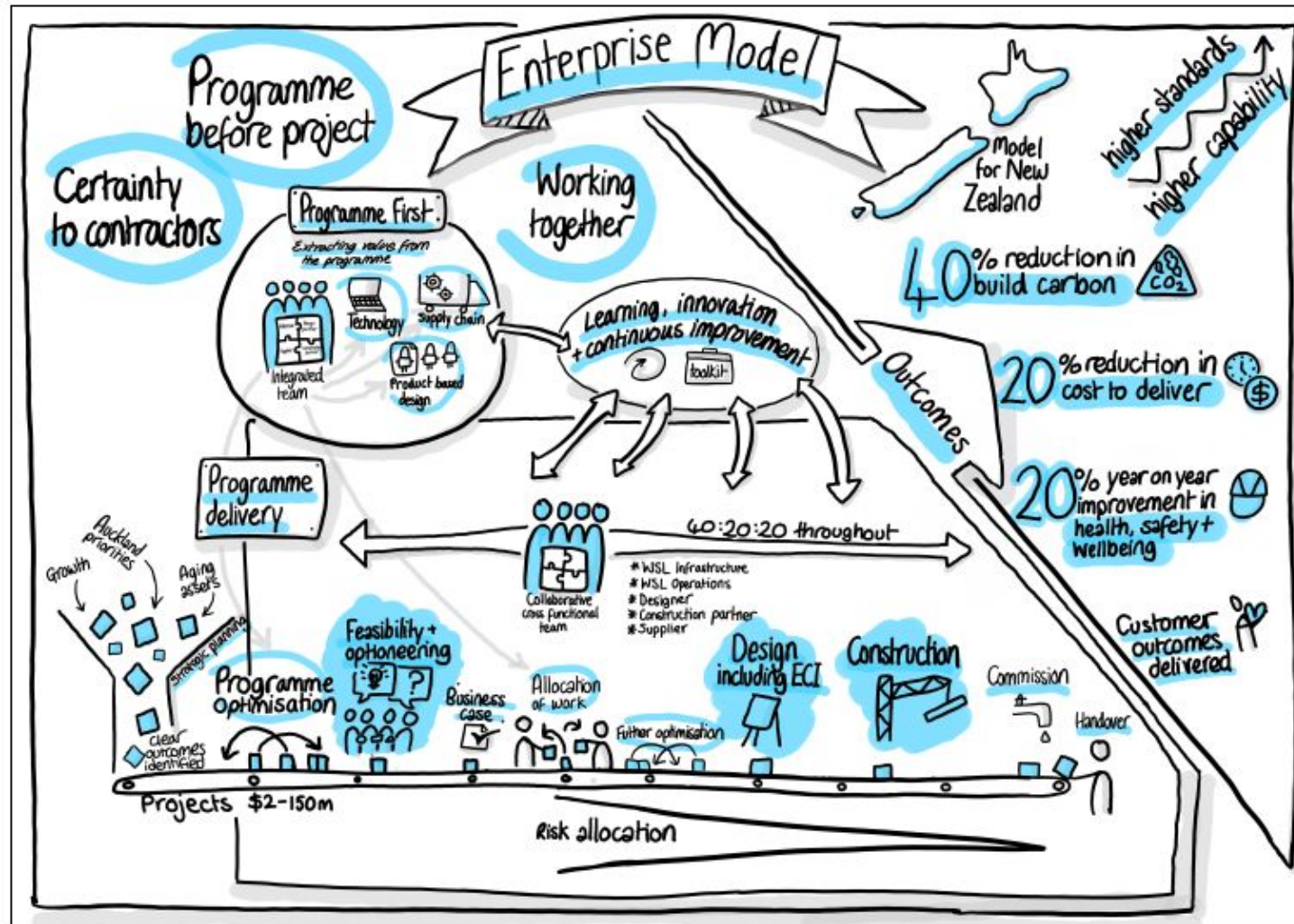
The Enterprise Model Toolkit identifies initiative areas to be rolled out and fortnightly briefings have commenced to share initiatives in-conjunction with their rollout. There is a growing number of training modules produced and available via Watercare's training platform, Immerse. The Infrastructure Planning team regularly liaises with construction and design partners in order to obtain maximum delivery benefit from the collaborative working arrangement the Enterprise Model has facilitated.

Programme Delivery

Focus continues on addressing the Auckland metropolitan area drought through the augmentation of additional supply. The Enterprise Model Construction and Design partners have both contributed to this response.

Further advancement of the Design Partner Enterprise Model Agreement with a view to continuing with the existing Professional Engineering Service Framework Agreement for the next 12 months has taken place. There has been a significant shift in the response of the design partners with respect to identifying savings and developing common solutions.

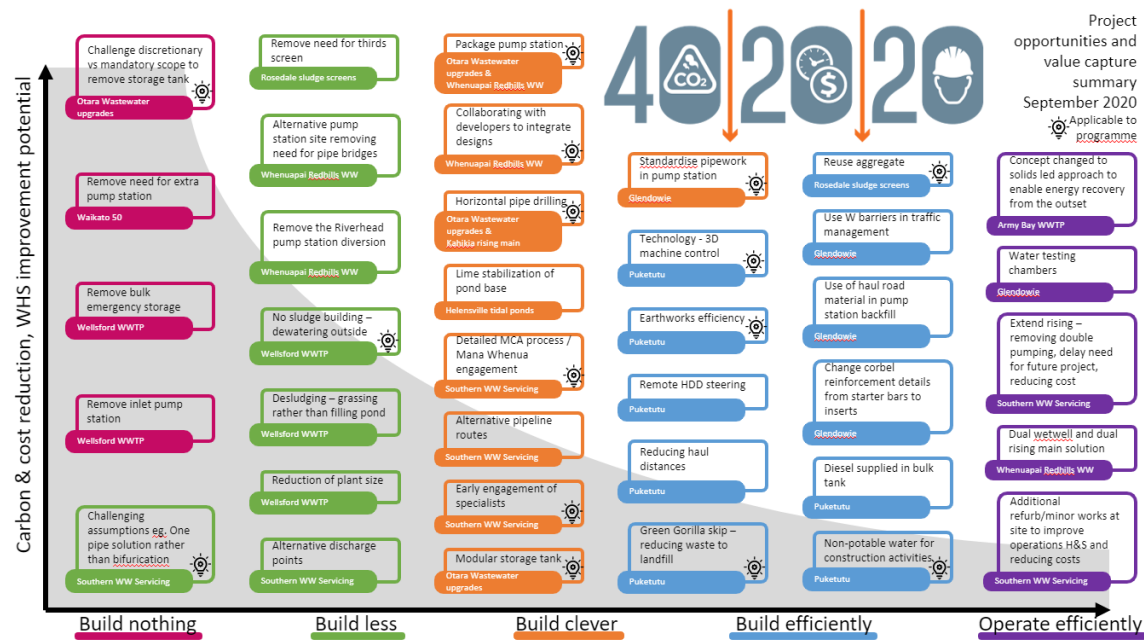
In recognition of the significance of Programme Delivery in achieving the Enterprise Model goals communications have been bolstered and a new Enterprise Model diagram has been created.



40:20:20

The number and range of initiatives continues to grow as does the associated training material. The roll out and change management process for initiative adoption is now crucial to the success of meeting the 40:20:20 targets.

The diagram below illustrates the progress made to date with achieving the 40:20:20 targets as set against the PAS2080 carbon reduction curve.



Leadership & Governance

A Programme Control Group has been established so as to further unlock the Enterprise Model potential across the partner organisations. Members include Watercare's Head of Design & Construction, Head of Service Delivery and Head of Production. External engagement, outreach and communication continues with presentations given to internal and external audiences.

Risks & Opportunities

The following risks and opportunities have been identified:

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

7. ASSETS AND INFRASTRUCTURE

- We have been working closely with our contractors following a spike in incidents and near misses associated with our critical risks in May and June this year. COVID-19 has been challenging for our people and our contractors with the lockdowns and additional health and safety protocols on our sites increasing stress. This has led to people being distracted at times from the work that they are doing and the risks they face. In order to help get people's minds back into wellbeing, health and safety and looking after each other we are launching a 'Back to Basics' campaign across all of our active Infrastructure construction projects.
- The campaign will run for 4 months from October with a different theme each month. The site teams will come up with an action, related to the theme, that they can take on site to make work safer. For example, the theme for October is Taking Care of the Gear so teams could focus on checking the test tags on equipment are up to date or doing some maintenance checks on plant.
- This campaign will help Watercare support our contractors and site teams to make our sites safer, it helps us demonstrate greater leadership and care in the wellbeing, health and safety of our people and the wider Watercare whanau. We have established an e-mail address where the site teams can send photos, ideas and videos that we can share across our contractors. We want the back to basics campaign to be fun, drive a culture of engagement and care on our projects and continue to help to reduce the number of incidents and near misses on site.

8. NATURAL ENVIRONMENT WATERCARE'S DROUGHT MANAGEMENT RESPONSE

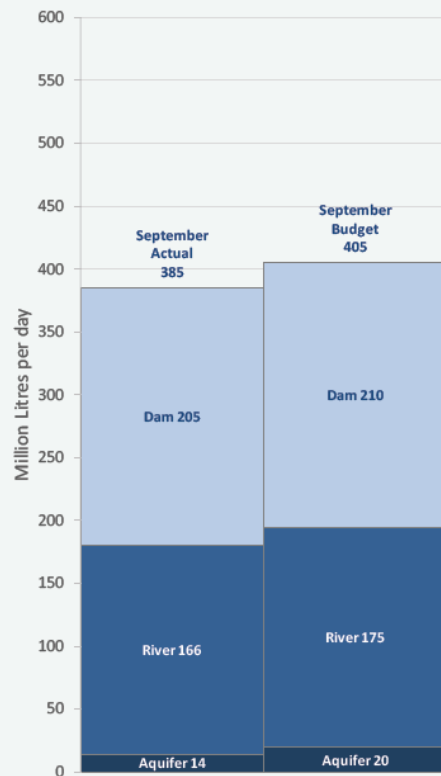
Water outlook for October 2020



Rain fall
for
September

	Waitakere	Hunua
September Actual	78.10mm	54.00mm
September Normal	153.00mm	155.00mm
Nov to Sept Actual	1246.08mm	1100.96mm
Nov to Sept Normal	1580.00mm	1574.00mm

Average daily water produced



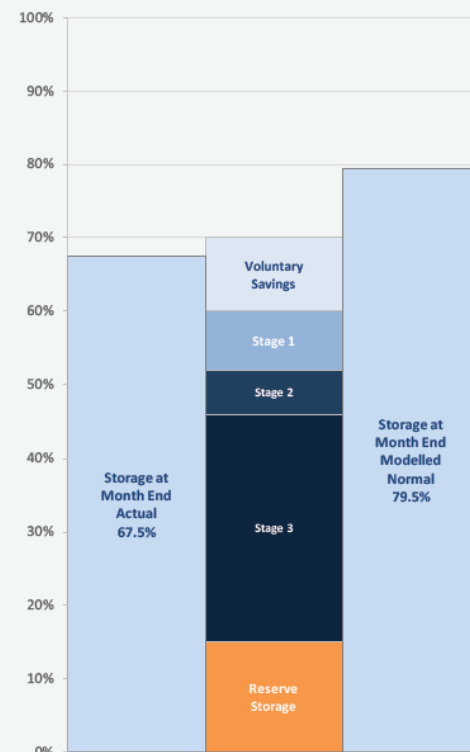
Water resources position

- Total system storage increased through September from 66.7% to finish the month at 67.5%, compared to the FY2021 budgeted storage response of 79.5% for a modelled normal response for September. Forecasting is from 1 July, the start of the FY2021.
- Rainfall for the month of September was well below normal for Auckland's catchments. The Waitakere and Hunua ranges both received 51% and 35% of their historical normal respectively. Rainfall experienced since November 2019 is still in deficit with approximately 74% of normal recorded across the region for the 11 month period.
- Storage remains below levels that would normally be experienced at this time of year (90.9%), if compared with the historical average (1981-2010). September's storage response was above that of a ten year dry (65.5%) for the period.
- Abstractions from Waikato and Onehunga continued to be optimised throughout September to reduce abstraction pressures on the storage lakes.
- Total water treatment plant production was below budgeted volumes for September, at 4.8% below budget for the month. Production for the first quarter of FY21 is now 4.2% below budgeted volumes.
- Demand throughout September raised slightly from the previous month in response to the easing of COVID lockdown levels, the drier and warmer weather, but is still below target for stage one demand restrictions.

Long range forecast position

- Rain for October has been forecast to be below normal for Auckland.
- October temperatures are likely to be above average temperatures, a trend expected to continue into spring.
- Current long term forecasts have continued to suggest a drier than normal start to spring but have again softened on the severity, suggesting a wet end to the season. There is again a potential wetter start to summer, but with a lot of variation in the forecasts received and reduced confidence in the potential summer rain.
- It is important to note that reduced short-term weather forecast accuracy has been confirmed due to the sharp drop in the number of airplane observations of temperature and wind that weather models use. It is likely that long-range models are also affected, but as yet this has not been quantified.

Total system storage



Watercare 

9. RESOURCE MANAGEMENT ACT COMPLIANCE – Auckland Council



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

	Apr	May	Jun	Jul	Aug	Sep
Number of non-compliant consents held by Watercare in Auckland¹	52	13	16	13	15	14
Number of non-compliant category 3 or 4 conditions² <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	3	1	1
Number of non-compliant category 1 or 2 conditions² <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>	36	11	14	9	12	12

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
WATER TREATMENT			
Huia Village	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. Completion delayed by July–August COVID-19 lockdown.	3 – Ongoing issue (negligible environmental impact)

RESOURCE MANAGEMENT ACT COMPLIANCE - Waikato Regional Council



September 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




	Apr	May	Jun	Jul	Aug	Sep
Number of non-compliant consents held by Watercare in Waikato¹	4	1	1	3	2	1
Number of non-compliant category 3 conditions² <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
Number of non-compliant category 1 or 2 conditions² <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>	6	1	1	3	2	1

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

10. DELEGATED AUTHORITY OF THE CHIEF EXECUTIVE

<p>For the month of September 2020, there were no documents required to be signed by the CE with the delegated authority provided to the Chief Executive by the Board in relation to deeds, instruments and other documents.</p>	<p>In September 2020, there were twelve Capex/Opex contracts, over \$100,000 approved by the CE in accordance with the delegated authority provided to the Chief Executive by the Board.</p> <ul style="list-style-type: none"> • ETEL Limited - Waikato 50 - Supply of Transformers • Lutra Limited - Potable water for outreach communities Treatment plant supply, installation supervision commissioning • Water Treatment New Zealand Limited - Filter removal, rehabilitation, supply & installation at Onehunga WTP • Filtec Limited - STPPK Papakura WTP Reinstatement - flocculation tank system for temporary plant • Guaranteed Flow Systems Limited - Kowhai Reservoir Outlet Valve Chamber Works • Asnet Technologies Limited - Watercare - Meeting Room AV & UC Fit Out • Water Supply Products Limited - Waikato 50 - Raw Water Strainers • Vector Limited - 371 Airfield Rd, Ardmore electricity supply • Counties Power Limited - 22kV Private works at Watercare's Waikato WWTP • Counties Power Limited - 22kV Capital works at Watercare's Pukekohe WWTP • Pipeline and Civil Limited - Northcote BSP Upgrade and Watermain • Brickhouse Technologies Limited - Waikato 50 - Raw Water Inlet Screens supply 	<p>In September 2020, there were four capex approvals signed in accordance with the delegated authority provided to the Chief Executive by the Board in relation to Capex approvals below a threshold of \$15million.</p> <ul style="list-style-type: none"> • Central Interceptor Public Arts — \$4,500,000 • Central Interceptor Lyon Ave Access Road - \$4,000,000 • Central Interceptor — Enhancement Budget Transfer — n/a (Transfer \$50m from Enhancement to Risk Budget) • Māngere WWTP Engine 3 Replacement — \$1,500,000
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Review of the Water Supply and Wastewater Network Bylaw 2015 – Update and Board Appointment on to Council Hearing Panel

Purpose			Team		
Information	Discussion	Approval	Prepared & Recommended	Submitted	
			Mark Bishop Principal Policy Planner Amanda Singleton Chief Customer Officer	Marlon Bridge Acting Chief Executive Officer	
Intellectual capital	People and culture	Community and stakeholder relationships	Financial capital & resources	Natural environment	Assets and Infrastructure
					

8.3

1. Recommendation and key points

That the Board receives this report and moves to appoint up to two Watercare Board members (or an ex-Board member — namely Catherine Harland — or a senior manager) to sit on the Water Supply and Wastewater Network Bylaw 2015 Review Council Hearing Panel. Legal advice has confirmed that a former Board member, or a senior manager, can be appointed.

Key points:

- Watercare is leading the review of Auckland Council's Ture ā Rohe Whakarato Wai me te Pae Kōtuitui Wai Para 2015 / Water Supply and Wastewater Network Bylaw 2015.
- The Watercare Board is requested to move to nominate up to two persons to sit on an Auckland Council Bylaw Review Hearing Panel. The Watercare Board will need to confirm that there is no conflict of interest with any nominee.
- We have been advised by our lawyers that we can nominate up to two persons to this Review Panel, one of whom can be a former Board member.
- The next steps in this review process are to gain Council's permission for the proposed amended Bylaw to go out for public consultation and to form the Bylaw Review Panel to receive feedback, deliberate, and recommend any appropriate amendments to the Auckland Council Governing Body.

2. The details

2.1 Background and Overview of Process to date

Watercare is leading the review of Auckland Council's Water Supply and Wastewater Network Bylaw 2015. This review began in October 2019 and is a requirement under the Local Government Act 2002. We are approximately half-way through this review process.

To date, we have carried out several internal workshops and interviews to assess the efficiency and effectiveness of the 2015 Bylaw. We also interviewed some of our major customers and received some legal advice. Input was also invited from the Mana Whenua Kaitiaki Forum and local boards.

As a result of this work, we presented a “Findings Report” and a “Options Report” to Auckland Council’s Regulatory Committee meetings in June and July 2020. The “Options Report” set out a series of recommended amendments that we propose to take forward. By accepting these reports, the Regulatory Committee gave us permission to continue the review process to the next stage.

The main recommended amendments are: updating the Bylaw to Auckland Council’s 2018 Bylaw format; clarifying a number of definitions; giving Council the ability to grant exemptions to water restrictions; clarifying the clause about the unauthorised taking of water; and clarifying issues around obstruction to networks.

Currently, Watercare is working to take the proposed amendments (referred to as a “Statement of Proposal”) to the Regulatory Committee on 17 November 2020. We will also request that the reviewed Bylaw — with proposed amendments — go out for public consultation. At this Regulatory Committee meeting, we will request that a Water Supply and Wastewater Networks Bylaw Review Council Hearing Panel be set up.

These requests (which will become recommendations from the Regulatory Committee) are anticipated to be passed by the Auckland Council Governing Committee at its meeting on 26 November 2020.

This Council Hearing Panel will have a chair, two bylaw panel members, and one IMSB member. This panel will deliberate on received feedback and then make recommendations to the Governing Body.

2.2 Next Steps

The Watercare Board is requested to appoint one Board member, and Management recommends former Board member Catherine Harland, to the Bylaw Review Panel. Catherine Harland, during her time as a member of the Watercare Board was chair of the Panel which reviewed the Bylaw in 2015. She also chaired the Panel which reviewed the Trade Waste Bylaw. The Watercare Board will also need to confirm that these nominees will have no conflict of interest.

It is intended that the proposed amendments to the Water Supply and Wastewater Network Bylaw 2015 go out for public consultation in March 2021. This will involve some attendances at several “Have Your Say” events and possible presentations to local boards.

Once public consultation closes, deliberations will be required on received public feedback, and a Deliberation Report will need to be produced. This report will need to be passed by the Governing Committee, likely to be around mid-2021.

Once the Auckland Council’s Governing Body accepts the recommendations contained in the Deliberation Report, the new Water Supply and Wastewater Network Bylaw 2021 will be enacted for a period of 10 years.






Board - Public Session - Directors' Corporate Governance Items

Board Planner 2020					Board Planner 2021											
		October	November	December	January	February	March	April	May/June	June/July	July	August	September	October	November	December
Meetings	Board	27-Oct 8am-2pm Followed by Board Dinner to farewell retiring board members	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-Jul	30-Aug	30-Sep	28-Oct	30-Nov	14-Dec (Teleconference)
	Audit and risk committee	27 Oct 2pm-4pm														
	Te Tangata Komiti		26 Nov 8.30-10.30am													
	AMP & Major Capex Committee		19 Nov (9.30-12pm)													
	STP Committee	TBC														
	Committee for Climate Action	13 Oct (9-11.30am)														
Events	CCO Oversight Committee meetings	27-Oct	24-Nov	8 Dec (M Devlin)												
	Community and Stakeholder Relationships					TBC: Meet the Diversity & Inclusion Committee										
	Charter reviews						AMCC Terms of Reference		A&R Charter	Committee for Climate Action Terms of Reference		Corporate Governance charter Te Tangata Charter				
	Policy reviews	Our Commitment to Health, Safety & Wellness	Fraud & Corruption Policy (2021)	Corporate Governance Charter Review	Good Employer Policy											
	Risk report due to Council	Risk report (due to Council 12 Nov) Report to Board														
	Enterprise Risk report to Board															
Governance	Compliance	Statutory compliance			Statutory compliance			Statutory compliance			Statutory compliance			Statutory compliance		
	H&S Quarterly report	Jul-Sept 20 Report				Oct-Dec 20 Report		Jan-Mar 21 Report			Apr-Jun 21 Report			Jul-Sept 21 Report		
	Shareholder interaction	Q1 quarterly report due on TBC		Q1 briefing to CCO Oversight Committee TBC												
	Site Visits	Site Visit	Site Visit													
	Board training & development		H&S Board Update	Privacy Law (once new laws are in place)		Mental Health & Wellbeing in the workplace										
	Strategic planning & Deep Dives		Deep Dive: TBA													
Business planning	Key finance and business decisions	AMP		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		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	2019/2020 SOI Results to be presented to Board at Public Meeting. Public Deputations received.		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

Report to the Board of Watercare Services Limited
Prepared for the 27 October 2020 Board meeting

Disclosure of senior executives' interests

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

9.2

1. Purpose and context

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

2. The details




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

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



Report to the Board of Watercare Services Limited
Prepared for the 27 October 2020 meeting

Directors' appointment terms, committee memberships, and meeting attendances

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

9.3

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
Julia Hoare (Deputy Chair)	1 November 2013	31 October 2020
Hinerangi Raumati-Tu'ua	1 August 2019	31 October 2022
David Thomas	1 November 2014	31 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)	*	✓		✓	
Julia Hoare (Deputy Chair)	✓			✓	
Dave Chambers		Committee Chair			
Nicola Crauford			✓	Committee Chair	✓
Brendon Green	✓		Committee Chair		Committee Chair
Hinerangi Raumati-Tu'ua	Committee Chair				
David Thomas	✓	✓			
Frances Valintine			✓	✓	✓

**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 28 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 ?? July 2020			TTC 29 January 2020	TTC 29 April 2020	Catch-up TTC 11 June 2020	TTC 29 July 2020	TTC 24 August 2020	TTC 26 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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					✓			✓	✓	✓	✓	✓		✓										✓	✓	✓	✓