

WATERCARE SERVICES LIMITED

AGENDA	BOARD MEETING	Thursday, April 29, 2021
Venue	Watercare Services, Level 3 Boardroom, 73 Remuera Road, Remuera	
Time	9:15am	

Open Public Meeting

Item	Spokesperson	Action sought at governance meeting	Supporting Material
1 Opening Karakia	Brendon Green		
2 Meeting Administration	Chair	For discussion	Verbal
3 Apologies	Chair	Record apologies	Verbal
4 Minutes of Meeting	Chair	Approval of minutes of the meeting of 30 March 2021	Minutes of the meeting of 30 March 2021
5 Disclosure of Directors' Interests	Chair	For noting	Report
6 Public Deputations	Chair	For information	Verbal
7 For information			
7.1 March 2021 Central Interceptor Report	Shayne Cunis	For information	Report
7.2 Drought Update	Mark Bourne	For information	Report & Presentation
7.3 Iwi Relationships	Richard Waiwai	For information	Report
8 For approval			
8.1 Water storage response forecast for winter 2021	Mark Bourne	For information	Report
9 For discussion			
9.1 Safety Moment	All	For sharing	Verbal
9.2 Chief Executive's Report	Jon Lamonte	For discussion	Report
9.3 Board Committee Updates	Committee Chairs	For discussion	Verbal
10 Directors' Corporate Governance Items			
10.1 Board Planner	Chair	For noting	Report
10.2 Disclosure of Senior Executives' Interests	Chair	For noting	Report
10.3 Directors' Appointment Terms and Committee Memberships and meeting attendances	Chair	For noting	Report
11 General Business	Chair	For discussion	Verbal
12 Closing Karakia	Brendon Green		Verbal

Date of next meeting	Tuesday, June 01, 2021
-----------------------------	-------------------------------

MINUTES

SUBJECT WATERCARE SERVICES LIMITED BOARD MEETING

VENUE Watercare, Level 3 Boardroom, 73 Remuera Road, Remuera

DATE 30 March 2021

TIME 8.30am

4.1

PUBLIC SESSION			
	Present: Margaret Devlin (Chair) Dave Chambers Frances Valintine Nicola Crauford Brendon Green Graham Darlow Hinerangi Raumati-Tu'ua	In Attendance: Marlon Bridge (Acting CEO) Steve Webster Amanda Singleton Rebecca Chenery David Hawkins Shayne Cunis Shane Morgan (via Teams) Mark Bourne Anin Nama Rob Fisher Jason Glennon Nigel Toms Ilze Gotelli (for item 6.6) Richard Waiwai Jodie Atkin Pinaz Pithadia Shayne Tracey (until the end of item 6.2) Chris McCarthy (until the end of item 6.2) Andrew Mercer (for item 7.1) Mike Walker (for item 7.1) Mike Chamberlin (for item 7.1) Norman Taylor (for item 7.1)	Guests: Jon Lamonte (incoming CEO, via Teams) Councillor Linda Cooper (Auckland Council Liaison Councillor) Claire Gomas (Principal Advisor, Auckland Council, via Teams) Greer Lees (Principal Advisor, infrastructure strategy, Auckland Council) Babs Lake (Principal Advisor, Environment Office at the Mayor of Auckland) Bill Bayfield (Chief Executive, Taumata Arowai, via Teams) Toby Shephard (Lead Strategist, Auckland Council)
1.	Opening Karakia Brendon Green opened the meeting with a karakia. 1.1 Meeting Administration The Chair introduced Jon Lamonte, Watercare's new CEO, and Bill Bayfield, CEO of Taumata Arowai – the Water Services Regulator. She also thanked staff for the whakatau that was held the previous day for our new director, Graham Darlow and for the dinner to recognise David Thomas' retirement from the Board. The Chair announced that Board had appointed Marlon Bridge as Deputy Chief Executive, effective from 6 April 2021.		
2.	Apologies Councillor Cooper apologised for late attendance.		
3.	Minutes of Meeting The Board resolved that the minutes of the public session of the Board meeting held on 26 February 2021 be confirmed as true and correct subject to the following change:		

	7.4 Board Committee Updates – AMP and Major Capex Committee: “A Deep Dive into fire risks in tunnelling was presented”, was changed to “A Deep Dive into preparations for tunnelling was presented”.
4.	<p>Disclosure of Directors’ Interests</p> <p>Graham Darlow advised that no conflicts of interest arose in respect of his listed interests. He also advised (following the meeting) that he has resigned from the position of PAB Member, Piritahi Auckland Civics Alliance (Kāinga Ora).</p>
5.	<p>Public Deputations</p> <p>There were no public deputations.</p>
6.	<p>For Information</p> <p>6.1 Taumata Arowai (the Water Service Regulator): Bill Bayfield, Chief Executive</p> <p>The Chair introduced Bill Bayfield and explained that he had been invited to attend the meeting to provide an overview of the ‘Brave New World’ of water regulation that is to come in New Zealand.</p> <p>Bill then provided an overview of Taumata Arowai and the challenges ahead, the first of which is to form the crown entity, Taumata Arowai, itself which will depend on the passing of the Waters Services Bill into law.</p> <p>The primary focus for Taumata Arowai will be the existing 800 major water suppliers and 400 wastewater entities.</p> <p>He said that he will need from help from Watercare as the number one water and wastewater supplier in the country. He said Watercare has a lot to offer and he will be looking to us for leadership.</p> <p>The Board asked about his views on the potential re-use of water (grey water), which is not currently possible due to existing regulations. Bill recognised that Auckland has the most intensive use of water in the country, and the drought has brought this issue to the fore. While re-use and de-salination will not initially be priorities for Taumata Arowai, he is open to discussing these options in time. He recognised that they are both well-known overseas and agreed that there is no reason not to bring them to New Zealand. It is likely that Watercare will need to do the groundwork on this.</p> <p>In response to a further question from the Board, Bill advised that he is impressed with the powers given to Taumata Arowai by the bill given that there are parts of New Zealand in which a lot needs to be done to bring water quality standards up to the required level. The World Health Organisation (WHO) standards will be used.</p> <p>Also in response to a question from the Board, he advised that regulation will initially be concerned with water and wastewater services, with stormwater regulation likely to be incorporated in a few years. A technical group is working on stormwater.</p> <p>Management asked whether there is likely to be economic regulation of the three waters services. Bill advised that the current bill does not give rise to economic regulation, but there may be a place for this in future.</p> <p>The Chair confirmed that Watercare is committed to assisting Taumata Arowai and the sector.</p> <p><i>Bill Bayfield left the meeting at the end of this item.</i></p>
7.	<p>For discussion</p> <p>7.1 Safety Moment</p> <p>Andrew Mercer and members of his team, Mike Walker (mechanical fitter), Mike Chamberlin (mechanical fitter, leading hand) and Norman Taylor (maintenance delivery north team lead), gave a presentation regarding an incident at Wairau Pump Station in February 2021 in which Mike Walker was knocked unconscious and Mike Chamberlin was the first responder.</p>

	<p>It has been standard practice to feed a long pull chain over the edge of a rail to eliminate a trip hazard that would otherwise remain if the chain were to be left trailing on the floor where staff are working. On this occasion, when Mike Walker fed the chain over the rail, it rebounded horizontally and hit him in the face, knocking him unconscious. Mike Chamberlin had left the area momentarily, and returned to find Mike Walker on the floor, unconscious and bleeding. He immediately rendered assistance as he had been trained to do, checking that Mike Walker was breathing. He then called 111 and followed the instructions given, staying with Mike until the ambulance arrived.</p> <p>He also ensured that all appropriate management staff were immediately notified. WorkSafe was notified of the incident. It declined to undertake its own investigation as it was satisfied with the investigation completed by Watercare.</p> <p>Mike Chamberlin and Norman Taylor explained the incident to Board and Management in detail.</p> <p>Andrew explained that a new method of eliminating the trip hazard has now been devised. The chain is now housed in a bucket, on a 'skateboard' (a round board, slightly larger in diameter than the bucket, on castors that allows the bucket to be moved easily).</p> <p>The Chair thanked all of those involved for their response to the incident and for attending to explain it. She confirmed with all involved that they had been provided with all of the support they required.</p>
6.	<p>For Information</p> <p>6.2 February 2021 Central Interceptor Report</p> <p>Shayne Cunis presented this report which was taken as read.</p> <p>He noted that the mood on the project is subdued as progress is not going as well as planned. He advised that to date, about three months have been lost. However, the balance of works will still be delivered, as planned, by 2025.</p> <p>Shayne said, in response to a question from the Board, that all required staff are in the country, although there are still some staff waiting to get here.</p> <p>Also in response to a question from the Board, he confirmed that no shortcuts are being taken in favour of production and there was a safety stand down the previous Friday.</p> <p>Shayne advised that lifting has been added to the risk profile, due to the recent close call in the Haycock Avenue shaft and because several big lifts are soon to be carried out.</p> <p>Shane Tracey (health and safety manager) and Chris McCarthy (lead engineer) joined Shayne to give the presentation on the crane rigging failure at Haycock Avenue, which occurred on 27 February 2021, with the sub-contractor's crane. They provided a thorough explanation of what occurred and how it occurred. Chris demonstrated how the rigging failed, using the actual wedge and socket involved.</p> <p>Of particular note, Shayne mentioned that the incident management system worked well with the Chair of the Board informed and having responded within 15 minutes of the incident.</p> <p>In response to questions from the Board, Chris explained that the components were thoroughly checked, and passed, by the required certified authority when they arrived on site. This incident is of relevance and concern to the entire industry as all checks were undertaken and the problem was missed by qualified authorities. The Ghella Abergeldie joint venture has now implemented new procedures, involving visual checks, and incentivisation to encourage contractors to rig the cranes before they go to site.</p> <p>The Board discussed the safety of the staff who were in the shaft at the time of the incident, and whether the stairwell was a sufficient safety barrier for such an event. Shayne confirmed that all three staff in the shaft were safe in the exclusion zone. However, he advised that going forward, only the dogman (the person who directs the crane when the load is out of view of the crane driver) will be in the shaft during lifts, and he or she will ascend the shaft as the load ascends.</p> <p>At the end of this presentation David Hawkins advised that the independent review of health and safety at the Ports of Auckland had just been released to the public. The principle finding of that review was that productivity had been prioritised over safety.</p>

6.3 Drought Update

Mark Bourne presented this paper and tabled the latest figures. In particular he noted:

- total system storage was 52.8%, ahead of the target of 47.3%
- the rate of daily decay was running at half the levels of last year, being 0.17% this year, as against 0.32% last year
- non-storage production, including the Waikato River, is still a focus
- 7-day rainfall was lower than normal, but 10mm had fallen since midnight in the western catchments, 5mm in the southern catchments, and 11.5mm in Hays Creek.

Mark advised that the table will be extended to include further data over the winter months.

Mark then explained the three graphs included in the report. Of particular note, he said:

- The volume of water consumed this February was substantially less than the volume we expected to be consumed, and was also substantially less than the volume consumed last year.
- 15 billion litres of water has been saved by Aucklanders since May 2020
- The new graph shows where the water storage levels would have been had Watercare not implemented the interventions that it had; lake storage would have been 20.7% less than the current level. Of this 20.7%, 11.3% of savings were made by customers (restrictions, and voluntary reductions in water use). 4% was made through enhanced leakage detection, totalling up to 5.1MLD. 5% came from new water sources.
- the water was saved incrementally, over time
- short-term water use restrictions do not make a significant difference.

It was noted that Auckland has seen significant growth with 93% of building consents issued in New Zealand, having been issued in Auckland. In spite of this significant growth, total consumption of water is now lower than it was 12 months ago.

Mark said that the domestic sector accounts for about 70% of total water consumption, and the commercial sector uses about 30%. He said the savings, though, have been reversed: about 65% of the savings have been made by our commercial customers, of which Auckland Council is our largest individual customer and is a major contributor to those savings largely through having changed its irrigation practices. Amanda Singleton said that some of the methods used by commercial customers, to save water, are now permanent changes.

The Board discussed what the messaging now needs to be and whether those savings in water can be monetised for customers. The Board also discussed what the triggers will be for the lifting of restrictions and whether it would be advisable to lift them over the winter. David Hawkins advised that his team are still actively promoting savings with the winter campaign to move to a focus on the 'water is precious' message, rather than focussing on the restrictions.

The Chair noted that the focus needs to be on the amount of available water rather than the level of the dams. She suggested that Management need to look at what the rest of this year will look like, in three-month blocks. She noted that the communications were good during the drought, but as highlighted by the Aurecon report, there is room for improvement.

The Chair requested that a paper be presented for the April Board meeting addressing the pathway for the rest of the year in respect of water restrictions, the paper is to address:

- what our pathway is;
- recommendations around timelines for any changes to water use restrictions; and
- what the triggers are for changes to restrictions, bearing in mind the agreement with Hamilton City Council for the use of the 25MLD from the Waikato River.

The Chair also requested that Amanda Singleton's team use its 'citizens' jury' to look into how well our customers understand the drought standard, and the need for restrictions so that we can engage with our customers rather simply telling them what we are doing.

It was noted that we need to give a clear signal around demand management.

Asked by the Board about the Board of Inquiry and whether it is only concerned with the current drought, Rob Fisher advised that the evidence, from the previous drought of 1993–94, shows that people can change their habits, and Aucklanders are already the most water efficient in the country. Rob noted that planning is done for peak supply, and once the drought recedes, demand naturally will increase. However, he advised that this will not be a determining factor in the Board of Inquiry's ultimate decision.

6.4 Watercare's Metropolitan Drought Standards

Mark Bourne also spoke to this report, which was taken as read.

He noted the importance of the standards and that the focus of the 1-in-100-year standard is the probability of occurrence. He explained that the drought security standard serves two purposes:

1. it establishes the likelihood that restrictions would occur; and
2. it determines the yield – or the water availability (the amount of water that can be drawn from a particular source).

As an example, Mark referred to the Lower Nihotupu Dam (Waitākere Ranges). The 1-in-100-year drought standard determines the volume of water that can be drawn from that dam over 24 months. During a 1-in-100-year drought, 24.25MLD can be drawn, whereas, in a normal year 38MLD can be drawn.

Mark explained that the hardest part of managing a drought is recognising that you are in one (it takes a number of months to recognise that we are in a drought), and then determining what level of intervention you put in place and the timing of that intervention. He noted that the graph in the paper discussed at item 6.3 above, demonstrates the advantage of going early and the benefit that time provides.

In response to a question from the Board regarding asset management, Mark explained that the timing of developing additional sources, being the primary drought response, is driven by our achievement of the 1-in-100-year drought return period standard. Mark noted that although some media criticism suggested Watercare's lack of planning caused the need for water restrictions, this is in fact simply a lack of understanding. The Board discussed the need for the public to be water literate, including understanding that, in times of drought, water restrictions are not an indication of a failure in supply, but rather are a sensible tool for managing demand.

The Board noted that it is important to understand whether the 1-in-100 standard is the right standard for the future in light of growth and climate change. Mark noted that the water strategy that is being developed by Council is likely to identify the drought standard within it.

Councillor Cooper noted that the drought standards need to be consistent with the new bylaw that is currently being re-drafted (the Water Supply and Wastewater Network Bylaw 2015) to enable water restrictions to be put in place and removed.

6.5 Iwi Relationships

Richie Waiwai presented the report which was taken as read.

Te Ahiware – Makaurau Marae: Richie noted that a lot of people from this marae work at the Māngere Wastewater Treatment plant and are grateful for the work as it has enabled them to purchase their homes in and around the village.

Richie noted that Watercare has acknowledged the relationship it has with this iwi and we have been to the marae on numerous occasions to have wānanga for staff of Watercare and of the Ghella Abergeldie JV to help them to understand the things that Māori people do as Māori.

In respect of Te Kawerau ā Maki, Richie noted that they are well known to Watercare and we have a long relationship with them. Many discussions have been had in particular with Rob Fisher, Marlon Bridge and Mark Bourne, especially around the ownership of Oruarangi Creek. Richie explained that the creek is not just a creek to this iwi; it is their identity, they are Oruarangi.

The Board asked whether we have formalised our relationship with these iwi. Richie advised that we have a basis of an MoU which has been waiting for them to agree to. He noted that both entities value kanohi ki te kanohi (face-to-face). He explained that as long as we are having discussions, we have a relationship. This understanding is held by many iwi. Richie explained that although Council had targets for MoUs (memoranda of understanding) with iwi, for Māori, it is the face-to-face relationship that is important. He said even when we come close to reaching an agreement, many iwi leaders will refuse to sign the document because they believe that they will be placing a burden on the rest of their people. But, he said, kanohi ki te kanohi is paramount for them.

Rob Fisher explained that the Oruarangi Creek was part of the settlement of the consent for the deposit of biosolids on Puketutu Island. The bed is owned by Watercare, but it is to be transferred to the tribe when it is in fit condition. Watercare has done that and a report was obtained from Tonkin and Taylor confirming the health of the creek. We were at the point of transferring it back to the tribe when the dye spill from a factory in the catchment occurred (February 2013). The river is now back to mint condition and can be handed back.

The Board then considered the amount of work, and the importance of the work, that has been done and needs to be done with iwi in respect of the Waikato 50 project, water reform, and the Auckland Council Māori Outcomes framework and the resourcing that will be required.

It was noted that Watercare needs to consider how it can be accountable for what we do around the river and other water sources that are important for mana whenua.

Marlon Bridge noted we do not have sufficient resourcing to deal with this, largely due to the complexity of what is required. He advised that he has been talking with Richie about additional resourcing.

The Board noted that it is important to have a fresh look at our relationship and how we engage with Māori and what we can do. Richie noted that the focus of the April meeting of the Mana Whenua Managers Forum is re-setting the purpose of the forum.

The Board noted the report.

6.6 Shovel Ready projects

Ilze Gotelli presented this paper. It was taken as read.

Ilze gave an overview of the paper and then took questions from the Board.

The Board asked whether, given that it is a fixed cost, any cost overruns will be at Watercare's risk. Ilze explained that where a particular project would have been fully funded by Watercare it is entirely at our cost. Some of the projects will be undertaken under a cost-share agreement (although the agreement has not yet been signed) and others will be fully funded by Kāinga Ora. The risk of overruns will be shared in accordance with the cost share agreement that attaches to the particular project. Also, the budget for each project will be managed within its bundle, however there is also the potential to shift costs across bundles where there are cost overruns. As all of the bundles are under pressure, this may not be possible. There is also an \$8million contingency across the Kāinga Ora Shovel Ready programme.

The Board confirmed that the challenges are: funding; the impact on our ability to deliver on our asset management plan; and whether we have enough people. The Chair asked whether we have enough people to deliver this work. Ilze advised that we are heavily reliant on our design and construction team and our Enterprise Model team. She said that this is creating additional pressure on top of our other projects. Steve Webster explained that a draft workforce plan for our infrastructure plan has just been completed, including the delivery of our AMP. For Kāinga Ora a separate business unit is being created that is purely focussed on Kāinga Ora because within about three years this work will be 50% of all of our development volumes.

	<p>When asked when the paper on this work will come to the Board, Marlon advised that the executive team have had initial discussions, but still need to look at what the complete picture will be, including recognising Bill Bayfield's comments, from earlier in the day, around Watercare being a likely target for new entities seeking skilled people. Marlon advised that it will be May at the earliest before the paper will be brought to the Board.</p> <p>The Board addressed Amanda Singleton, noting that this work with Kāinga Ora will be an opportunity for smart homes, with smart meters.</p> <p>Amanda advised that we are working Auckland Council and Kāinga Ora to encourage them to install water efficient fittings and to look at installing rainwater tanks. Amanda said they are looking at encouraging their customers to buy their own smart meters.</p> <p>The Board emphasised the importance of getting this work done with Kāinga Ora and looking at what can be done to encourage them.</p> <p>6.7 CCO Review Update</p> <p>Rob Fisher presented this paper which was taken as read.</p> <p>Rob noted that the relationships between CCOs and CCO Monitoring are going well. A great deal of work is being done in various parts of the project. He noted that real value is being added, especially in areas such as dealing with complaints.</p> <p>Rob advised that we have provided comment on the draft Statement of Expectation which will come to the Board for comment at the April meeting</p> <p>Another issue that all of the CCOs have raised with CCO Monitoring is how information requests between Council and CCOs are best handled. All CCOs are finding that there are multiple requests coming from different parts of the Council organisation, individual councillors, the Mayor's Office and the like. CCO Monitoring are looking at how that can be better arranged to ensure that all parties are properly informed without exhausting CCO resources.</p>
7.	<p>For discussion</p> <p>7.2 Aurecon Drought Preparedness Report</p> <p>The Chair noted that the Report has been reviewed and circulated and will be released to the media following this meeting.</p> <p>David Hawkins advised that a media release goes out every second Tuesday and this report was to be included in the release that was due to go out on the day of this meeting.</p> <p><i>The Chair confirmed that the Board approves the report.</i></p> <p><i>The Board also approved the release of the report.</i></p> <p>7.3 Acting Chief Executive's Report</p> <p>Marlon Bridge presented this report which was taken as read.</p> <p>The Board noted that HSW incidents are trending down.</p> <p>Jason Glennon advised that the HSW survey has been completed by 75% of staff to date.</p> <p>The Board queried the report under HSW regarding the sub-contractor who winched a pipe from an excavation in a manner that was not a standard method and which resulted in a compound fracture to his foot. Further work on this matter is required before a report can be made.</p> <p>The Chair noted that there is currently a lot happening in the business, and asked of Marlon, how this work will get done.</p>

	<p>Marlon, in response, advised that we have the capability, so it is a matter of prioritisation and having the flexibility to deal with the priorities as they change. He advised there are some tough decisions to be made. He said the business is under a lot of pressure, but he is confident that it is in a good space including workforce planning.</p> <p>The Board noted the good response to the tsunami warning.</p> <p>It was noted that on page 174 of the Board pack, in relation to strategic consents, there is a typographical error. The hearing regarding the Huia Water Treat Plant replacement consent will reconvene on 14 April 2021 (not 2020). Councillor Cooper asked that the Waitākere Ranges Local Board be kept informed of developments.</p> <p>7.4 Board Committee Updates</p> <p>There were no updates this month.</p>
8	<p>Directors' Corporate Governance Items</p> <p>8.1 Board Planner</p> <p>Jodie Atkin advised that a request has been sent out to Board members requesting available dates for tours of water sites and HSW tours.</p> <p>8.2 Disclosure of Senior Executives' Interests</p> <p>There were no changes to be made to the senior executives' interests.</p> <p>8.3 Directors' Appointment Terms and Committee Memberships and Meeting Attendances</p> <p>The report was noted.</p>
9	<p>General Business</p> <p>9.1 Closing karakia</p> <p>The closing karakia was performed by Richard Waiwai.</p> <p>The meeting closed at 11.15am.</p>

CERTIFIED AS A TRUE AND CORRECT RECORD

.....




Margaret Devlin, Chair

Report to the Board of Watercare Services Limited

Prepared for the 29 April 2021 meeting

5

Disclosure of Directors' interests

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

1. Purpose and context

Section 140 of the 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
Nicola Crauford	<ul style="list-style-type: none"> • Chair, GNS Science Limited • Chair, Electricity Authority • Director and Shareholder - Riposte Consulting Limited

Director	Interest
	<ul style="list-style-type: none"> • Director – CentrePort Limited Group • Trustee – Wellington Regional Stadium Trust
Brendon Green	<ul style="list-style-type: none"> • Director, Kaitiaki Advisory Limited • Director, Tainui Kawhia Incorporation • Director, Hiringa Energy Limited • Director, Peak2Peak 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
Hinerangi Raumati-Tu'ua	<ul style="list-style-type: none"> • Chair, Parininihi Ki Waitotara Incorporated • Chair – Te Rere O Kapuni Limited • 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 • Chair, 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	Interest
	<ul style="list-style-type: none"> • Director, Sandell Trustees Limited • Selection Advisor, Edmund Hillary Fellowship • Trustee, Dilworth Trust Board • Futures Advisor, BNZ Bank
Graham Darlow	<ul style="list-style-type: none"> • Business Executive, Acciona Infrastructure NZ Limited • Director and Shareholder, Brockway Consulting Limited • Chair, Frequency NZ Limited • Director, Hick Bros. Civil Construction Limited • Director, Hick Bros. Infrastructure Limited • Chair, Holmes GP Structure Limited • Director, Tainui Auckland Airport Hotel GP (No.2) Limited • Director, City Care Limited • Director, Hick Bros. Heavy Haulage Limited • Director, Hick Bros. Holdings Limited

Report to the Board of Watercare Services Limited

Prepared for the 29 April 2021 Board meeting

Central Interceptor report for March 2021

Highlights and lowlights

- There were two Lost Time Injuries reported in the month due to falling from height. Neither of the injuries were serious. These are discussed in more detail in Section 3.
- Shaft lining has continued at Māngere Pump Station, with the inlet shaft 40% complete and the main pump station 36% complete. The GAJV is getting consistent production rates for this activity.
- Two of the four electric locomotives for the main Tunnel Boring Machine (TBM) have been delivered to site, with the remaining units due in April.
- May Road Shaft A has now reached the invert of Link Sewer C at a depth of 52.4m below ground level. Excavation to accommodate the base slab has been completed and foundation works for the gantry crane and noise shed have also commenced. The GAJV remains on target to start tunnelling from this site in late May.
- Confluence chamber planning works are progressing well with 3D modelling now completed and options for staging works being developed in consultation with the Operations team.
- Commercial discussions continue with the Contractor regarding Electric Trucks to move spoil from the project. Current proposal is to have three (3) trucks in place. The GAJV is submitting a funding request to the Energy Efficiency & Conservation Authority (EECA) low-emission fund, to support this initiative.

Future outlook

- The Gantry Cranes for the main tunnel and remaining TBM launch equipment are due to arrive in April.
- Odour Bed reinstatement project at Māngere Wastewater Treatment Plant due to start in earnest in April.
- 11kv power ducting works at Māngere due for completion at the end of April.
- Roma Road access bridge is due to be completed in April, opening access into the May Road site.
- Several community and school events are planned for April including truck safety programme, skink release event and discovery centre visit at Hillsborough Primary School.



Shayne Cunis

Executive Programme Director, Central Interceptor

7.1

1. PROJECT SUMMARY



HEALTH, SAFETY & WELLBEING

Close Calls – Piling Works:

- A two tonne vibro-hammer and section of sheet pile detached from the excavator at the rising main site and fell into the designated exclusion zone. The heavy-duty pin connecting the hammer to the excavator had sheared off.
- At the Keith Hay Park site a pile casing fell into a designated exclusion zone. It was found that the shackle connecting the casing to the excavator's vibro-hammer had disconnected.
- These events reinforced the need for a safe system of work where exclusion zones are established and strictly enforced. As this is how we are operating, there were no injuries that arose from these events.

Micro TBM (MTBM) Emergency Drills:

- In preparation for micro tunnelling commencing, two emergency drill exercises were completed. The first was to test the effectiveness of using the hyperbaric chamber at the rear of the MTBM as a refuge. The second was to practice stretcher egress from the tunnel past a derailed locomotive. Both drills were successful and are an essential component in preparing for tunnelling operations.

Cameras on cranes:

- Two new crane cameras were delivered to the project this month. These cameras are unique in that they attach to the hook block of the crane giving the operator a bird's eye view. They are of particular use when conducting lifts in and out of deep shafts (blind lifts). Cameras add an extra layer of safety and efficiency. Both hook and fixed shaft cameras are now being trialled on the project, and early feedback is overwhelmingly positive.

DELIVERY

Māngere Pump Station:

- Shaft dewatering remains ongoing and unchanged with no evidence of environmental impact.
- Permanent walls continue to be installed in the inlet shaft (14m) and the pump station shaft (14m).
- Installation of the rising main continues, with works to cross the effluent channel and odour beds continuing.
- Assembly of the TBM continues.

May Road:

- Shaft A excavation has reached the level where the MTBM will be launched and preparation for the base slab and tunnel eye installation are in progress. The bell-out of the base of the shaft for MTBM operations has continued.

Keith Hay Park:

- Construction of the Branch 9B diversion chamber is ongoing. Soft ground conditions have been encountered which will lead to a GAJV claim.

Haycock Avenue:

- Excavation of the shaft has continued and has reached a depth of 22.3m below ground level.

Dundale Avenue:

- Capping beam construction has been completed.
- Preparations for shaft excavation have commenced.

Miranda Reserve:

- Construction works have ceased and will recommence by the end of June 2021.

Walmsley Park:

- Site establishment activities have been substantially completed.

PEOPLE

- A review of the Central Interceptor delivery team's succession plans were conducted. These plans are regularly reviewed to ensure that appropriate cover for critical roles has been identified. The review confirmed that all critical roles have both an emergency cover and a successor identified as being ready within the next 12 months.
- People leaders attended a half-day leadership workshop – Leading the Watercare Way. This is the first in a series of workshops aimed at increasing the leadership capabilities of our people leaders.

RISKS

- Section 5 provides greater detail on the current risks. There have been no significant risk developments during the month of March.
- Preparations to commence tunnelling continues with heightened focus on tunnelling associated risks and management through joint planning.
- Resourcing issues due to offshore travel restrictions and significant local competition in the labour market continue to present risks and challenges to the project.
- Occurrence of 'black swan' events highlights the need for the project to carry an adequate level of contingency funding to manage the risk of 'unknown unknowns'.

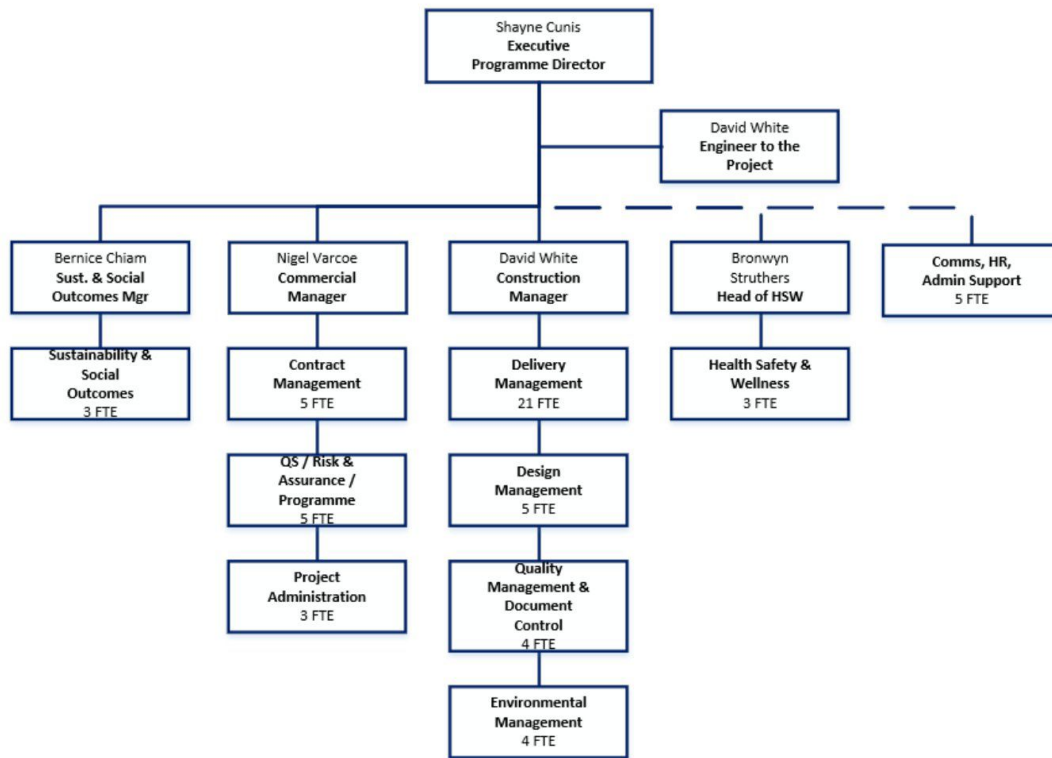
CONSENTS & APPROVALS

- Lease negotiations for 105 May Road continue and are now expected to conclude in April. Issues outstanding include stormwater pond re-modelling to be completed to incorporate future landowner development options and a right of way easement redesign.

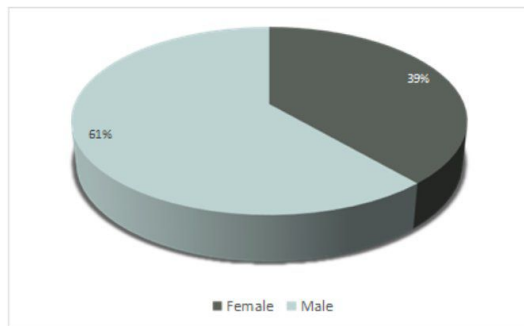
STAKEHOLDER & COMMUNICATIONS

- The Discovery Centre (which is a seven-metre-long trailer featuring virtual reality and augmented reality experiences) attended public events during the month including:
 - 'Meet the Contractor' event for Pump Station 23 where we met with 70 local residents.
 - Watercare's 'Eye on Nature' event in South Auckland where we enthralled 400 school children.
 - Mt Roskill's CultureFest along with other Auckland Council departments.
- Support was provided to the GAJV's engagement with Glenavon Primary School, which involved developing artwork with five art classes for the hoardings around our two sites in nearby Miranda Reserve (GAJV also delivered 400 gelato ice-creams to the school to say thank you).
- Continued stakeholder engagement and communications to local residents for work at PS23 in Hillsborough and related projects to prepare the site for connections to existing networks. This included mail-dropping some 366 copies of the first local bulletin and 115 letters on the future traffic management plan.
- Scoped out the stakeholder engagement strategy and target audiences for each construction site's the Open Space Restoration Plan.

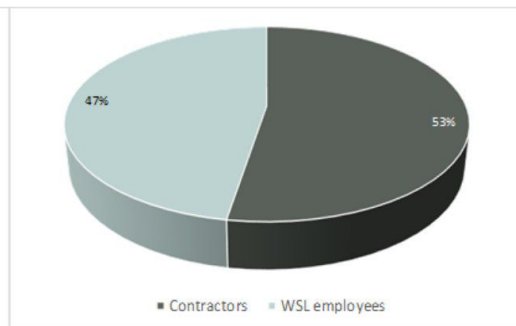
2. ORGANISATION STRUCTURE



Gender balance



Workforce split



3. Health, Safety & Wellbeing

Watercare, its partners and the GAJV worked a total of 73,703 hours in March 2021. The rolling Lost Time Injury Frequency Rate (12 monthly) (LTIFR) is 3.56 and the Total Recordable Injury Frequency Rate (TRIFR) is 5.93 per million hours

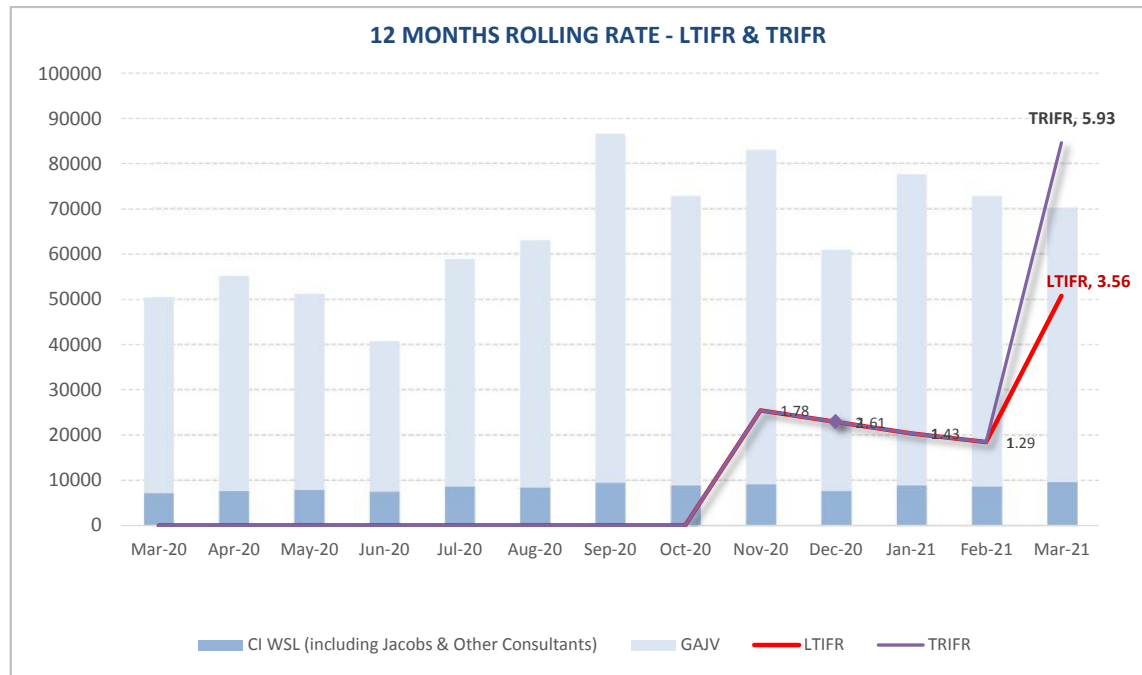


Figure 1: H&S Statistics (12 months rolling rate)

GAJV reported a total of two lost time injuries, two medical treatment injuries, seven first aid, three minor property damages and nine close calls during this period.

Lost Time Injury (Contractor-GAJV)

- On 22 March 2021, a worker fell from approximately 3 metres height whilst climbing an access ladder. As the worker was climbing, his head contacted a bracing tube, and as a result he lost his balance and fell backwards. He landed on his back which resulted in trauma and pain. He was given two days leave from work. The worker returned to his normal duties on 25 March 2021.
- The second LTI was reported on 29 March 2021. A concrete truck driver fell approximately 1 metre which resulted in a chest contusion. The worker was standing on the ladder of the truck and while he was pushing the mix down the chute he lost balance and fell onto an excavator bucket, landing on the left side of his torso. He was given two days leave from work.

High Potential Close Calls (Contractor-GAJV)

- An anchor bolt, part of the jump formwork, failed in the pump station shaft. This occurred during a concrete pour. The pour was halted while the formwork was safely secured. No injury or concrete leak was reported.
- A two-tonne hammer attached to the excavator at the rising main site fell into the exclusion zone after the rotor sheared (the rotor is the connection bolt between vibro hammer and the excavator's attachment), resulting in the hammer attachment and sheet pile falling to the ground below.

- A lifting operation was suspended at Māngere Pump Station after observing the crane operating beyond the safe working load. It was noted that the crew were using a wrong lifting chart to prepare the lift plan, and the crane was operating beyond the lift radius agreed in the lift plan.
- A pile case attached to the vibro-hammer fell down in the exclusion zone at the Keith Hay Park site. The operator released the jaw, the case fell down sideways as the shackle attached the case to a secondary sling was dislodged. The safety pin was not split appropriately on the shackle pin and over a period of time the pin had dislodged due to excessive vibration.
- A 16 mm rebar (600mm long) fell 15 metres to the shaft floor at Māngere Pump Station from an elevated temporary working platform. The gaps in the jump-form deck had not been closed with plywood panels.

	Hours Worked*	FAI	MTI	LTI	Close Call	PD	RO	NI
Watercare Employees	5,086	0	0	0	0	0	0	0
Jacobs Construction Management	2,435	0	0	0	0	0	0	0
Other Consultants*	2,056	0	0	0	0	0	0	0
Ghella Abergeldie JV	60,654	7	2	2	9	3	0	0
Total	70,231	7	2	2	9	3	0	0

*Includes Jacobs Design Support and Grey Lynn Tunnel (79% of hours worked)

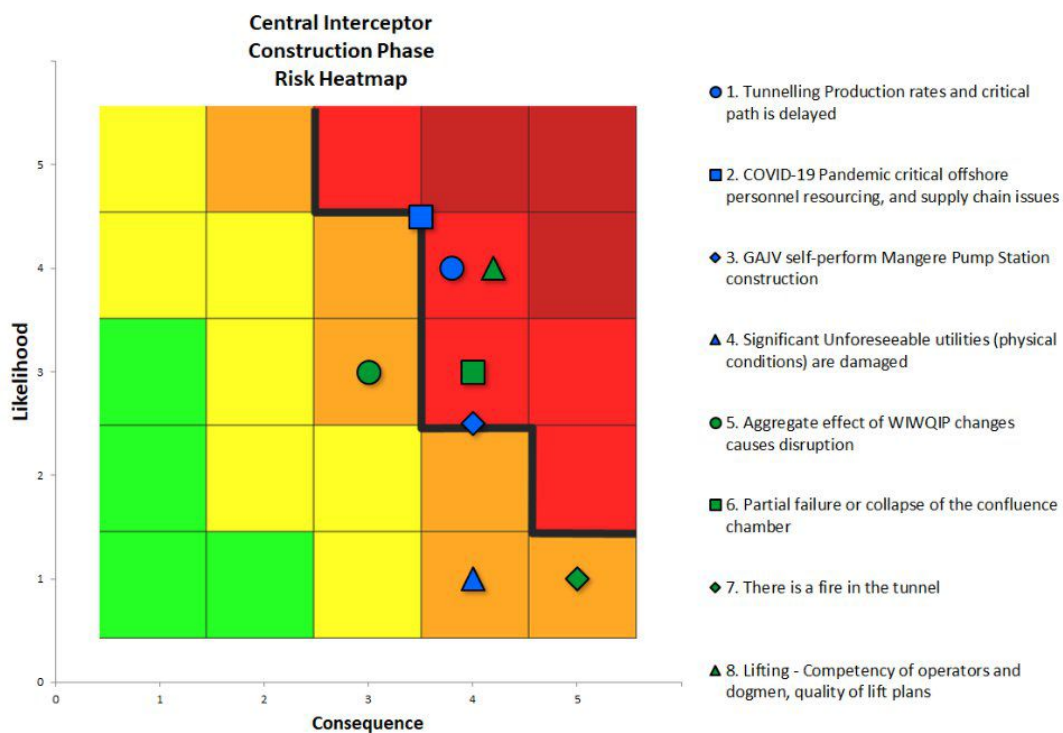
Classification	Description
First Aid Incident (FAI)	Refers to any injury that can be treated on the job site without causing lost workdays. Treatment for first aid incidents includes cleaning minor cuts, scrapes or scratches, treating a minor burn, applying bandages or dressings, cold compress, cold 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

















4. Risks

As preparation for tunnelling commencement continues the project risk profile has reached an equilibrium, and there have been no significant movements in any of the existing risks over the month. A heightened focus on tunnelling associated risks continues, with workshops and planning with GAJV to continue managing these risks appropriately.

Resourcing issues due to offshore travel restrictions and significant local competition in the labour market continue to present risks and challenges to the project.

While Covid-19 has already impacted international supply chains, March saw the emergence of another 'black swan' event with the Suez Canal blockage which caused further disruption to global supply chains. While the impact of this particular event to the project is likely to be minimal, it nonetheless highlights the need for the project to carry an adequate level of contingency funding to manage the risk of 'unknown unknowns'.



Risk Description		Risk Reduction Actions
Tunnelling production rates and critical path is delayed Ground conditions are more adverse than baselined in Geotechnical Baseline Report 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. GAJV have recruited a number of local resources for critical roles. Close monitoring of supply chain impacts due to Covid-19 incl. engagement with suppliers.
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. The GAJV presented their delivery plan, but it had significant areas of concern. At this time, we have not approved and highlighted that any delays in delivery are, in our view, a result of the contractor's performance.
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.
Aggregate effect of WIWQIP changes causes disruption Sum of WIWQIP changes impacts GAJV scheme procurement activities. Limited internal WSL resource availability to manage additional workload causes delays.	 	Change management process in place. Considering all viable options for delivery of WIWQIP work, and impact of timeframe for delivery of works without impacting CI performance warranties. Jacobs resourcing available to support CI team members.
There is a fire in the tunnel Construction with pre-installed liner, some incident e.g. electrical fire causes the lining to catch fire. Fire in the tunnel impedes evacuation and rescue operations.	  	Tunnel management controls around ignition sources. Electric locomotive to reduce flammable risk. Detection and suppression systems. PHMPs being agreed with Worksafe. Early contractor engagement with mines rescue. AME system - real-time personnel tracking. Limiting visitor and personnel access to essential only.
Partial failure or collapse of the confluence chamber A lack of understanding/underestimation/inaccurate assessment of the existing asset condition. The Contractor's methodology is unsuitable, or a deviation from the approved approach.	  	Provisional Sums removes cost pressure for condition survey and investigation to provide the most appropriate solution. Work will proceed on least risk option. Shutdown works to be programmed for dry season/periods of low flow. Workshop between contractor, designers, and treatment plant to identify the most appropriate solution.
Lifting Suspended loads pose a risk of being dropped and causing injuries to staff.		Competent operators and dogmen, operating with high quality lift plans. Establishment of critical rules, with a specific rule to eliminate workers under suspended loads.

5. Photo Update – March 2021



MPS – Locomotives for the main tunnel have arrived onsite



MPS – Inlet shaft, installation of reinforcing steel for permanent wall construction



Keith Hay Park – Support of Branch 9A sewer for construction of diversion chamber



Haycock Ave – Shaft excavation progress



May Road – Shaft A and MTBM assembly

6. Construction Programme

When is the Central Interceptor being built?



Central Interceptor
Watercare

Report to the Board of Watercare Services Limited

Prepared for the 29 April 2021 Board meeting



Augmentation and non-revenue water status update for 21 April 2021 have been covered in below tables. Up to date storage and forecast figures will be provided during the Board meeting.

AUGMENTATION STATUS UPDATE – TO 21 APRIL 2021

Location	Pukekohe Bore Capex Approved	Hays Creek dam in Papakura Capex Approved	Waitākere Water Treatment Plant Capex Approved
On track			
Action	Bringing this bore back into service by setting up modular Water Treatment Plant and local network connections.	Bring this dam back to service by setting up modular Water Treatment Plant and local network connections.	Maximising abstractions.
Additional supply and date that supply comes online	Production outcome of 5MLD has been achieved. WTP has been performing extremely well, consistently producing ~5MLD Phase 2 works are underway, targeting handover by May 2021.	Yield = 8MLD Daily Peak = 12MLD Stage 1 = 5MLD in Service from 5 February Stage 2 = 12MLD Commissioning due December 2021.	Peak = Restore peak production capacity from 16 to 24MLD ETA: 24MLD August 2021.
Action underway	Phase 2 works are underway: <ul style="list-style-type: none"> Completion of mechanical and electrical installation works Control System enhancements Installation of fluoride dosing systems – has been delayed until 4 May, due to complexities associated with the current good practice guidance and process control requirements. 	<ul style="list-style-type: none"> Work on Stage 2 is in flight: <ul style="list-style-type: none"> Permanent plant platform retaining, and preparation works are nearing completion Procurement and delivery of four main process supply packages in train. Clarification, Membrane and Activated Carbon Filtration packages construction are nearing completion. UV-AOP Package contract to be confirmed before 21 April 2021 Technology and project delivery optimisation ongoing – focused on reducing costs, while delivering desired outcome Planning for the relocation of equipment from the temporary plant location has commenced Papakura No.1 Dominion Road Enhancements to commence following award of contract. 	<ul style="list-style-type: none"> Working through confirmation of design improvements and methodologies Filter design review report received The design of the sludge management system is underway.

7.2

Location	Waikato Water Treatment Plant (existing plant)	Ardmore Water Treatment Plant Awaiting Capex Approval	Onehunga Water Treatment Plant Capex approved
On track			
Action	Maximising abstraction.	Reduce minimum flow to reduce abstraction pressure on dams.	Maximising abstractions.
Additional supply and date that supply comes online	Since August 2020 Waikato WTP now operates at a maximum production capacity of 175MLD, up from the previous 150MLD. Further work is underway to increase production resilience.	Reduction of Water Treatment Plant output to allow enhanced conjunctive use of other water sources underway. Completed in December 2020. Long term improvements: TBC – Whole of System Operational Validation Required.	Maximise production from the existing Water Treatment Plant Restore Maximum Production Capacity up to 24MLD Stage 1: 22MLD completed January 2021 Stage 2: 24MLD by May 2021.
Action underway	Waikato Chemical Upgrade is progressing on site with blower improvements and Hypo and Lime facility construction. This will further improve the reliability and sustainability of the 175MLD production. New hypo system structures and tanks are in place. High Voltage (HV) works progressed. Mechanical fitout progressed and hypo generators delivered.	Planning has commenced to transition to a minimum of 80MLD. Current minimum set point has reduced from 120MLD to 100MLD. Reduction to 80MLD is expected to occur late April, subject to demand variation.	<ul style="list-style-type: none"> • Stage 1 has been completed but due to dry conditions the aquifer level is low and plant operation is limited by aquifer level control which reduces production to 16MLD • Stage 2 is underway • Filters 5, 6 and 3 are being refurbished • A new treated water pump has been procured • The fabrications of the new piping for Pearce St PS is well underway.

Location	Waikato 50 Capex approved
On track	
Action	Design, consent and build new plant to process the additional water available under the seasonal take and the 2013 application when granted – Waikato A Capex needs development.
Additional supply and date that supply comes online	Stage 1 = 50MLD by June 2021.
Action underway	<ul style="list-style-type: none"> For stage 1 - Project and commissioning team consisting of Watercare staff, supplier, designer and contractor is working together with a co-located office on site. Typically, over 300 contractors on site. Still 1-2 staff working on some final design elements with detailed design substantially complete. BOI 150MLD consent application lodged, public submissions have now closed. Boost pump station construction progressed on schedule, pumps and motors installed, precast building construction progressed, major pipework spools and valves all installed, all consents obtained and good progress on electrical and HV works. Commissioning started. Waikato 50 expansion on schedule for 50MLD by 29 June 2021. There remains a small schedule risk associated with equipment supply as a result of Covid-19 and subsequent delays in global supply chains. Floating intake pump station piling complete and pump station floated into final position. First commissioning inspection and test plans complete. Three gangways for access from land and pipes, cables installed and electrical works commenced after containerised substation and transformers were landed near the existing raw water pump station. Mechanical works complete and electrical works progressing. Risks reviewed on a fortnightly basis - mainly congested site, coordination between construction and commissioning, Covid-19 delays and impact on existing plant. Long lead items procurement delivery monitored closely with minor delays so far and most equipment on site now. Iwi weekly update hui arranged. Treated water pump station piling and foundation slab complete and lower precast walls complete, HV room progressed, Waikato 50 treatment plant. underground pipework and slab complete, package switchroom on site and electrical works progressing well with power on 12 April. Granular Activated Carbon (GAC) and membrane tanks installed together with pipe racks and secondary treatment facility. Mechanical major pipework has been completed and small bore have progressed working 24/6. Compressed air commissioned, site flushing started in preparation for membrane installation. Waikato 50 raw water pipeline works progressed on site and HDPE pipe welding and pipe install completed, flow meter installed. Major tie-in work completed successfully at both the boost pump station and Waikato WTP sites.

NON-REVENUE WATER STATUS UPDATE – TO 21 APRIL 2021

Activity	Creating smaller District Metered Areas and Pressure Management
On track	
Action	<p>65% of the City with District Meter Area's less than 10,000 connections installing meters and valves to create geographical areas in which we can measure:</p> <ul style="list-style-type: none"> • Supply • Consumption • Non-revenue water.
Actions Underway	<p>Stage 1 Waitākere:</p> <ul style="list-style-type: none"> • Rezoned from 6 to 24 DMAs by August 2020 (95% completed - delay due to shutdown scheduling conflict at one site). <p>Stage 2 Maungakiekie:</p> <ul style="list-style-type: none"> • Rezoned from 1 to 4 DMAs (40% completed -traffic plans application sent to AT) • Design is 95% complete, construction is 70% complete • New change request has been finalised and approved. New completion date is June 2021 • Total 18 sites (these are sites where valves, meters and PRV's are being installed to create the watertight boundaries of the 4 zones being created): 8 completed, 8 currently under construction, 1 under design review, 2 awaiting TMP approval from AT. One PRV installation was removed from scope as it would adversely affect several key customers. One of the 4 new DMAs (Sylvia Park zone) will therefore not be pressure managed but will still function as a DMA. The pressure management of this zone will be integrated into Tranche 2 of the pressure management works. • A pipe was recently found connecting two zones at two different locations during the installation of valves. These pipes will likely need to have valves installed to create DMAs resulting in a change request. The project team is meeting on Thursday to discuss the change request. Works are currently being priced. <p>Stage 3 to be integrated with pressure management programme Tranche 2</p> <ul style="list-style-type: none"> • Scoping of the next tranche of 30 DMA's has commenced in Māngere and Torbay. Preliminary investigative work is underway • Internal scoping and design have begun of Māngere bridge zone boundary, and Lincoln-Swanson sub-zone • Following this a subject to funding a business case to establish the 30 DMAs will be put forward for FY20-21. The capex will be completed by June 2021. This will allow pressure reduction in almost 20% of the city's metropolitan network (by volume).
Estimated Benefits	<ul style="list-style-type: none"> • The creation of DMAs is an enabler to maximise the efficiency of pressure management and leakage control • DMAs enable the benefits of all NRW initiatives to be monitored and tracked.
Future Expenditure for both pressure management & creating smaller DMAs	<p>Total 8.6MLD savings estimated from tranche 2 expected to commence in FY22 following a business case approval. Expected to be completed in FY23</p> <ul style="list-style-type: none"> • Opex: \$1.4M • Capex: \$10.0M.

7.2

Activity	Leakage Control
On track	
Action	Increase ground surveying of leak detection to 6,000km a year. Contractor has been appointed. Fix all moderate to major leaks detected within 5 days.
Actions Underway	<p>Zones currently in progress</p> <ul style="list-style-type: none"> • Riverhead 36km (completed) • Konini 259km (50% completed) • New Lynn 150km (50% completed) • Khyber 187km (80% completed) • Hill Park 65km (10% completed) • Howick (50% completed) • Total km surveyed to date: approx. 3900 • Total leaks found: 2926 • Total MLD confirmed saved: 6.41MLD • Zones completed (Maungakiekie, New Lynn, Ōtara, Clarks Beach, Green Bay, CBD, Onehunga, Ōtāhuhu, Northcote, Devonport, Pakuranga, Bombay, Pukekohe, Māngere, Waiuku, Mangawhau, Montana, Duke Street, Hillsborough, and Flatbush, Owairaka, Crownhill, Wiri, Pukekohe Kitchener).
Estimated Benefits	<p>Total: 6000km surveyed and 8.9MLD saved by June 2021 (Opex funding of \$780K budgeted and approved). Based on progress to date and projected savings of the remaining zones, it is expected that the programme will achieve 8.9MLD savings by end of June 2021 (93% of original target of 9.6 MLD) due to less savings being achieved than projected in each of the zones completed to date. Note: these savings are realised under the basis of:</p> <ul style="list-style-type: none"> • All leaks detected can be fixed within 5 days of reporting • A renewals program is overlaid alongside the leak detection works and is in its design life. This is evident in Maungakiekie where a second sweep of the zone revealed that over 130 new underground leaks had occurred within 6 months period • Estimated of 1.6MLD saved every 1000km. This is a conservative estimate based on 75% of the savings achieved throughout FY19 of: <ul style="list-style-type: none"> ○ 394km swept in Maungakiekie – (1MLD predicted savings) ○ 260km swept in Māngere Airport – (0.4MLD predicted savings) ○ It should be noted that this is the pure savings as determined by our contractors. There is a commensurate natural rate of rise of 5.6MLD in real losses every year (based on trends observed over FY18-19).
Future Expenditure	<ul style="list-style-type: none"> • For the financial year 2021/2022 an estimated savings of 9MLD is achieved from leak detection. This requires an opex investment of \$800k and surveying approximately 6000km of water mains. • To limit the natural rate of rise, a renewals programme of approximately \$60M/year is required. However, in the revised AMP an average of \$20M/year has been allocated over the next 5 years. • Our modelling indicates that a renewals investment of \$60M/year, replacing approximately 170km, would achieve a further savings of 4MLD.

Activity	Meter Replacements
On track	
Action	<p>Improve accuracy of customer meters by replacing per year:</p> <ul style="list-style-type: none"> 30,000 domestics <p>NOTE: This work will decrease the volume of water consumed-unbilled.</p>
Actions Underway	<ul style="list-style-type: none"> Work started in July 2020 and ongoing throughout FY21. 24,137 domestic meters replaced YTD, progress will be reported on the first week of every month. Meter stock is low, but more are expected to be delivered by May. 2000 smart meter loggers targeting key commercial customers and schools are being installed by August 2021. 200 logger installations completed. The contractor has employed additional staff to meet the target.
Estimated Benefits	<p>Benefits are \$3.6M per annum additional revenue based on:</p> <ul style="list-style-type: none"> 8% revenue gain in domestic meters 6% revenue gain in non-domestic meters 460 l/d average consumption of domestic meters 22,000 l/d average consumption of non-domestic meters Value of water sold: \$4.36 per 1KL.
Future Expenditure	<p>\$1.2M annually in additional water and wastewater charges which requires:</p> <ul style="list-style-type: none"> Capex: \$6.75M (Meter replacement capex).

7.2

Activity	Unauthorised use
On track	
Action	<p>Meter fire connections in specified properties to monitor for unauthorised use.</p> <p>NOTE: This work will decrease the volume of water consumed but unbilled.</p>
Actions Underway	<p>Property fire supply is being monitored to determine if unauthorised use is occurring. All six sites now installed.</p> <p>A West Auckland shopping centre has shown a pattern of constant use through their fire main. The sensor used is a new technology which is based around temperature change (when water flows from the main into the private network it will decrease the temperature). Site audit was undertaken on 9 February. Unrecorded meter located and inspected. A backflow investigation was done on 26 February and it is suspected that the customer sub meters within the shopping complex may have been installed on the meter. A full shutdown of the shopping centre to confirm the matter was scheduled for week of the 19 April.</p> <p>Potential unauthorised cases are reported to the Revenue Assurance team, they also conduct weekly audits at greenfield sites to identify additional unauthorised use from the water network. Alongside managing unauthorised use of wastewater, the Revenue Assurance team have managed the following cases for FY21 YTD:</p> <ul style="list-style-type: none"> Investigation of 275 unauthorised water use reports of which 154 reports have been confirmed, 42 are pending investigation, 70 cases confirmed as authorised 85 of the confirmed cases have had the connection disconnected or a meter installed, and all costs to resolve have been invoiced The remaining 111 cases are in progress 65 of these confirmed cases were found in February. <p>Prosecution update: Late last year charges were filed against a company under the Health Act and Water Supply and Wastewater Network Bylaw. This matter is currently being considered by the court. No updates since our last report. A "Case Review Conference" is scheduled for April 2021.</p>
Estimated Benefits	<ul style="list-style-type: none"> Benefits will be determined post trial.
Future Expenditure	<ul style="list-style-type: none"> Increased expenditure depending on trial results Unit costs to be determined at the end of trial.

Report to the Board of Watercare Services Limited

Prepared for the 29 April 2021 Board meeting

Iwi Relationships Report for April 2021

Ngāti Paoa Iwi Trust

Paoa ki uta, Paoa ki tai, Paoa ki tua

General Background

The story of Ngāti Paoa has its origins in Tainui history.

About the 1600s Paoa left his wife Tauhakari and their children Koura, Toawhana and Toapoto at his village at Kaitōtehe, on the west bank of the Waikato River near Taupiri. He went to Hauraki and married Tukutuku the great granddaughter of Marutūahu. Over time the descendants of Paoa formed numerous subtribes that dominated the western shores of Tīkapa Moana o Hauraki, the Hauraki Plains and Piako River area from Kerepēhi to Tahuna, Te Hoe o Tainui, Patetonga, Waitakaruru. Pukorokoro, Hauarahi, Kaiaua, Whakatiwai, Hunua, Orere and Clevedon.

As hapu of Ngati Paoa took shape they built huge waka taua and extended their footprint to the Tāmaki River – Te Wai o Tāiki, Kohimarama, Waitemata, Te Haukapua and Kiritai on the North Shore. From their many pa, Ngati Paoa moved throughout the islands of Waiheke, Ponui, Rataroa, Pakatoa and the wider Gulf.

Having once occupied some of the most strategic land holdings in the Auckland, northern and eastern Waikato, and western Hauraki regions, Ngāti Paoa were forced to seek refuge amongst kinsmen in the Waikato hinterland following the invasion by northern tribes in 1821.

Today the tribal centres are based around three marae: Wharekawa Marae at Kaiaua by the western shores of Tīkapa Moana; Makomako Marae at Pukorokoro near Miranda; and inland at Waiti Marae, Tahuna.

Chair Glenn Tupuhi

Deputy Chair Tania Tarawa

Ngāti Pāoa Iwi Trust signed their \$23.5m Deed of Settlement with the Crown on 20 March 2021 at Wharekawa Marae.

Commercial Subsidiaries

Ngāti Paoa Group Investments and Ngāti Paoa Group Holdings are 100% wholly owned by the Ngāti Paoa Iwi Trust. They are designated for holding all commercial redress assets from Ngāti Paoa's Treaty settlements.

Their key strategic purposes are prudent financial management as well as being tasked with growing Iwi assets for the long-term benefit of the Iwi of Ngāti Paoa.

- ***11th April 2018 Watercare and Ngāti Paoa signed a relationship agreement***

Ngāti Paoa engagement with Watercare

- Dunkirk Road Project
- Westhaven Pump Station
- Central Interceptor Project
- Glendowie Branch Sewer Upgrade

Website: <https://www.ngatipaoaiwi.co.nz/>

Te Ara Rangatu o Te Iwi o Ngāti Te Ata Waiohua Incorporated

Ka whiti te rā ki tua o rehua ka ara a Kaiwhare i te rua

As long as the sun shines over the west coast Ngāti Te Ata will rise from the depths of the Manukau

Ngāti Te Ata are one of the mana whenua groups in the Drury, Opaheke, Papakura and Takanini area. Within the wider landscape of Tāmaki Makaurau (Auckland) lay the settlements of the Te Waiohua people (the original inhabitants). Members of the Tainui waka settled around the isthmus and began to inter-marry with the ancestors of Te Waiohua. It was this intermarriage and the development of other bonds between the people that settlement established. Ngāti Te Ata have inherent responsibilities to ensure that they protect and preserve their taonga (treasure) for future generations.

Ngāti Te Ata regard Te Mānukanuka o Hoturoa (Manukau Harbour) as a significant taonga. Te Mānukanuka o Hoturoa and its streams represent important cultural value due to the mauri (life force) of the water and environment.

Ngāti Te Ata were also known as Te Ruakaiwhare, after the tribal guardian who protects the waters of the Manukau Harbour. They occupy the area around Waiuku, the Awhitu peninsula, Huia and the Waitākere Ranges.

Dame Ngāneko Minhinnick was a female leader of the iwi in the modern era.

Ngāti Te Ata has the Tāhuna kaitoto marae in Tāhuna Pā Road near Waiuku.

Chair Riki Minhinnick

Deputy Chair Josie Peita

- 25 August 2016 a relationship agreement signed between Ngāti Te Ata and Watercare.
- An important *take* for Ngāti Te Ata is the discharge to Te Mānukanuka o Hoturoa from the Māngere WWTP.
- Ngāti Te Ata are still in negotiation with the Crown over their treaty of Waitangi claim. This was dated 29 June 2011.








Ngāti Te Ata engagement with Watercare

- Central Interceptor project
- South West WWTP discharge, including Clarks Beach
- Pukekohe WWTP discharge consent
- Waikato 50 Programme of works
- Drury Plan Change
- Papakura Water Treatment Plant (Waipokapū, Hays Creek). 💧

Report to the Board of Watercare Services Limited
Prepared for the 29 April 2021 Board meeting



Water storage response forecast for winter 2021

Purpose			Team		
Information	Discussion	Approval	Prepared	Recommended	Submitted
			M Bourne Head of Servicing & Consents	S Webster Chief Infrastructure Officer	J Lamonte Chief Executive
Intellectual capital	People and culture	Community and stakeholder relationships	Financial capital & resources	Natural environment	Assets and Infrastructure
					

8.1

1. Recommendation

It is recommended that the Board approves Watercare to request Auckland Council to remove the current Stage 1 restrictions when:

- storage remains consistently above the voluntary savings band;
- forecast rainfall does not indicate ongoing drought conditions; and
- the Waikato 50 project has been commissioned and available for full production.

The earliest the restrictions could be removed is August 2021.

2. Key points

In the event the forecast rain does not arrive, Watercare will continue with the Stage 1 restrictions. If the forecast rain does arrive, Watercare would like to have already sought prior approval from Auckland Council in principle that restrictions will be removed when the three requirements are met (set out above at “1. Recommendation”).

The updated metropolitan storage response forecast from 1 April 2021 provides a statistical analysis of storage levels for the coming year. This suggests that the most likely storage position for the water supply lakes, as at 1 November 2021, will be between 77% and 90% full.

Increased water use restrictions are not expected to be required this winter unless the storage response departs significantly from the expected pathway. This is a result of additional sources of water that have been, or are planned to be, commissioned and the current long range weather forecast.

To maintain demand below the target levels over winter, we will continue with: the communications programme; ongoing work with key commercial customers; and the non-revenue water reduction programme.

3. Purpose and context

The period January 2020 to April 2020 was the driest on record for the Auckland water supply catchments. Rainfall over the period June 2020 to November 2020 was near normal. This resulted in storage lake levels recovering from the low of 42% in May 2020 to 72% in November 2020. The weather forecast issued by both MetService and NIWA indicated that the summer of 2020–2021 was expected to yield at least normal rainfall. However, actual rainfall in December 2020 was 26% of normal, January 2021 was 69% of normal, February was 67% of normal and March was 77% of normal. Even with this rainfall deficit, storage lake levels currently remain above the target position as a conservative system storage response forecast was adopted for the summer of 2020–2021. This is due to the reduced production at Ardmore and Huia, thereby ‘resting’ the storage lakes. That reduced production was replaced by the augmented supplies, in particular from the Waikato Water Treatment Plant.

4. The details

The metropolitan storage response forecast for the summer period starting 1 November 2020 is appended as **Appendix 1**. This forecast provided an indication of future lake storage levels. The Integrated Storage Management Model, used to generate the forecast, uses the historic rainfall record (around 170 years) and a synthetic rainfall record to simulate 1000 years of climate records. The forecast is presented as a statistical probability in the form of a ‘box and whisker’ plot. It will be noted that actual storage has tracked above the 10th percentile storage response as expected.

An updated metropolitan storage response forecast from 1 April is appended as **Appendix 2**. This update includes the effects of the additional water sources planned to be commissioned over the balance of the year. The current long range weather forecast for the winter season indicates that normal rainfall will occur. This would suggest that the most likely storage position as at 1 November 2021 would be between the median storage response (90%, shown by the green line) and the 10th percentile storage response (77%, shown by the end of the box).

Whilst the likelihood of the drought extending may be low, it is prudent that Watercare plans for a continuation of the drought over winter and into the summer of 2021–2022. The *Preparing for ongoing drought* paper presented to the Board in February highlighted management’s response if this occurs. Should the storage response not follow the expected path, early interventions include:

- hydrology, weather monitoring and system operation responses;
- reviewing and modifying the current demand management initiatives;
- further reducing non-revenue water; and
- further augmentation of the current water supply if required.

In May 2020, at Watercare’s request, Auckland Council implemented Stage 1 water use restrictions in line with the Drought Management Plan. These restrictions were altered in October (for commercial customers) and December (for residential customers) to better reflect summer behaviour. These restrictions, together with a comprehensive customer communications programme, have successfully resulted in water consumption remaining below the established monthly targets and well below demand in the previous year.

Both the restrictions and customer communications programme remain in place. The current restrictions do not allow the use of domestic irrigation systems or sprinklers, or a hose without a trigger nozzle. This restriction is not expected to present a significant imposition to customers as we move into winter. However, the level of restrictions are unlikely to result in a major demand

reduction as there is no need for irrigation over winter. For that reason, a more severe restriction was imposed in the winter of 2020.

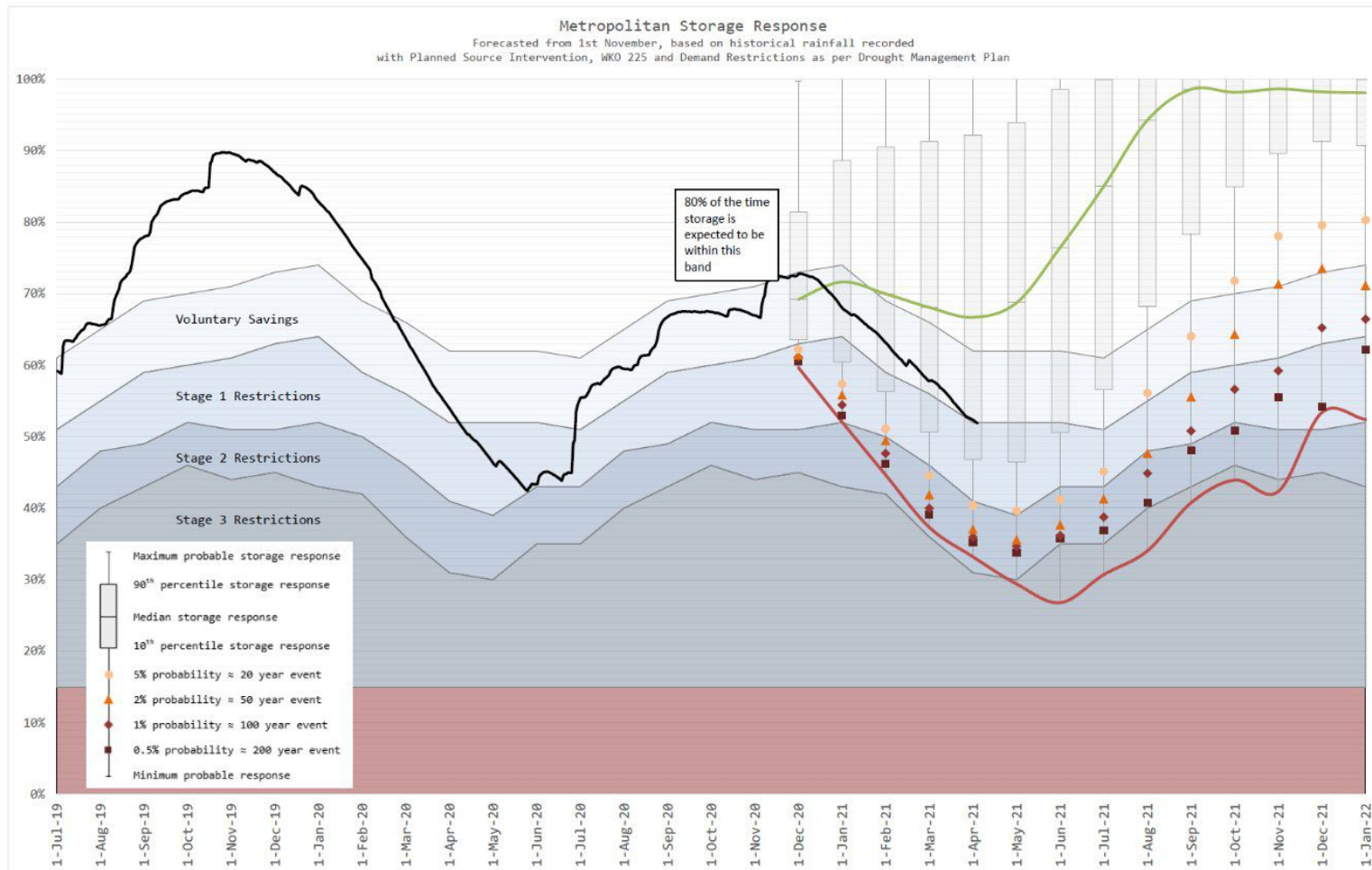
As additional sources of water have been, or are planned to be, commissioned additional restrictions are not proposed this winter unless the storage response departs from the expected pathway. The communications programme; work with key commercial customers; and the non-revenue water reduction programme are collectively expected to help maintain demand below the target levels over this coming winter.

As storage levels improve, water restrictions can be eased. It is recommended that Auckland Council be requested to remove the current Stage 1 restrictions when storage remains consistently above the voluntary savings band, assuming forecast rainfall does not indicate ongoing drought conditions and the Waikato 50 project has been commissioned (proposed for June 2021) and available for full production (August 2021).

Watercare has an agreement with Hamilton City Council where they have shared 25MLD of water with us over the summer months. The agreement requires Watercare to have in place water use restrictions that are similar to, or more severe than, Hamilton City Council. They currently have no water use restrictions in place but are likely to require some form of restriction next summer. Accordingly, we will need to impose restrictions next summer if we wish to access the water under the agreement. Should storage remain above the Drought Management Plan restriction trigger level next summer it is possible that Watercare would not need to use the Hamilton City Council allocation. Restrictions would therefore not be required. This situation will be closely monitored.

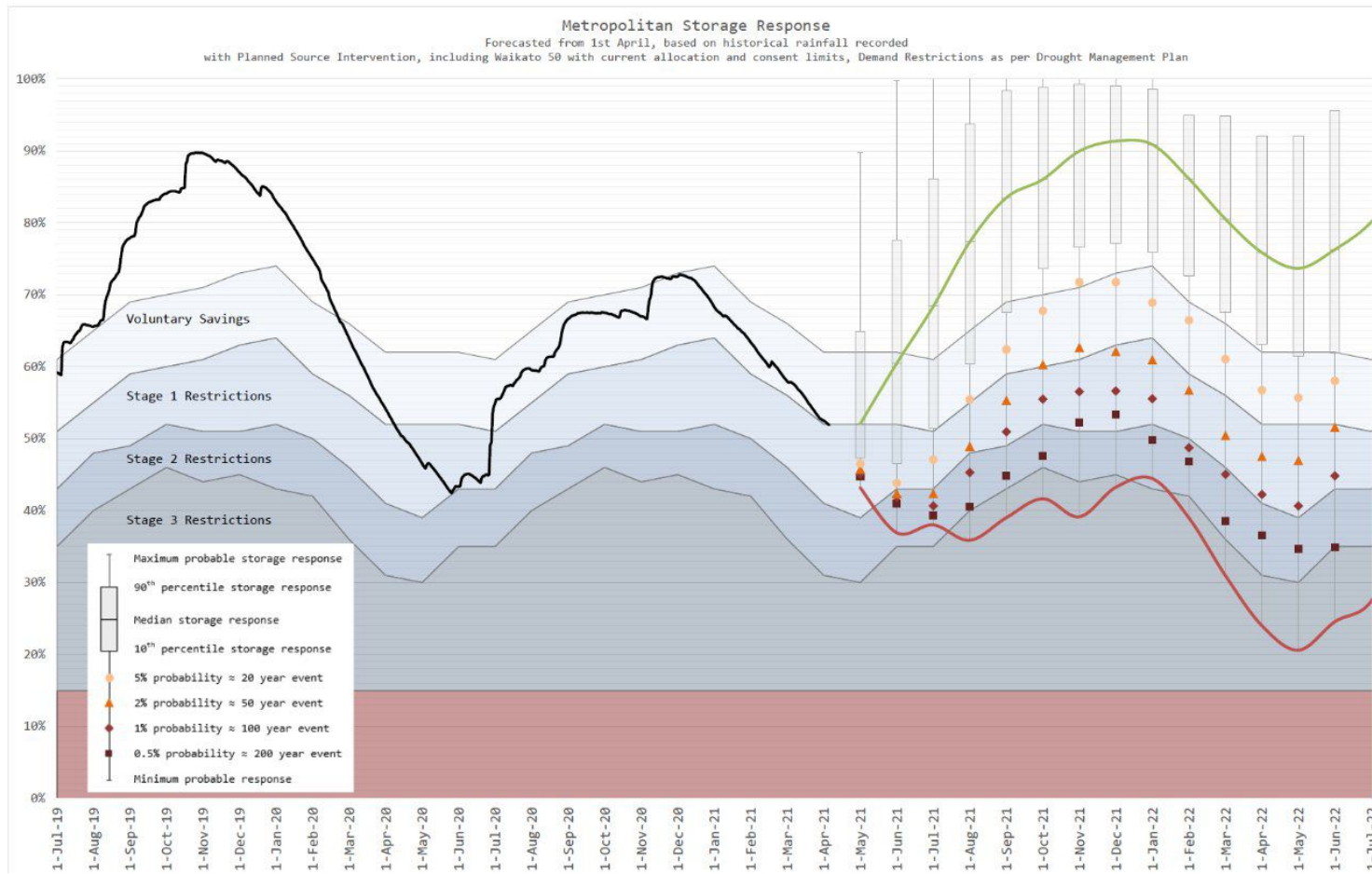


Appendix 1



8.1

Appendix 2



8.1

Report to the Board of Watercare Services Limited
Prepared for 29 April 2021 Board Meeting



Chief Executive's Report for March 2021

HIGHLIGHTS AND LOWLIGHTS

1. People & Capability and Health, Safety & Wellbeing

- There were two lost time injuries (LTI), one medically treated injury (MTI) and one restricted duties injury (RDI) involving Watercare employees in March 2021.
- There were three LTIs, three MTIs and one RDI involving a contractor in March 2021 (including Central Interceptor).
- The rolling 12-month lost time injury frequency rate (LTIFR) for employees is 7.11 per million hours, exceeding our target of ≤ 5 .
- The rolling 12-month total recordable injury frequency rate (TRIFR) for employees is 13.75 per million hours, meeting our target of ≤ 20 .
- March saw a significant increase in incidents, particularly those involving critical risks. Of note are nine high-potential close calls involving contractors on our major projects. There is no clear root cause for this increase, but it is reflective of major construction across New Zealand. We are working closely with our contractors to understand issues and address the issues. It has been pleasing to note the willingness for co-operation and collaboration in the contractor group.
- HSW external review: high level results have been communicated to Head of HSW and the Chief People officer. A session with the Executive team is diarised for the first week of May.

2. SOI Measures and Customer Service

- At 59% for the month of March, our trust score is the highest it's ever been, with the rolling 12-month average now at 51%. Indications from the Trust Tracker are that Aucklanders' sentiment around water savings have shifted from seeing water savings as punishment brought on by poor management of the drought, to valuing Watercare's 'value for money' investment in its communities.
- While the Water Efficiency metric is slightly lower for the month, the rolling 12-month average remains well above target at 73%. A marked shift in the number of people who reported shower times of under 5 minutes (from around a quarter in 2018/2019 to over a third) suggests good cut-through of our messaging.
- The Extreme Ownership mindset and the investment in cross-functional training to improve first contact resolution are contributing to a continued improvement in NPS, with the rolling 12-month average now at +42. The March result has seen encouraging improvement in all areas of Customer Operations, with the biggest improvement in New Connections.

9.2

- The 12-month rolling agent behaviour score (satisfaction with our services) continues to increase, at 76.6%, led by faults, field service crews and billing front line teams.
- The 12-month rolling average of complaints closed within SLA has increased to 99.1%, despite the increase in the volume of complaints with the introduction of our new reporting methodology.
- eBilling is stable at 61.1%. An updated welcome pack for new customers will strongly encourage e-bill uptake.

3. Community and Stakeholder Relationships

- **Local Boards:** Over the past month, Local Board members and councillors of the North Shore were provided a summary of Watercare's past and planned investment in water and wastewater services in response to the growth on the North Shore. The information was to help members respond to questions from the public as part of their LTP discussions. Information on water and wastewater servicing was also provided to Auckland Council who is preparing a report for the Franklin Local Board on servicing growth in the southern rural townships.
- **Waikato District Council:** There were zero lost time injuries (LTI) and no restricted duties injuries (RDI) involving Watercare employees in March. The report for the external Health and Safety (H&S) audit was received in March and was supportive of Watercare H&S practices.
- **Legislation and policy update, including submissions on various bills:** Public submissions on the Water Services Bill closed on 2 March 2021 and have been referred to the Health Select Committee. Watercare developed a joint submission with Auckland Council, and co-presented with the Council to the Select Committee on 29 March. This Bill is expected to be enacted by mid-2021.
- **Māori Engagement & Outcomes:** Numerous engagements are listed included with Iwi regarding Waikato Awa water consents and documents Waikato 50 Project, Waikato Tainui, Te Taniwha o Waikato, Ngāti Te Ata, Ngāti Tamaoho and Te Ākitai Waiōhū.
- **Communications snapshot:** We are beginning to see a tidal change in the tide with more balanced and nuanced coverage around the drought, dam levels and future water supply planning across the multiple media platforms. We introduced our new Chief Executive Jon Lamonte to staff with an interview-style intranet story. For World Water Day, we partnered with a number of radio stations to encourage listeners to join the conversation about what water means for them. As a part of the autumn water saving campaign, four new creatives have been introduced through various communication channels so that they reach a wide range of audience types and ethnicities.

4. Natural Environment

- **Water Resources position:** total system storage decreased through March, starting at 58.1% and finishing the month at 52.5%.
- **Rainfall for March** was well below normal for Auckland's catchments.
- **Storage** remains below levels that would normally be experienced for this time of the year, but above levels predicted.
- **Rain** for April is forecast to be near or above normal for Auckland and is likely to be near normal for the three-month period of April to June.

5. Strategic Consents

Among the strategic consent updates in this report are:

- **Shovel Ready Projects – Dunkirk Road Wastewater Capacity Upgrade:** A pre-application meeting with Kāinga Ora specialist council planners was held on 3 March 2021 and the resource consent application was lodged with Auckland Council on 13 April 2021.
- **Western Water Supply Strategy:** Subsequent to the discussion held on 6 December 2020 to determine the adoption of appropriate kauri dieback protocols, the hearing was to reconvened on 14 April 2021.

6. Enterprise Model Update

- The drought augmentation projects are now concluding.
- The Joint Governance Board and Programme Control Group met in March to review and commit to acceleration opportunities. PwC assisted with the facilitation and collated the workshop findings which are currently being examined.
- The Programme Control Group is assessing ways to improve early contractor involvement (ECI).
- The procurement process to determine Enterprise Model design partners is now underway.

7. Resource Consent Compliance

- A new graph and a new table have been included this month.
- Consents with non-compliances have decreased by 12 this month and consents with unique conditions that are non-compliant have increased by 16.
- We have 1 consent at risk of enforcement.
- The rolling 6-month average of non-compliant consents decreased by 13 this month.

8. Delegated Authority of the Chief Executive

There were two documents signed in March under the authority delegated to the Acting Chief Executive, in relation to property. There were eight Capex/Opex contracts, over \$100,000 approved by the Acting Chief Executive and there were no capex approvals signed in accordance with the delegated authority of the Acting Chief Executive by the Board in relation to Capex approvals below a threshold of \$15million.

9. Three Waters Reform

The Watercare Three Waters Transition team has been established and is currently working to set out a schedule of activities over the next period through to the end of 2021. This will develop as our understanding of the government's proposals increase. The team is also working closely with the Council's Healthy Waters team (via Craig McIlroy) and three waters working group led by Megan Tyler. The three waters working group meets every two weeks at present.

On 1 April 2021, Watercare and Healthy Waters met with the operational teams of the four Northland councils and established a forum to share information. It was also agreed to work together at an operational level on transition planning.

It is understood that the Department of Internal Affairs (DIA) is still on track for a cabinet approval of the three waters outcomes in May and a formal notification of the proposal to local government in July which will form the basis of public consultation from September by local authorities.

We had received a request by the Chief Executive of the DIA to visit Watercare. We were fortunate to have the presence of Chair as well for the part of the meeting (via Skype). There was good conversation about the impact of water reform and the process being undertaken. Particular emphasis was placed on the operational role that Watercare could play in ensuring the success of new entities from day one.

There will be another joint councillor and DIA meeting in the first week of May. We understand this will include further presentation of the financial and non-financial benefits to Aucklanders for being part of reform.

The recent announcement of the reform of the Health sector may be a strong indicator as to how many entities will be created during the water reform process. A single health provider with four regional divisions is being established. There has always been a strong alignment between water and health services.

The discovery phase of the rollout of our Infor EAM asset management platform to Tauranga City Council and Western Bay of Plenty District Council is underway and we expect to agree contractual terms (including final scope of implementation and ongoing service) with them this month.

10. Auckland Water Strategy

Auckland Council is developing a Water Strategy that will enable all Council decisions and investments to contribute to improving te mauri o te wai / the life-supporting capacity of Auckland's waters. The Strategy is intended to direct investment and action in the water space across the Council group. It will articulate a vision, targets and the approaches required to achieve them. This Strategy is made up of five workstreams.

Watercare is working with Auckland Council on the water supply and demand workstream. This workstream focuses on long-term demand for potable water and recommends targets for water consumption for 2030 and 2050.

The recommended pathway to achieve the targets is to be funded inside the 2021-31 Long Term Plan, and the key investments by Watercare towards the 2030 targets are a residential smart meter programme and reducing leakage below 13%, aiming for 11%. Auckland Council are also required to invest in the Strategy to achieve the targets via changes to regulation with rain tanks being plumbed in. The targets assume that new builds are smart water efficient homes from 2025, consistent with the work currently being performed by MBIE.

The Strategy includes targets of:

- by 2030: 247L gross per capita per day, made up of 155L residential per capita per day, 57.7L commercial per capita per day, 13% or less network leakage (aiming for 11% maximum level of service).
- by 2050: 225L gross per capita per day, made up of 130L residential per capita per day, 53L commercial per capita per day, 11% or less network leakage.

It is important to note that these targets still imply the need to secure additional water for Auckland, and therefore Watercare's 2020 application to the Board of Inquiry to take water from the Waikato Awa is still required in order to be a prudent water provider for the city of Auckland. Auckland Council are in support of this application.

11. Leak management

Faults and field service crew continue to perform significantly better than March last year at an NPS of 58, a +32pt lift since March 20, despite numbers of leaks remaining the same as last year.

- Summer plan to increase resources across MSN and contractors; flexibility in managing planned and unplanned work during peak demand; aggressive leak management reducing overall overdue leaks by 8-fold from an average of just below 800 in March 2020 to under 100 during March 2021.
- Closing the loop with customers with proactive communication on status and work required to manage expectations delivered a much better customer experience.
- Overall faults volumes remained steady, but calls reduced by a third in March as we attended leaks on time and reduced the need for repeat contacts.

12. RiskNZ Awards of Excellence

The winners of the RiskNZ Awards of Excellence were presented on Tuesday 13 April in Wellington. Nigel Toms, Acting Chief Financial Officer, took out the top award for the Risk Professional of the Year. RiskNZ is the leading professional body in New Zealand aiming to bring together people and organisations managing risk.

"The Risk Professional of the Year Award presented to Nigel Toms recognised the significant contribution made by him in the field of risk management over a period of more than 12 years. Nigel's work includes authoring Watercare's pandemic plan (released under a creative commons licence), with the aim of helping other utilities to plan for pandemics, and the British Standards Institute standard on Enterprise Risk Management for Utilities." (<https://www.risknz.org.nz/winners-of-risknz-2021-awards-of-excellence-announced>).

FUTURE OUTLOOK

Upcoming Board activity

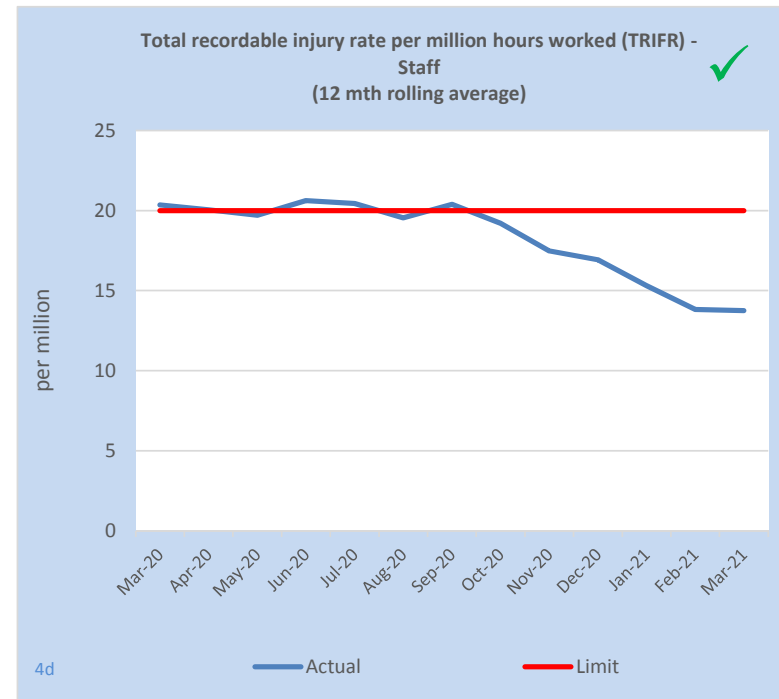
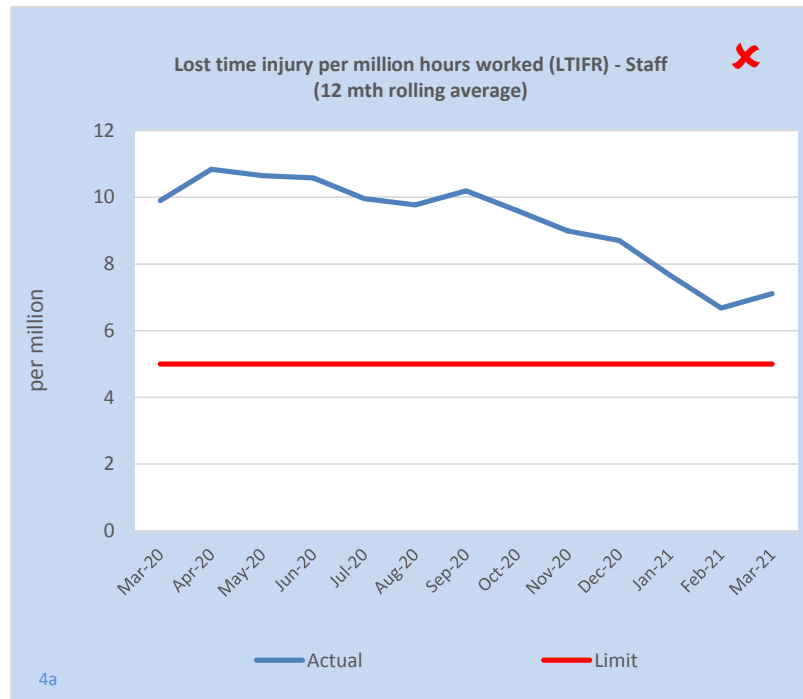
AMP and Major Capex Committee meeting	20 May 2021
Committee for Climate change meeting	24 May 2021
Audit and Risk Committee meeting	26 May 2021
Board meeting for May	1 June 2021

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a horizontal line that loops back to the right.

Jon Lamonte
Chief Executive

1. PEOPLE & CAPABILITY AND HEALTH, SAFETY & WELLBEING

1.1 HEALTH, SAFETY & WELLBEING



9.2

HEALTH, SAFETY & WELLBEING UPDATE continued

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
Watercare LTI Operations – Puketutu Island 18133 25/02/2021	Yes – mobile plant LTI – signed off for 3 months	A worker fell asleep while driving an excavator and the excavator rolled on its side into a biosolids cell. The worker sustained minor cuts and bruises and a concussion. The worker was subsequently diagnosed with sleep apnoea for which they are receiving treatment.	<ul style="list-style-type: none"> Pre-existing injuries and illnesses can impact worker performance. Pre-start medical process is under review. 	<ul style="list-style-type: none"> The excavator was righted, checked, and cleaned Watercares injury management specialist is working with the injured party.
Watercare LTI Customer – MSN 18195 01/03/2021	Yes – vehicles LTI – 4 days	A worker banged their head on the door frame when climbing into their truck causing pain in their head and shoulder. The worker was sent to the doctor but did not stay because the line was too long. They had a concussion assessment by the HSW Wellbeing Business Partner and they were referred back to the medical centre. The worker was assessed as having a mild concussion, was prescribed medication and was deemed fully unfit for work for four days.	<ul style="list-style-type: none"> This incident reinforced the importance of early diagnosis and treatment. 	<ul style="list-style-type: none"> The worker received coaching on entering and exiting vehicles. The worker returned to work and was well supported by MSN leadership team.

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
Watercare MTI Operations – Operations Excellence 18232 02/03/21	Yes – vehicles MTI – Treatment only	A Watercare employee was in a vehicle incident involving two other vehicles. Police and ambulance attended site. The worker was cleared by ambulance staff at the time but had neck and head pain later and was treated by a physiotherapist. No-one else was injured in the incident.	<ul style="list-style-type: none"> Watercare workers spend significant time on the road. Deep-dive to be conducted to better understand risks associated with use of vehicles. 	<ul style="list-style-type: none"> The worker received support from HSW Wellbeing Business Partner. The worker was referred to our Employee Assistance Programme provider for support if required. Investigation and insurance processes by Fleet Management Team.
Watercare MTI Operations – Maintenance Delivery 18425 04/03/2021	No – manual handling MTI – treatment only	A worker was de-weeding waste-water ponds using a throwing hook. As they threw the hook, the worker slipped and landed on a rock. The worker went to the doctor who prescribed anti-inflammatory medication and rest. The worker did not report this incident until one week later.	<ul style="list-style-type: none"> Workers can feel embarrassed or foolish when something goes wrong which may lead them to avoid reporting the incident. 	<ul style="list-style-type: none"> The worker moved rocks on the side of the pond to make a clearway immediately following the incident. The site is to be reassessed for hazards prior to further de-weeding. The workgroup reviewed the risk assessment and discussed the incident.

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
Watercare RDI Customer – MSN 18766 23/03/2021	No – manual handling RDI – 2 days	<p>A worker reported pain and discomfort in their Achilles tendon following breakout work.</p> <p>The following day the pain was worse, and the worker was taken to the doctor and diagnosed with an Achilles strain.</p> <p>The worker was placed on restricted duties for two days prior to returning to work.</p>	<ul style="list-style-type: none"> Manual handling remains a high likelihood risk for workers. 	<ul style="list-style-type: none"> The worker was well supported by MSN Leadership team and Wellbeing Business Partner.
Contractor MTI Infrastructure – McConnell Dowell 18240 01/03/2021	Yes – use of plant and equipment MTI – treatment only	<p>A worker was using a grinder underneath a pipe to finish the surface of the pipe. The worker was wearing safety glasses and a face shield attached to their helmet.</p> <p>The worker removed his shield and glasses to inspect the work and a minute piece of dust entered their eye. The worker wiped their eyes and continued work.</p> <p>The worker went home, believing a shower and time would allow the dust to work its way out of their eye. However, during the night, their eye became more irritated and flushing it did not provide any relief.</p> <p>The following day the worker was taken to the medical centre where a foreign body was flushed from their cornea.</p>	<ul style="list-style-type: none"> Early treatment can minimise injury and improve outcomes. 	<ul style="list-style-type: none"> Improvement to the masks being used on site. The importance of caring for your eyes was raised at the site toolbox talk.

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
Contractor RDI Infrastructure – Fulton Hogan 18460 09/03/2021	No – slips trips and falls RDI – 7 days	A worker twisted their ankle when stepping from a container onto uneven ground. The worker was provided with first aid treatment on site. No improvement was shown the following day, and so they were taken to the doctor. The worker was diagnosed with a sprain and was placed on restricted duties for seven days.	<ul style="list-style-type: none"> • Good response and close-out actions from contractor. 	<ul style="list-style-type: none"> • The event and the outcome were discussed at the site toolbox talk. The need to “move your eyes before you move your feet” was highlighted. • The contractor acknowledged the worker’s prompt reporting and initial self-management of their injury, improving the prospect of best outcome. • An access ramp has been established to remove the need to step from the door to the ground. • The building and container access steps around the site were reviewed and assessed to identify any opportunities for improvement.
Contractor MTI Central Interceptor GA-JV 10/03/2021	No – hand tools MTI	A worker was stripping the outer sheath from electrical cables when they lacerated their finger. The worker was not wearing gloves and was using the incorrect knife. The worker was taken to the doctor where the wound was cleaned and stitched.	<ul style="list-style-type: none"> • When the right tools are not available, workers will sometimes make do. 	<ul style="list-style-type: none"> • Electricians were all debriefed and supervisors ensured they all had appropriate stripping tools.
Contractor RDI Infrastructure – 18725 18/03/2021	No – manual handling MTI	A worker was loading equipment onto a truck when their finger was pinched between two pieces of equipment. The condition of the injury worsened during the day and the worker went to the doctor. They were to have their finger x-rayed on 19 March 2021 and they were to remain on light duties.	<ul style="list-style-type: none"> • Better plan loading and unloading of equipment on site 	<ul style="list-style-type: none"> • The contractor is reviewing better ways to transport equipment and tools to and from site. • Risks around manual handling were included in the weekly toolbox talk. • Rigging gloves to be provided.

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 Central Interceptor – GAJV 22/03/2021	Yes – fall from height LTI – 2 days	A worker was climbing the access ladder out of the shaft when their head knocked a supporting steel tube. The worker was carrying a plastic folder so did not have three points of contact with the ladder. The worker lost their grip and fell backwards approximately 2.5 meters to the platform below. The worker suffered bruising to their back and ribs and was deemed fully unfit for work for two days.	<ul style="list-style-type: none"> Attention is needed to ensure work plans are followed. 	<ul style="list-style-type: none"> The investigation found access to the platform was not as per the approved CEP. Alternate access was provided from the main staircase, eliminating the need for using the ladder.
Contractor LTI Customer – meter readers A D Riley 18262 26/03/2021	No – animals LTI – 3 days	A meter reader entered a property with the owner's permission. The owner's dog was on site but showed no sign of aggression and the meter reader had been to the property before. The owner lost control of the dog and without warning, the dog lunged at the meter reader and bit their leg, causing a significant laceration. There were no signs of aggression from the dog prior to the sudden bite.	<ul style="list-style-type: none"> Risk can become normalised over multiple exposures leading to relaxation of controls. 	<ul style="list-style-type: none"> The incident was reported to the local council. The worker received Dog Safe refresher training. Meter readers have been reminded of the importance of owners' having dogs tied up or indoors when they are on site. Logged in the Arthur D Rileys system "Dog on Site".
Contractor LTI Central Interceptor – Firth 29/03/2021	Yes – fall from height LTI – 5 days	A concrete truck driver was pushing mix down the chute when they lost their footing and fell one meter against an excavator bucket. A member of the site team observed the incident, but the driver left the site before they could be spoken to. The driver's company notified the site when the driver returned to the depot. The worker suffered bruising to the chest wall and was deemed fully unfit for five days.	<ul style="list-style-type: none"> Low perception of risk can lead to poor adherence to controls. 	<ul style="list-style-type: none"> The contractor HS Manager spoke to the sub-contractor to collect details and reinforced the need for all incidents to be reported at site at the time they occur.

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
Contractor MTI Central Interceptor – SEIPP 30/03/2021	No – manual handling MTI – treatment only	A worker was installing a PVC conduit into a steel pipe. Force was required to push the conduit into position. As the worker was pushing the pipe, they slipped, catching their finger between the conduit and the steel pipe. The worker was provided first aid on site and was taken to the doctor for treatment for a crush injury.	<ul style="list-style-type: none"> • Good design supports positive safety outcomes. 	<ul style="list-style-type: none"> • The design did not allow enough space for the conduit to fit properly. • The gloves did not provide crush protection. Workers were reminded that PPE must be fit for purpose.

1.1.1 SIGNIFICANT INCIDENTS/HAZARDS/CLOSE CALLS

There were eleven significant incidents in **March 2021**.

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
Watercare Incident Customer – MSN 18283 04/03/2021	Yes – vehicles	While working in a suburban area, a worker turned out of a driveway into the road. As they did so, the back of the truck caught the wooden power pole, and the lights went out in the adjacent house. The worker called emergency services and the power company to conduct repairs.	<ul style="list-style-type: none"> Deep-dive to be conducted to better understand risks associated with use of vehicles. 	<ul style="list-style-type: none"> The worker has received one-on-one coaching to improve their awareness of blind spots. Assessment with PassRite Driving Academy.
Watercare Incident Customer – MSN 18442 06/03/2021	Yes – electricity	A worker arrived onsite to find a broken chorus pole left suspended by a few cables, teetering on the edge of the footpath. The public had open access to the footpath and a small bit of danger tape was wrapped around the pole. Although the power company representative on site had contacted the Chorus call centre, there was no barricading or perimeter in place. The Watercare employee created an exclusion zone and kept the public away from this worksite hazard, until repairs were completed more than three hours later.	<ul style="list-style-type: none"> Good Stuff by worker raising awareness to protect everyone. 	<ul style="list-style-type: none"> The worker was acknowledged for making the site safe and for taking ownership of the safety issue, even though it was not their responsibility.
Contractor Close Call Infrastructure – March Cato 18248 02/03/2021	Yes – excavations	A crew were required to sandbag an area in a 4m deep trench when they realised it would be difficult to access the required area with the trench shields in place. The supervisor told the work crew to remove the trench shields to allow access. One of the workers objected but the supervisor insisted, and five workers entered the unprotected trench.	<ul style="list-style-type: none"> The contractor is aware that despite being told they have the right to stop work for safety, workers can be reluctant to do so. The contractor is focussing closely on improving this. Although improving, this remains a culture issue in the industry and Watercare must support further improvement. 	<ul style="list-style-type: none"> The contractors investigated and followed a Just Culture process. The supervisor was dismissed, and the workers were given formal warnings. The supervisor who stopped the work was recognised for their actions. The contractor had a whole-of-business stand-down for safety which was attended by Watercare's Head of Design and

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
		While they were working, another supervisor arrived on site and when they saw what was happening, ordered the workers out of the trench. As the last worker was climbing out, the trench collapsed.		Construction and Senior Project Engineer. <ul style="list-style-type: none"> The contractor replaced the shields, reviewed the methodology and safely completed the work.
Contractor Close Call Central Interceptor 10/03/2021	Yes – dropped object	An anchor bolt for concrete formwork failed in the main shaft during concrete pouring. No-one was injured and the concrete pour was stopped to ensure all equipment was safe.	<ul style="list-style-type: none"> All equipment must have a complete history to ensure its integrity. 	<ul style="list-style-type: none"> Bolts were inspected by the supplier. All bolts were replaced with new bolts. It was found the project had been supplied with re-used bolts. The formwork was reviewed and certified by the supplier for compliance. All formwork on all sites was inspected to ensure integrity.
Contractor Close Call Infrastructure – McConnell Dowell 18488 10/03/2021	Yes – mobile plant	A section of pipe was secured on timber stands and two workers were lying underneath the pipe, preparing it for use in the tunnel. As an excavator working nearby slewed, the back of the excavator knocked the pipe under which the workers were grinding. The pipe was not dislodged, no-one was hurt, and no plant or equipment was damaged. The Supervisor immediately stopped work and called for a standdown.	<ul style="list-style-type: none"> Guards or barriers: An area had been identified as an exclusion zone however not fully barriered off to stop personnel entering the area around the crane. Though a dogman was being used during the lifting operation, the rear swing zone of the crane tail weight had not been checked. 	<ul style="list-style-type: none"> A physical control has been added to alert the crane operator of the distance of travel. The CLS Pipe base has been relocated to create a clearance between the pipe and crane. Barriers have been added to the crane exclusion zone.
Contractor Close Call Infrastructure FCC 018449	Yes – suspended loads	During a concrete slab lift, several workers remained within the fall zone. No clear exclusion zones were in evidence.	<ul style="list-style-type: none"> Exclusion zones must consider all workers within the load, travel and fall zones – not just the set down area. Intensive site supervision and oversight of critical risks needed to be ramped up, due to 	<ul style="list-style-type: none"> Further lifting was immediately stopped. The BPC supervisor reviewed the lifting process with the affected teams immediately. Additional HSW support was provided by WSL and FCC to

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
10/3/2021			concurrent activities and large numbers of workers within small areas.	monitor subsequent lifting of slabs.
Contractor Notifiable Incident Infrastructure BPC 18632 16/03/2021	Yes – electricity & temporary works	<p>The workplan for installing precast concrete panels required use of engineered Acrow-props to support the panels. Due to restricted space, this was later changed to timber supports by the project engineer.</p> <p>While installing the precast concrete slab, a worker in the pit removed the timber supports and was using a lever bar to move one of the walls into alignment when it fell over.</p> <p>The worker was unharmed. however, the slab knocked a second slab onto three live HV cables supplying electricity to the Waikato WTP raw water pump station. The timber supports on the second slab were insufficient to support the impact and the HV cables were unprotected.</p> <p>WorkSafe attended and officially cleared the site 24 hours later.</p>	<ul style="list-style-type: none"> Watercare Permit to work must be used whenever there is a potential risk that construction may impact supply. Handwritten changes to workplans by contractors must be communicated to project managers. Brownfield work interface between construction and operational assets needs to be more clearly defined and consistent. Project managers can engage more proactively, recognising change as a risk area and the opportunity to intervene. Control of work needs to be monitored by the Project Delivery Team to ensure effective Operations and construction risk management. 	<ul style="list-style-type: none"> Work stopped. The area was immediately evacuated and cordoned off. FCC issued a safety alert and discussed the incident in a toolbox talk. Operations, the contractor and the Watercare project team planned and coordinated site remediation, lifting and securing of panels and inspection of HV cables (one cable damaged, not affecting supply to raw water pump station). FCC investigation in progress awaiting report (legally privileged). WSL learning team session held to review event.
Contractor Close Call Central Interceptor SEIPP 16/3/2021	Yes – mobile plant	<p>An operator was preparing to use an excavator fitted with a 2-tonne hammer, to ram a sheet pile into an excavation wall.</p> <p>Without warning, the rotor attaching the hammer to the excavator sheared, resulting in the hammer attachment and sheet pile (approx. 680 kg) falling to the ground.</p> <p>The hammer fell into the exclusion zone.</p>	<ul style="list-style-type: none"> Design improvements are being considered to minimise side-loading on the rotor assembly. 	<ul style="list-style-type: none"> Work was suspended and an investigation conducted. A specialist inspected the equipment and found the failure point. The equipment was certified prior to coming on site but the component that failed is not part of a regular inspection regime.

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
				<ul style="list-style-type: none"> The hammer assembly has been removed from site. The investigation is continuing, and work has continued with replacement equipment.
Contractor Close Call Central Interceptor GAJV 25/3/2021	Yes – mobile plant	A split pin on a shackle on a vibro-hammer became loose due to vibration. As a result, a pile case fell into the exclusion zone. Work was stopped.	<ul style="list-style-type: none"> Routine inspections must include inspection of small details when they are safety-critical. Exclusion zones are a critical control. 	<ul style="list-style-type: none"> A project-side review of the use of split pins was undertaken. Any worn or damaged pins were replaced.
Contractor Close Call Central Interceptor GAJV 26/3/2021	Yes – dropped object	A section of re-bar 16mm in diameter and 600mm long, fell 15 meters down a shaft from a temporary works platform.	<ul style="list-style-type: none"> Exclusion zones are a critical safety control, keeping workers safe when failures occur. 	<ul style="list-style-type: none"> The investigation found there were gaps in the temporary works platform, and loose materials had been kept on the platform. Platforms were inspected and gaps were closed. Additional boxes were provided to contain loose materials.
Contractor Close Call Central Interceptor GAJV 16/3/2021	Yes – working at height	A worker was installing bolts in a ladder extension in the shaft. As the worker twisted and bent down, they heard a metal click and on inspection, found that the lanyard had disconnected from the D-ring.	<ul style="list-style-type: none"> Safety practices are always improving, and we must ensure we maintain currency. 	<ul style="list-style-type: none"> The investigation found the harness was sound, however the connector was a double-action hook. Best practice is currently to use triple action connectors. All harnesses were re-inspected to ensure connectors are safe. All D-ring attachments are being replaced with triple action connectors.

HSW External Review

Human Synergistics has completed the survey of Watercare staff and provided a high-level analysis at the end of April. They will commence the facilitation of workshops with key Watercare representatives to develop the HSW plan.

Timeline:

- Survey analysis delivered 26 March
- High level report delivered
- Session with Executive team diarised for early May.

Positive feedback – Good Stuff

Every day on all our worksites, workers are doing great work, putting HSW at the front of their thinking and managing challenges. Both the Central Interceptor and Infrastructure teams have been conducting regular Leadership Walks and are using our HSW reporting system to acknowledge good behaviour and outcomes.

The language of HSW is changing to focus on learning from what works well and involving workers earlier and more often in work design and planning. This shift in approach requires clear communication of a leader's intent and delegation of decision making to the front line.

Ardmore – Worksafe inspection of Major Hazard Facility

On 24 and 25 March our Major Hazard Facility (MHF) at Ardmore Water Treatment Plant had a successful two-day inspection with Worksafe. Ardmore is designated as an MHF, due to the amount of chlorine stored on site, and is inspected annually.

The Worksafe inspectors positively acknowledged the work that had gone into the safety case, supporting systems and the engagement with staff and contractors onsite. As with any audit we would expect that there will be some actions that will be identified to enable us to improve our systems and processes and we will receive their final report within four weeks.

Watercare Waikato – Annual HSW Review

In March Watercare Waikato completed its first annual health and safety review which was conducted by Impac Services Ltd. It centred on the Waikato District Council and Watercare agreement and how it is implemented throughout the organisation. There was a particular focus on inspections and audits, contractor and sub-contractor management, and critical risk activities involving confined spaces, asbestos and people working alone.

The auditor noted that the Watercare Waikato team has an excellent attitude towards the safety of their workforce and that of the public. The systems and processes in place are well used.



“It was pleasing to see a strong safety culture emerging and this is not just a top-down process but across all work activity and all workers have the authority to stop work if they deem it unsafe.” (Auditor quote)

Four recommendations for improvement were identified and actioned.

HSW Focus Areas

Online HSW Inductions for employees

Planning and consultation are in progress. This will be delivered in May 2021.

Audit

Self-audit programme scheduled. Production sites and HSW system self-audits have been redesigned and the new programme will be launched in April 2021.

Reporting

The consultation phase is complete. Currently developing prototype for feedback.

Deep dives

Recent trends have identified two key areas that require further investigation and improvement: hand injuries and driving practices. Deep dives will be initiated this month.

1.2 PEOPLE, CAPABILITY AND LEARNING

Mentoring the Watercare Way

Mentoring the Watercare Way launched in April 2021. This included a workshop to provide mentorship training to 20 mentors and mentees across the business.

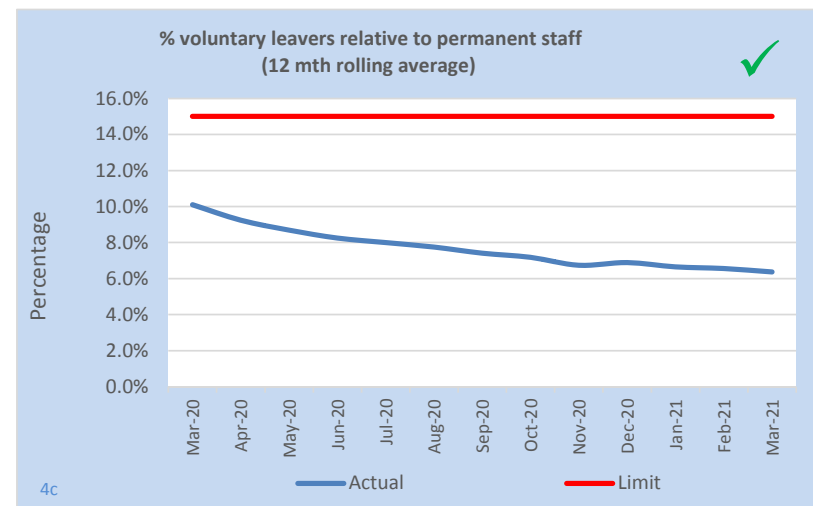
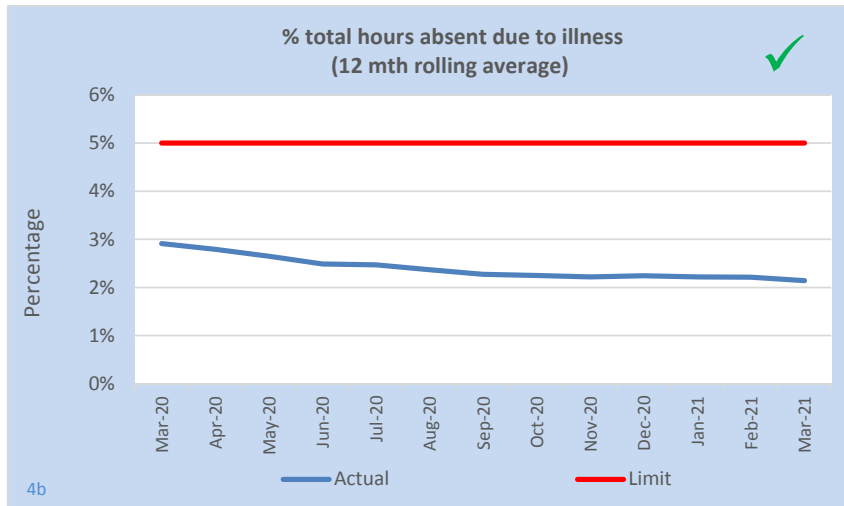
- Initial feedback has been positive, with participants feeling confident with the skills to mentor and the opportunities as a mentee.
- A further workshop is planned for Q1 FY2021–22.

Leadership Development

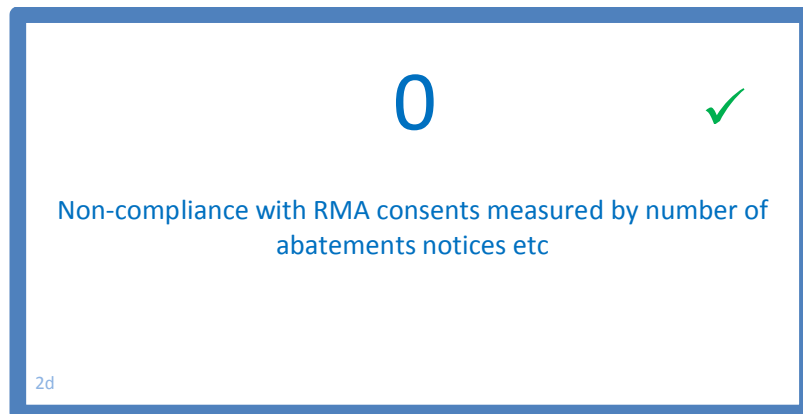
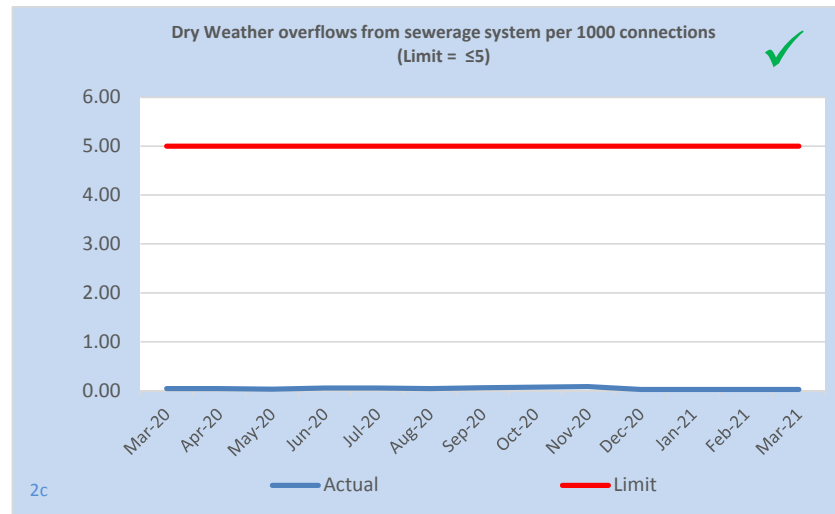
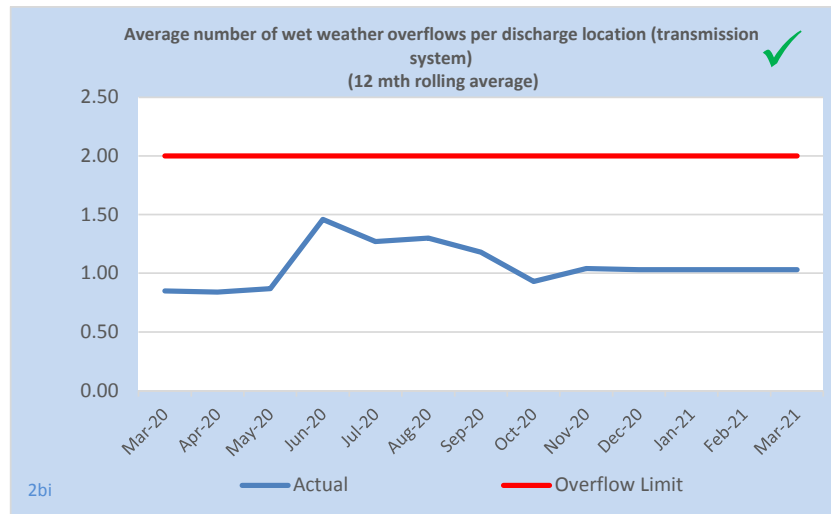
The Leadership Development programme will continue during April and May. The programme is aimed at all tier four, five, and six people leaders. “Leading with Communication” and “Coaching for Performance” are the next modules.

- 87% of people leaders have completed the first module, Leading the Watercare Way
- 81% have enrolled in Leading with Communication
- 42% have enrolled in Coaching for Performance.

PEOPLE & CAPABILITY



2. SOI MEASURES — 2020-21 — Natural environment



SOI MEASURES — 2020-2021 — Assets and Infrastructure



100%



Volume of water complaint with standards

1a

100%



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

1a

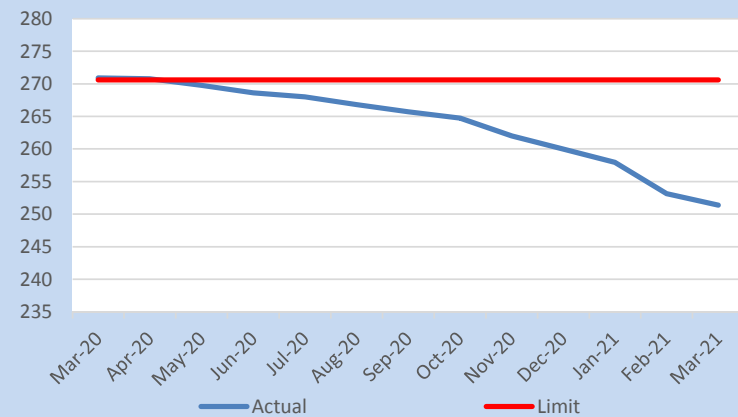
100%



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

1b

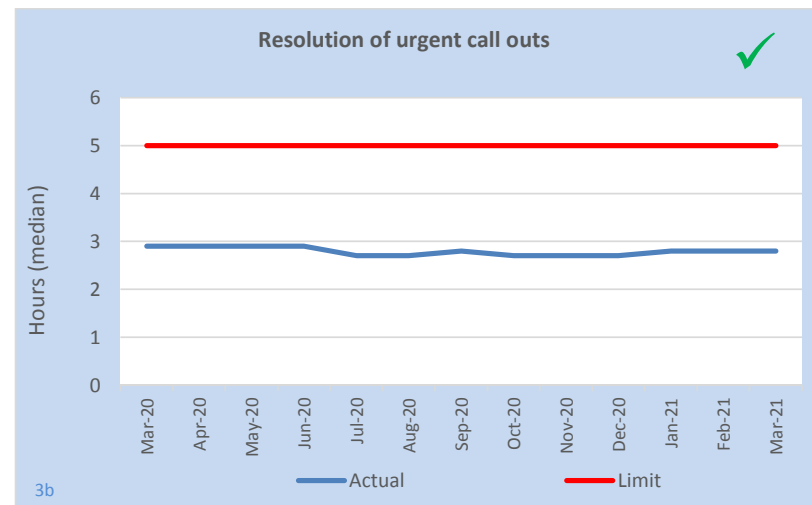
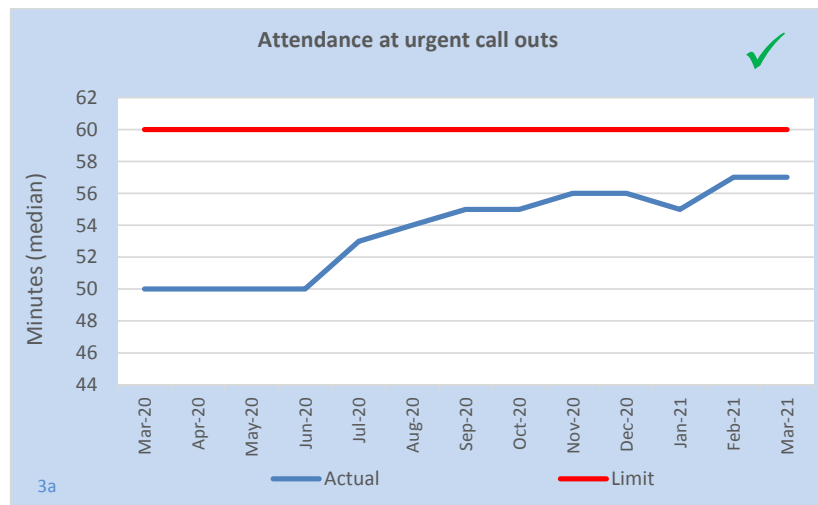
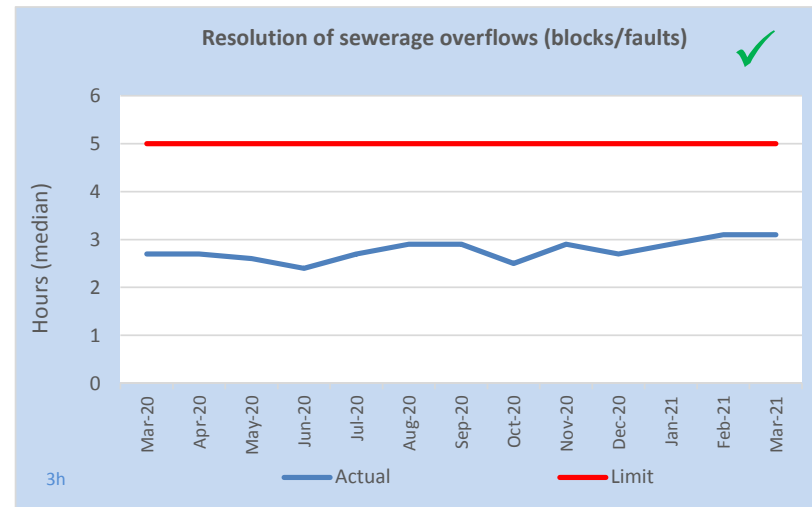
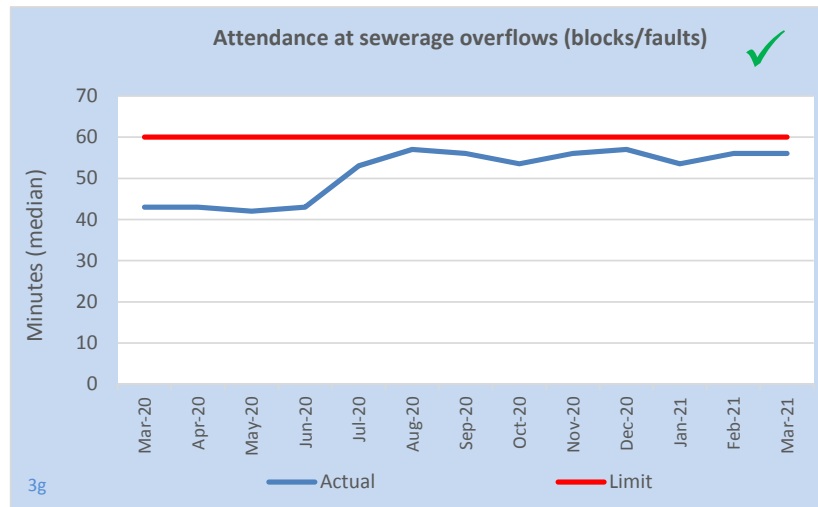
Average consumption of drinking water per day (Gross)
(12 mth rolling average)



6a

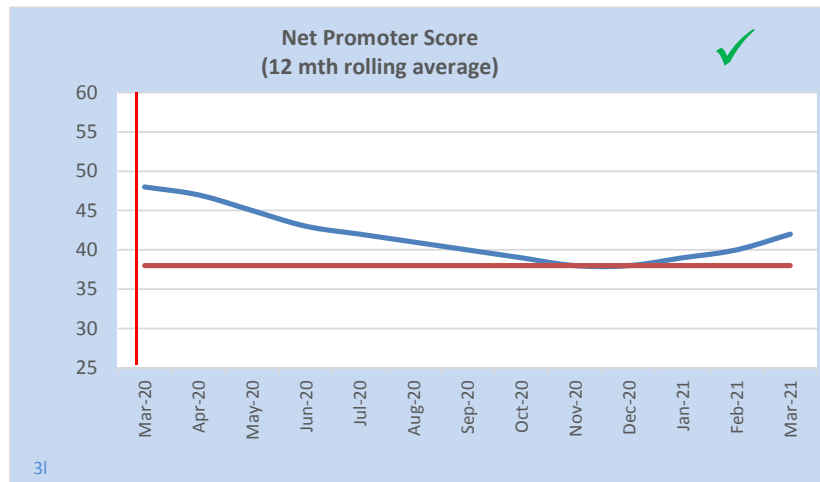
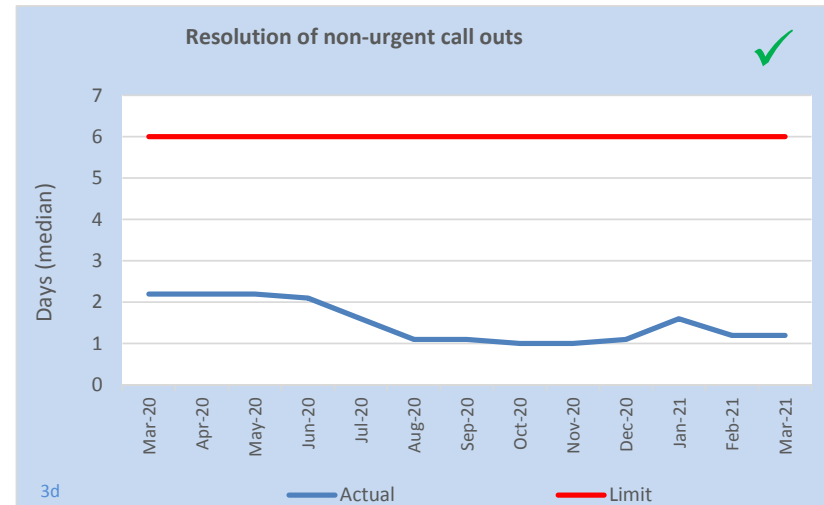
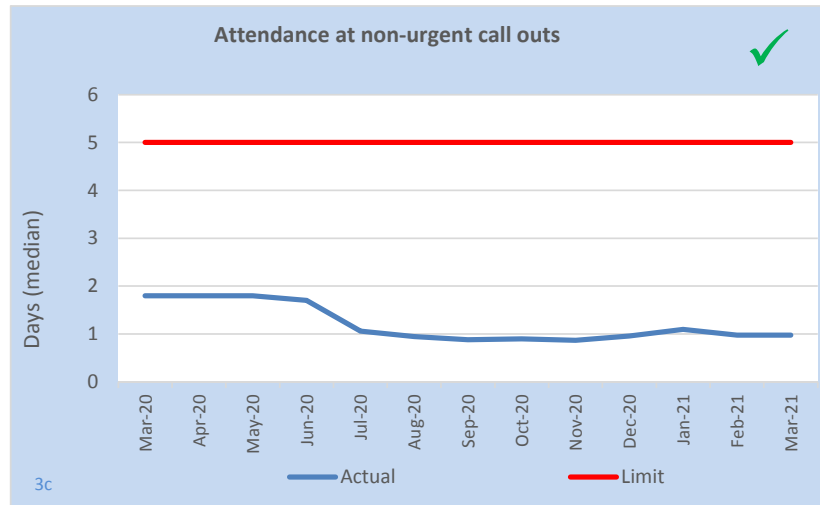


SOI MEASURES – 2020-2021 – Community and Stakeholder relationships



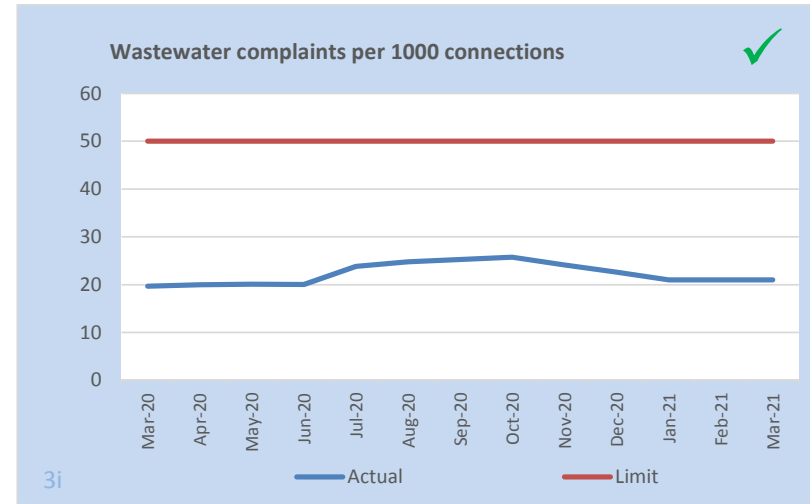
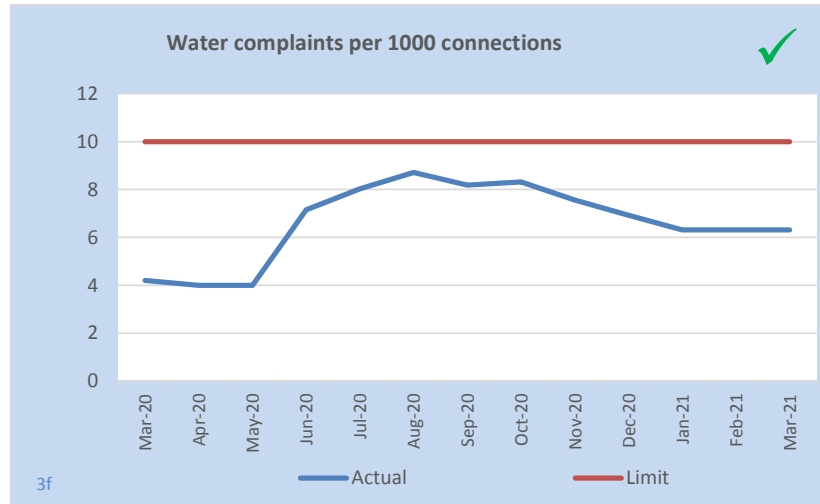


SOI MEASURES – 2020-2021 – Community and Stakeholder relationships



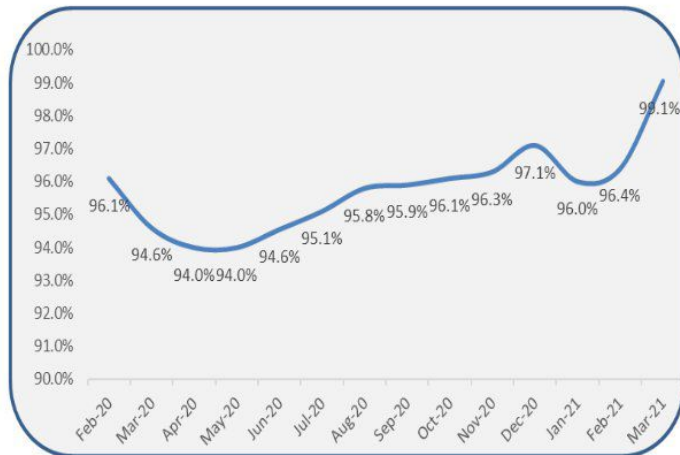
9.2

SOI MEASURES – 2020-2021 – Community and Stakeholder relationships



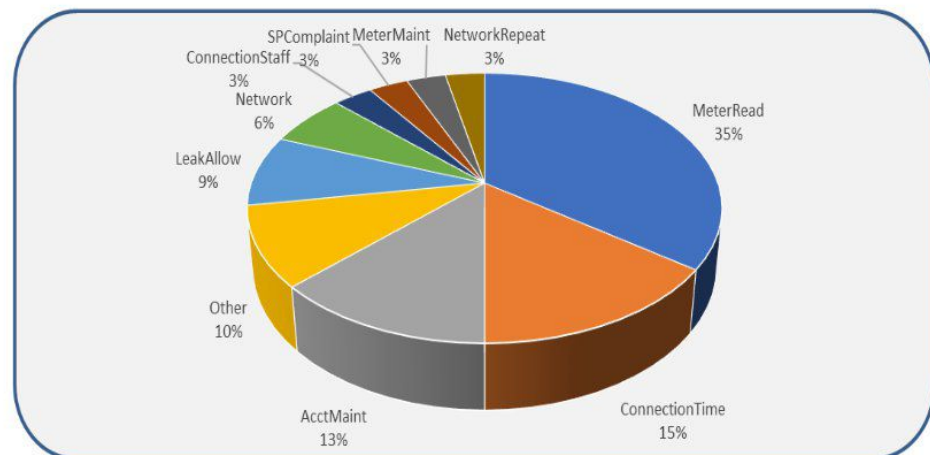
Complaints Performance – March 2021

Complaints within SLA



- Complaints closed within SLA (10 days) 12-month rolling average has increased to 99.1%. The increase is also driven by a poor March 2020 dropping off the rolling average. Despite, much higher numbers of complaints being captured.
- The online complaints form is live with all functions not in enterprise system logging them online via website.

Types of complaints



Main drivers:

- Meter reading challenges continue, driven by the inability to access meters and meter reader errors resulting in customer frustration with consecutive estimations. There are approximately 8,000 meters that we cannot read each month. Manually working through these is time consuming, working on automation.
- New Connections team is experiencing a backlog of 6 – 8 weeks for installs being worked through with Fulton Hogan to manage customer expectations.

Outcomes:

- Thematic visualisation built to get top themes driving no reads to help focus on larger issues. Attended meter reader toolbox meetings to gain insight into their challenges. Working through many actions to improve information passing through both parties to get better customer outcomes and focus on H&S meter issues to have loggers installed.
- Workshops with the New Connections, Fulton Hogan and the Billing teams will be held to identify the process issues, data validation and errors driving the poor customer experience.

New SOI Measures

Capital	Measure	SOI Target	Commentary/Result
Customer & Stakeholder Relationships	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)	At least one kōrero with each of the 19 iwi every year	Met with Deputy Chair and CE of Ngai Tai ki Tāmaki. Chair of Ngāti Tamaoho. Watercare Acting CE & Poutiaki Tikanga Māori have met with Te Runanga nui o Ngā Puhi Chair. We are scheduled to meet with Ngāti Tūwharetoa representative on 24 March 2021.
Customer & Stakeholder Relationships	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, Bacteria & Protozoal)	Pass/Fail	Pass
People & Culture	We will improve our employee engagement. eNPS	≥20	March eNPS has been postponed.
People & Culture	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)	10%	Comparison of Q4 to Q3 female representation overall (all business units) remains at 35%. Overall Operations and Infrastructure have increased by 1%. Representation in Digital has decreased from 28% in Q4 to 20% in Q3.
People & Culture	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)	10%	During Q3, 8% of applicants identified as Māori or Pasifika, this is higher than previous quarters. Between Q1 and Q3 7% of applications identified as Māori or Pasifika.
Financial Capital & Resources	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	≤1.5	0.86%

Capital	Measure	SOI Target	Commentary/Result
Financial Capital & Resources	We are a financially sustainable business. Watercare group's debt headroom (Set measure in conjunction with Council and establish baseline)	Baseline is 3.54	Financial Control has obtained the financial reporting calculation used in Auckland Council's group financial statements for the debt to revenue ratio and created their own template that automatically draws data from the monthly Management Reports. The Oct-20 debt to revenue ratio was 3.46, Nov-20 ratio was 3.26, Dec-20 was 3.07, Jan-21 was 3.1, Feb-21 was 3.06 and Mar-21 is 3.03.
Intellectual capital	We create new value in our infrastructure supply chain through the Enterprise Model. Establish and implement an Infrastructure Carbon Portal and corresponding toolkit to assess ways to reduce carbon emissions during the construction of water and wastewater assets. (Deliver and implement portal and toolkit. For the Enterprise Model, monitor and report on the target of a 40% reduction post 2024.)	Establish Baseline	Carbon portal progress being made through internal and external feedback sessions. Training modules continue to be completed with 144 sessions taken (across 3 modules) and there are now 69 users with access to the Carbon Portal.
Intellectual capital	We create new value in our infrastructure supply chain through the Enterprise Model. Establish and implement an Infrastructure Cost toolkit across the programme and project to deliver new ways to reduce costs during the construction of water and wastewater assets. (Deliver and implement the toolkit. For the Enterprise Model, monitor and report on the target of a 20% reduction post 2024).	Establish Baseline	An EM Toolkit structure has been set up. Recent tools added to the toolkit include a project scorecard and value capture process to measure, capture and share performance and 40:20:20 ideas/progress.
Assets and infrastructure	Watercare will operate responsibly We will meet the 2 DIA targets that relate to assets and infrastructure (refer Appendix E, numbers 14 and 15). (Meet 100% of the DIA and Auckland Plan targets) (Dry Weather and Wet Weather Overflows)	Pass/Fail	Pass

Capital	Measure	SOI Target	Commentary/Result
Assets and infrastructure	We will develop and use talent, processes and technologies to manage non-revenue water and ensure optimal supply efficiency. (Establish baseline and demonstrate continuous improvements on previous year) by 30 June 2021	Establish Baseline by 30 June 2021	Leak detection of 6000km/year is being conducted with the intention to train the capability in house. Pressure management and smart metering trials are underway citywide Planned Targets: <ul style="list-style-type: none"> • Maintain Real losses below 13.7% • By 2025 achieve 136 L/C/d
Natural Environment	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) (Compliance, PCC)	Pass/Fail	Pass
Natural Environment	We will implement Mitigation measures in line with our responsibility to keep global warming within 1.5oC. We will reduce annual greenhouse gas emissions from Scope 1 and Scope 2 emissions (operational mitigation). (• 2020/2021: Complete work on a plan to achieve a 45% reduction in operational emissions by 2030 <ul style="list-style-type: none"> • 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) 	Finalise Targets by June 2021 Establish Baseline by 1 March 2022	Phase two initiated. Data validation complete and cost information collected. Planning for key responsibilities initiated. WaterNZ RFP for understanding wastewater process emissions in NZ has been sent to market and accepted by a consultant consortium for completion by July. Results may impact pathway.
Natural Environment	Water is precious – We continue to encourage our customers to be mindful of their water use The average consumption of water per residential connection. (• 1 March 2021: Baseline established, and sector targets published in our next SOI <ul style="list-style-type: none"> • 30 September 2021: Report on target and publish targets through to 2024 in the 2021–2024 SOI) 	Establish Baseline by 1 March 2022	Connections data and targets for residential water use have been identified, although we need to work through the requirement to ensure we capture apartment usage data as residential use, where and when it is appropriate (particularly as Auckland housing is densifying). This litres per dwelling per day measure is intended to provide greater granularity in performance i.e. where we need to make better progress (i.e. leakage, residential or commercial water efficiency) in order to meet our 2025 target of 253 litres per person per day (gross per capita consumption). This measure will be consistent with our 2021–2025 Water Efficiency Plan.

Capital	Measure	SOI Target	Commentary/Result
Natural Environment	<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 non-domestic connection.</p> <ul style="list-style-type: none"> • 1 March 2021: Baseline established, and sector targets published in our next SOI • 30 September 2021: Report on target and publish targets through to 2024 in the 2021–2024 SOI) 	<p>Establish Baseline by 1 March 2022</p>	<p>Three key areas have been selected for this measure, covering over half of commercial water usage in Auckland. Sector-appropriate water efficiency targets and methodology have been created and documented for these three sectors and the source data has been identified. This measure will take a long-term (5 year) rolling measure of water efficiency. This measure will be consistent with our 2021-2025 Water Efficiency Plan.</p>

3. COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE

3.1 WORKING WITH LOCAL BOARDS

- Over the past month, Local Board members and councillors of the North Shore were provided a summary of Watercare's past and planned investment in water and wastewater services in response to the growth on the North Shore. The information was to help members respond to questions from the public as part of their LTP discussions. Information on water and wastewater servicing was also provided to Auckland Council who were preparing a report for the Franklin Local Board on servicing growth in the southern rural townships.
- Local Board members were also advised of upcoming works with the potential to cause disruption including a successful works reinstatement on the corner of Queen and Custom Streets.
- A number of faults were escalated via local board members over the past month, and all were followed up successfully. In the interests of no-surprises, Local Board members in Franklin, Whau and Waitākere Ranges were notified of separate significant watermain breaks with the potential to affect local constituents with outages, low pressure or dirty water.
- Water situation updates continue to be shared with the Local Boards and other elected members.
- Work also continues with Local Board services and other CCOs on the local board feedback from the CCO Review.

9.2

3.2 WAIKATO DISTRICT COUNCIL (WDC) STATUS UPDATE

- There were no lost time injuries (LTI) and no restricted duties injuries (RDI) involving Watercare employees in March.
- Work continues on the delivery of the DIA-funded reform projects.
 - Pond desludging is now underway at the Huntly Wastewater Treatment Plant and will move to the Ngāruāwāhia plant in July.
 - The filter media replacement at the water treatment plants has commenced.
 - The SCADA server relocation project is progressing with the planned delivery in March 2022.
 - The design for the renewal of the Ngāruāwāhia wastewater bridge rising main is progressing.

John Mackie of the DIA (Department of Internal Affairs) visited in March to meet the team and was happy with the progress to date.

- The report for the external health and safety audit was received in March and was supportive of Watercare H&S practices. The report was presented to the Governance Board at the March meeting.
- A photo in the report showed a crew member with sleeves rolled up. The importance of wearing long-sleeved shirts with the sleeves fully extended was reinforced with the crews at the subsequent toolbox talk. Based on feedback, spare shirts were provided to help manage when shirts are soiled.
- All plants are meeting demand with no need for restrictions outside of Pokeno, Tuakau, and Southern District zones supplied by Hamilton City Council.

- All contractual performance KPIs were met in March, except the resolution of urgent call-outs within two hours (March – 144 minutes). The YTD figure is within KPI at 108 minutes.
- Work is continuing on the Meremere Wastewater Treatment Plant upgrade.
- The water supply at Te Akau has changed from on-site treatment to tanker from the Raglan supply. The treated water will be transported from the Raglan Water Treatment Plant via registered tankers and delivered to the existing reservoir at the site. The current reticulation system will continue to distribute treated water to the catchment (20 customers).
- The change is because the existing bore has multiple issues and is structurally compromised, and an increased frequency of non-compliance due to two treatment by-products in the treated water (chlorate and bromate). The current treatment system would not comply with the new drinking water standards. Increased testing was completed in the first week of the change with very positive results.
- Watercare has supported the Council's review of the water and wastewater, and stormwater bylaws.
- The contract review meeting was completed in March and the actions are progressing towards the commencement of the operational period in July.

9.2

3.3 LEGISLATION & POLICY UPDATE (UPDATES IN BLUE)

- The Water Services Bill was introduced into Parliament on 28 July 2020. This bill will give Taumata Arowai – the Water Services Regulator – its administration, monitoring, reporting and enforcement powers. This is an extensive bill, with over 200 clauses. It is also an omnibus bill, which means that this bill covers a number of diverse and/or unrelated topics. Public submissions closed on 2 March 2021 and have been referred to the Health Select Committee. Watercare developed a joint submission with Auckland Council, [and co-presented with the Council to the Select Committee on 29 March](#). This bill is expected to be enacted by mid-2021.
- 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 on 26 May 2020, 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 commenced in November 2020 and Watercare presented its evidence on 2 December. [The hearing officially closed on 26 March, and a decision by the hearing commissioners is expected by 12 May. Many appeals to the Environment Court are expected.](#)
- The recommendations report from the Resource Management Review Panel, entitled *New Directions for Resource Management in New Zealand* was released in late July 2020. 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 in early 2020. 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 three new statutes. Watercare will need to closely review any developments within this area. [An 'exposure draft' on the Natural and Built Environment Bill: is expected in May/June – limited engagement is expected.](#)

- The NZ Infrastructure Commission has issued a number of discussion documents, which include: Telecommunications (December 2020); Energy Infrastructure (early-February 2021); Water Infrastructure (late February) and Resource Recovery and Waste (early March). Feedback has been called for, and any received feedback will feed into the Draft 30-year Infrastructure Strategy, due around mid-2021. This will be open for public submissions.
- The Ministry for the Environment recently released its *Phasing out fossil fuels in process heat – Consultation* document for public consultation. Submissions close 20 May 2021. This discussion document sets out the approach to greenhouse gases under the Resource Management Act. As at 31 December of this year, the bar to considering greenhouse gas emissions in the Resource Management Act 1991 will be lifted. This means that consent applicants will be required to address the greenhouse gases produced by their activities (and councils will be required to assess those greenhouse gas emissions). Watercare will consider whether it will provide any feedback to this document.
- The Financial Sector (Climate-related Disclosures and Other Matters) Amendment Bill had its First Reading in mid-April and has been referred to the Economic Development, Science and Innovation Committee. The Bill's main purpose is to implement mandatory climate-related disclosures for 'Climate Reporting Entities'. At a high-level, this includes: registered banks, credit unions, and building societies with total assets of more than \$1 billion; all managers of registered investment schemes with greater than \$1 billion in total assets under management; licensed insurers with greater than \$1 billion in total assets under management or annual premium income greater than \$250 million; and equity and debt issuers listed on the NZX.

3.4 MĀORI OUTCOMES AND ENGAGEMENT

Kia ora te umanga

- Meetings with EPA staff re: Board of Inquiry process and Watercare 2013 application, mana whenua engagement.
- Amotai (Formerly Te Waka Eke Noa) meeting with Watercare, Fletcher and Fulton Hogan, procurement opportunities for Māori.
- Makaurau Marae Laundry services business opportunity.

Kia ora te reo

- Watercare Māori (Māreikura) staff cultural wānanga.
- Support Watercare Board Chair, Margaret Devlin, Te reo māori me ōna tikanga. Assist staff with learning mihimihi, conduct, body language.
- Support opening at Papakura WTP, Hays Creek.
- Watercare CI project, GAJV and Mana whenua Cultural Inductions, Māngere Training Centre.
- Watercare Board - Presentation Kīngitanga & Waikato-Tainui korero.
- Whakatau (welcome) for Graham Darlow (Board member) and his whānau.

Kia ora te whānau

- Support Maurea Marae, Rangiriri, Kiingitanga and Poukai.
- Support Amokura Panoho, Auckland Council re: Matatini festival in Tāmaki Makaurau, support from Watercare.

Kia ora te taiao

- Oruarangi Awa hui, Te Kawerau a Maki, Edward Ashby, Watercare Peter Nicoll, property and transfer of riverbed back to Iwi.
- Watercare CI project, GAJV and Mana whenua Cultural Inductions, Māngere Training Centre.
- CI Project, GAJV and Mana whenua working group, CI project dedications and consenting management plans.
- 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 and engagements.
- Meremere wastewater discharge consent, Ngāti Naho kaitiaki.

Kia ora te hononga

- Relationship meeting Ngāti Whātua Ōrākei.
- Engagement with Ngāti Paoa, Haydn Solomon and kaitiaki Chrystal Cherrington.
- Support consents team with several consenting and policy issues regarding mana whenua and engagement.
- Mana whenua managers kaitiaki forum.
- CI Project and mana whenua working group meeting.
- Watercare Board - presentation kīngitanga & Waikato-Tainui korero.

3.5 COMMUNICATIONS

Monthly highlights from communications and stakeholder

Media

We are beginning to see a change in the tide with more balanced and nuanced coverage around the drought, dam levels and future water supply planning in: Stuff, NZ Herald, RNZ, Hokitika Guardian, Greymouth Star; a feature on purified wastewater reuse (NZ Herald); a piece on leak detection (the Project) and the works underway in Clevedon (Pohutukawa Coast Times).

Staff

We introduced new chief executive Jon Lamonte to staff with an interview-style intranet story and organised a week of activities around the value of water for World Water Day, including photo and GIS app competitions and a Teams talk on sustainable water planning by lead water networks planner Brendon Harkness.

Customers

For World Water Day, we partnered with a number of radio stations to encourage listeners to join the conversation about what water means for them. The radio promotions included pre-recorded ads celebrating World Water Day, live content reads from presenters, competitions and activations at Mission Bay and Glen Innes to increase engagement. Overall the campaign over 250,000 listeners across Mai FM, The Breeze, More FM and George FM.

Watercare

Watercare says \$160m in funding needed if Waitaki River consent goes ahead.

Watercare explains reasons for ongoing Clevedon road works.

Avrilies

Stakeholders

We continued to keep local boards and councillors informed about the water storage levels, consumption and water supply augmentation projects.

Social media

Posts and contests related to World Water Day received high engagement and participation.

Missing Rain in the right place

9.2

Watercare

Autumn water saving campaign

Key messages

Following the positive reception of our earlier campaign (focusing on the trigger nozzle) our autumn campaign uses similar elements (same character, style and tone) and includes four new creatives:

Two indoor water saving tips – turn off the tap while brushing your teeth and shorten your shower to four minutes – and two water restriction messages – use a trigger nozzle and turn off the sprinkler.

We will continue to run our water use dial campaign based on positive feedback from our latest campaign survey.

Channels

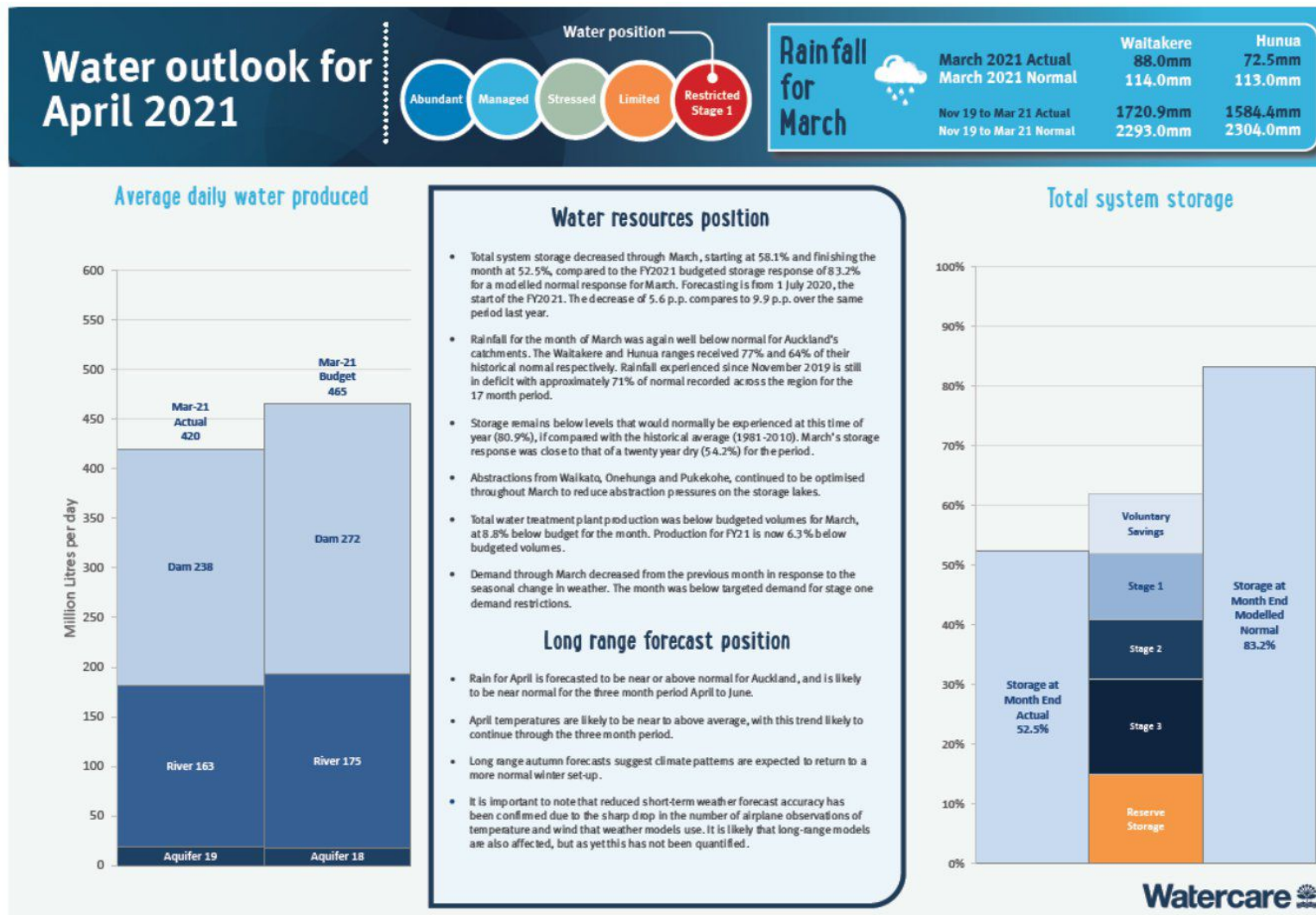
Billboards, bus shelter, print, targeted online display ads (e.g. Metservice), social media, paid search advertising and radio make up our media mix for this campaign. While the media schedule is similar to the previous campaign, we have a heavier weighting on radio this time round, with partnerships and targeted campaigns with George FM, Mai FM, More FM and the Breeze. This is based on recent survey results which found radio to be the most effective paid channel.

Audience

Our channel mix ensures we reach a wide range of audience types and ethnicities. For example, we use Spotify audio and video to get the message out the youth. We also run a range of translated print ads and articles in ethnic newspapers such as the Indian Weekender, Chinese Herald and Kakalu O Tonga.



4. NATURAL ENVIRONMENT - Watercare's Drought Management Response



5. STRATEGIC CONSENTS

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
North East Wastewater Conveyance - Warkworth to Snells	New alignment, outside of road corridor, being consented for the North East wastewater conveyance project.	Existing resource consents apply where the project is within the park, and under the river. However, a s127 is required to alter condition 1, to change the referenced plans. Additional resource consents are 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 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 separate applications.</p> <p>The first application, for the works in Lucy Moore reserve, was granted in December 2020. An application for the works in private properties, where the launch pit is sited, will be lodged in April 2021. This will enable these works to proceed while the final consents are being granted. Further applications for the full alignment will be lodged later in the year.</p>	MULTIPLE APPLICATIONS AT VARIOUS STAGES	26/04/2021	21/06/2021	

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 Weston 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 landowner (who are Australia based).</p> <p>Consenting is on hold as the design concept is now under further investigation.</p>	DESIGN UNDER REVIEW	TBC	TBC	
Papakura WTP - Discharge Consent	The Papakura WTP is being reinstated as a response to the drought.	Discharges to water	<p>The temporary and permanent WTPs will require consents for discharge of off-spec water and stormwater into Hays Creek for both commissioning and operation.</p> <p>Consents for stormwater and off-spec water from the temporary WTP were granted in December 2020. The Temporary WTP is now in service.</p> <p>An OPW for the permanent WTP has been lodged and accepted.</p> <p>An application for the permanent WTP 'off-spec' discharge was lodged on 30 March 2021.</p>	MULTIPLE APPLICATIONS AT VARIOUS STAGES	23/03/2021	30/05/2021	

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
Pukekohe WTP - Groundwater 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	<p>A consent application for a ground water take was lodged with the Council on 21 August 2020. A formal s92 request was received seeking clarification on groundwater methodology and ecological matters related to the surface take. A formal response was provided to the Council on 16 October 2020 addressing these matters.</p> <p>Draft conditions for the groundwater take consent have been reviewed by Watercare. Ngāti Tamaoho have queried the groundwater effects of the water take. Technical information has been provided to Ngāti Tamaoho with a formal response pending.</p>	COUNCIL PROCESSING	21/08/2020	30/04/2021	
Pukekohe WTP - Spring Water 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	<p>A consent application for a spring take was lodged with the Council 21 August 2020. A formal s92 request was received seeking clarification on groundwater methodology and ecological matters related to the surface take. A formal response was provided to the Council on 16 October addressing these matters.</p> <p>Council has issued a second s92 requesting more information on the ecological effects of the spring take. Watercare's response was provided on 4 November 2020. Proposed surface water take consent conditions have been prepared by Watercare and submitted to the Council. The Council specialist have added additional conditions which need to be reviewed by Watercare.</p>	COUNCIL PROCESSING	21/08/2020	30/04/2021	

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
Shovel Ready Projects - Dunkirk Road Wastewater Capacity Upgrade	Shovel Ready - New pump station, storage tank, bio filter and approximately 3 km of network in the road reserve from Dunkirk Road to Pilkington Road.	The new WWPS will require consents for infrastructure in a flood plain & overland flow path. Pipes mostly to be trenched in road with some small sections within parks & private property.	This Shovel Ready project is largely driven by Kāinga Ora growth, however there are also some existing level of service issues that will be resolved by the project. The business case for design and investigations was approved on 15 November 2020 with construction targeted to start in July 2021. Geotechnical investigations are now planned for late April, pending Land Owner Authority for works within the Council Parks. A pre-application meeting with Kāinga Ora specialist council planners was held on 3 March 2021 and the resource consent application was lodged with Auckland Council on 13 April 2021. Mana whenua consultation is ongoing.	COUNCIL PROCESSING	13/04/2021	25/06/2021	Currently aiming for construction to start in early July. Delays to Council processing of consent could postpone construction.
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 lodged for an additional take has been 'called in' by the Minister and is covered in section 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 Parker called in Watercare's 2013 water take application from the Waikato River. The Environmental Protection Authority (EPA) administer the Board of Inquiry process. A three-member panel of commissioners has been appointed. The 2013 application has been refreshed to reflect new information.</p> <p>Watercare has fortnightly meetings with the Project Lead at the EPA to discuss progress, process and time frames. The refresh/amended application was submitted with the EPA on 11 December 2020. The EPA have concluded a completeness check of the application. The application was publicly notified on 12 February 2021 with public submissions closed on 26 March 2021. A total of 54 submissions have been received. The project team are currently reviewing the submissions. Mana Whenua consultation is ongoing.</p>	COUNCIL PROCESSING	11/12/2020	12/11/2021	
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 June 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 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, 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 50MLD of water, Treated Water Tank and Pump Station. <p>Watercare met with WRC regulatory team 9 July 2020 to streamline the consenting process.</p> <p>The project has obtained numerous constructions related consents:</p> <ul style="list-style-type: none"> ○ Bulk earthworks ○ Contractors laydown area 	COUNCIL PROCESSING	23/12/2020	30/04/2021	

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
			<ul style="list-style-type: none"> ○ Treated water raising main ○ Earthworks and stream works associated with the WTP ○ Raw water raising main ○ Geotechnical Investigations for the Water intake structure ○ Water intake structure (Floating Pump Station) ○ Commissioning discharge consent. <p>The only remaining consent has been lodged with WRC for:</p> <ul style="list-style-type: none"> ○ Operational discharge consent. 				
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 the 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 2020. The CIA and proposed conditions were provided to WRC on 10 July 2020. WRC have provided draft conditions; these are being reviewed by Watercare operations team.</p>	COUNCIL PROCESSING	26/10/2016	30/04/2021	

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
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 has completed their surveying and forwarded their report on the testing to Watercare on 23 November 2020.</p> <p>A second round of discussions was held on 6 December 2020 to determine the appropriate kauri dieback protocols to be adopted. The hearing was to be reconvened by Auckland Council on 14 April 2021.</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	TBA	
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 proposed site for the Boost Pump Station (BPS) has now been agreed with Panuku, the Local Board and Waka Kotahi, and is not opposed by Mana Whenua.</p> <p>The Project Team are working through Concept Phase investigations, including Geotechnical investigations and a Geophysical Survey of the underlying reef (Significant Site to Mana Whenua).</p> <p>Preliminary Design and Consenting has been initiated in late March 2021.</p>	CONCEPT DESIGN	02/08/2021	29/10/2021	

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 is providing infrastructure in line with the Whenuapai Plan Change, enabling growth in the north.</p> <p>The construction programme is two years long, completion is due by December 2023.</p> <p>Engagement with Mana Whenua commenced with a site visit undertaken in January 2020.</p> <p>The work is provided across 3 packages:</p> <p>Package 1 – The lodgement of this consent is due in June 2021.</p> <p>A new location for the temporary pump station was agreed with the developer in September 2020, property negotiations are now proceeding. Design has been put on hold to resolve the options for the Massey Connector included in Package 2, but which will determine the termination point of the rising main under Package 1.</p> <p>The construction programme is 18 months long, completion due in December 2022. To achieve this, resource consents need to be granted in August 2021. This is a risky target in relation to council processing timeframes, but we intend to provide all draft management plans and assessments at time of lodgement.</p> <p>Package 2 - The lodgement of consent is due in September 2021.</p> <p>A number of options are currently being considered for the Massey Connector pipeline. The preliminary design phase has been put on hold pending the outcome of the Massey Connector options assessment. Topographic surveys and Geotech investigations have been completed. The construction programme is 24 months long, completion is due in December 2023. To achieve this, resource consents need to be granted in December 2021.</p> <p>Package 3 - consenting tbc</p> <p>Geotech investigations and topographic surveys are underway. The construction programme is 6 months long, the completion is due in December 2021.</p>	APPLICATION PREPARATION	25/06/2021	26/09/2021	

6. ENTERPRISE MODEL

STATUS UPDATE AND OVERVIEW

The drought augmentation projects are now concluding. The key delivery learnings, particularly with respect to scope, collaboration / co-location ways of working, digital delivery and operations input are being applied to the wider programme.

The exercise to prioritise and optimise the 10-year capital programme with the AMP capital profile is complete and is to be taken to the business and partner organisations for ratification ahead of adoption.

The procurement process to determine Enterprise Model Design Partners is now underway.

GOVERNANCE

- The Joint Governance Board and Programme Control Group met in March to review and commit to acceleration opportunities. PwC assisted with the facilitation and collated the workshop findings which are currently being examined.
- The Programme Control Group is assessing ways to improve early contractor involvement (ECI) engagement.
- The Wellbeing Health & Safety baseline measures have been approved by Joint Governance Board. The calculations and associated data mining to support the baseline is now underway.

CONTRACT

- The Enterprise Model Agreement (EMA) Management Plans are under review. The performance management plan will assess the carbon and cost baselines considering the 2020 delivery of drought augmentation projects and the effects of Covid-19.
- The role of the Pre-Contract Services agreement (PCSA) is being reviewed in order to ensure ECI involvement is efficient and effective.

PROGRAMME

- The 10-year capital programme has undergone a prioritisation exercise. The output has signalled optimisation opportunities which will be discussed with the partner organisations prior to roll out.
- Learnings from the drought augmentation projects are being applied to the wider programme.
- Kāinga Ora Shovel Ready delivery programmes also provide opportunities for continuous improvement and learnings to be integrated into the wider capital programme.

RELATIONSHIPS AND OUTREACH

- Watercare EM engagement and outreach sessions have been held with all partner organisations. A good cross representation of partner members was in attendance at each event. Key feedback was that innovation and collaboration was now widely evident.
- Results of the recent relationship survey were made available. A positive trend was noted, along with excellent / insightful commentary.

CARBON, COST AND WELLBEING 40:20:20

- Carbon: To date almost 40,000 tCO₂e of savings have been identified, which represents over one quarter of the EM baseline.
- Cost: Following development of the 2021 AMP this baseline is to be reviewed as part of the EMA Management Plans.
- Wellbeing: This baseline is founded on three pillars noted below. Work is now underway to mine for the appropriate data:
 - The New Zealand Workplace Barometer (Massey University)
 - Significant (High Potential) incident rate
 - Incident Severity.

OPPORTUNITIES

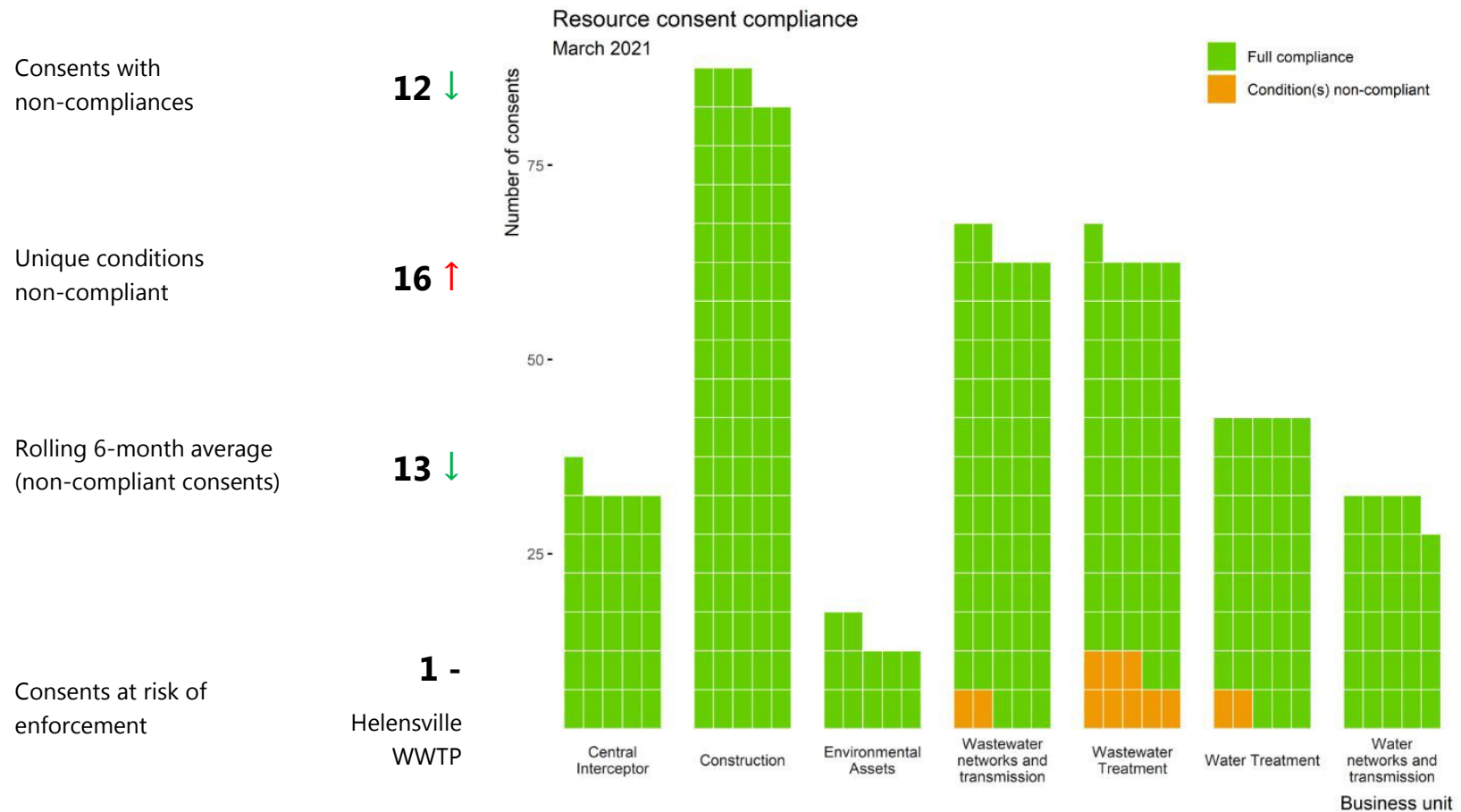
- Supply chain and programme level initiatives are being coordinated with Watercare's Supply Chain Team.
- Wider implementation of Enterprise Model and commercial principles through the Enterprise Model Framework and Project Management Frameworks.
- Implementation of KRA / KPI reporting structures for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

RISKS & OPPORTUNITIES

There has been no material change in the risk and opportunities from the last report.

7. RESOURCE CONSENT COMPLIANCE - AUCKLAND

Arrows indicate changes from previous month (- indicates no change)



9.2

Non-compliances for March 2021

Facility/Asset	Consent	Condition(s)	Issue(s)	Actions	Potential consequence
Auckland-wide wastewater network	R/REG/2013/3743 R/REG/2013/3755	45,50,51	Incomplete reporting, and late delivery of some reports	Revision of reporting procedures under way.	Minor: Reporting issue
Cornwall bore (Waiuku)	WAT60071034	21	Water strategy due September 2020	Update in progress. Wider strategy with Board for approval.	Minor: Reporting issue
Helensville WWTP	22225	17	High ammoniacal nitrogen in the discharge (above consented limit)	Pond desludging to increase residence time and improve treatment; completed winter 2021.	High: Risk of enforcement if not actions not successful.
Kingseat WWTP	24255	21	Historical discharge quality non-compliance (winter)	None – issue is annual percentile calculation.	Minor: Historical issue
Māngere WWTP	30962	11	Missing calibration records	Internal procedure issue.	Minor: Procedural issue
	33167	32,37,39,40	Results from former Pond 2 monitoring not reported	Internal procedural issue – now resolved.	Minor: Reporting issue
Omaha WWTP	DIS60050490	24	UV dose not approved	Optimal dose being calculated. Then needs sign-off from independent expert. Resolution expected in May.	Minor: Procedural issue
	DIS60050606				
Owhanake WWTP	37282	29c (v), 35	High nitrogen in discharge; reporting issue for high bacterial result	Bacteria was internal procedural issue – now resolved. High nitrogen did not persist.	Minor: Procedural and one-off issue.
Waitakere WTP	26983	02 (i)	High suspended solids result in sludge landfill stormwater	Reviewing sampling procedures (to resolve difficulties at low-flows).	Minor: Sampling issue
Waiuku WWTP	DIS60334129	14	High nutrients in discharge during winter	None – issue is annual percentile calculation.	Minor: Historical issue

8. DELEGATED AUTHORITY OF THE CHIEF EXECUTIVE

<p>For the month of March 2021, there were two documents required to be signed by the Acting Chief Executive with the delegated authority provided to the Chief Executive by the Board in relation to deeds, instruments and other documents.</p> <p>Both were exemption certificates under part 10 of the RMA for survey work for disposal of surplus land.</p>	<p>In March 2021, there were eight Capex/Opex contracts, over \$100,000 approved by the Acting Chief Executive in accordance with the delegated authority provided by the Board.</p> <ul style="list-style-type: none"> • Stellar Projects Limited – Replacement of the Professional Engineering Services Panel (PES) - Specialist Procurement Services • Lutra Limited – Infrastructure Data - WSL Resource Consents • Waiau Pa Bulk Haulage Limited – Central Interceptor Wet Bin Construction Project • Resource Co-Ordination Partnership – Programme Management of Shovel Ready Projects • Fulton Hogan Limited – Queen Street/Custom Street Watermain Break Reinstatement • City Contractors Limited – Great South Rd Watermain Renewal: Ellerslie Panmure Highway to Wilkinson Rd • HEB Construction Limited – Waikato District Network Renewals 2021 • Cyma Limited – SoW for Data and IOT Architect. 	<p>In March 2021, there were no capex approvals signed in accordance with the delegated authority provided to the Acting Chief Executive by the Board in relation to Capex approvals below a threshold of \$15million.</p>
---	--	---

Board - Public Session - Directors' Corporate Governance Items

Board Planner 2020			Board Planner 2021											
		December	January	February	March	April	May	June	July	August	September	October	November	December
Meetings	Board	15-Dec 8am-11am (Teleconference) 23-Dec Public Board Meeting	29-Jan	26-Feb	30-Mar	29-Apr		1 June (May Results)	5-July* (June Results) 29-July	30-Aug	30-Sep	28/10/2020*	30-Nov	14-Dec (Teleconference)
	Audit and risk committee			3-Feb			26-May			9-Aug 24-Aug		28-Oct		
	Te Tangata Komiti		27-Jan 3pm			28-Apr 10am			26-July 10am	19-Aug 10am			24-Nov 10am	
	AMP & Major Capex Committee			18-Feb 10am			20-May 10am			11-Aug 10am			18-Nov 10am	
	STP Committee													
	Committee for Climate Action			19-Feb 10am			14-May 10am			16-Aug 10am			3-Nov 10am	
	CCO Oversight Committee meetings	8 Dec (M Devlin)					18-May				21-Sep			
Events	Community and Stakeholder Relationships							TBC: Meet Diversity and Inclusion Committee						
Governance	Charter reviews		Corporate Governance charter				A&R Charter	Committee for Climate Action Terms of Reference		Corporate Governance charter Te Tangata Charter				
	Policy reviews												Good Employer Policy	
	Risk report due to Council		Risk report (due to Council 22 February)			Risk report (due to Council 18 May)			Risk report (due to Council 23 August)		Risk report (due to Council 13 September)		Risk report (due to Council mid-November)	
	Enterprise Risk report to Board		Report to Board			Report to Board			Report to Board			Report to Board		
	Compliance		Statutory compliance			Statutory compliance			Statutory compliance			Statutory compliance		
	Shareholder interaction	Q1 briefing to CCO Oversight Committee TBC			Presentation to CCO Oversight Committee of Q2 Report 23 March	Q3 Report to Council due 30 April	Presentation to CCO Oversight Committee of Q3 Report on 18 May			Q4 Report to Council due 30 August	Presentation to CCO Oversight Committee of Q4 Report on 21 September			
	Site Visits					Water sites CI sites								
Board Training	Board training & development	Privacy Law (once new laws are in place)								Personal Security - RISQ		Mental Health & Wellbeing in the workplace		

Board - Public Session - Directors' Corporate Governance Items

Business strategy	Strategic planning & Deep Dives													
Business planning	Key finance and business decisions	Auckland Council Draft Annual Plan - approve Watercare input*	Approve half year accounts	a) approve financials for Draft SOI including projected 21/22 price increases, b) approve long term financials for Auckland Council modelling		Auckland Council to notify Watercare of Group Treasury Interest Rate by 30 April	Present plan for Year End to A&R Approve Insurance Proposal Approval of 2020/21 Budget & updated SOI Financials (1 June board meeting)		Auckland Council and Watercare to review 30 June Treasury Interest rates	a) approve 2020/21 accounts, b) delegate final sign off of 2021/22 Annual Report c) Approve Auckland Council Reporting Pack				Auckland Council Draft Annual Plan - approve Watercare input*
	Statement of intent		2021/22 Letter of Expectation to be received	Draft 2021-2024 SOI for Board's review	Approval of Draft 2021-2024 SOI				Present shareholder SOI feedback at public meeting on 5 July. Final 2021-2024 SOI issued to shareholder on 31 July.	Final 2021-2024 SOI adopted by Auckland Council		2020/2021 SOI Results to be presented to Board at Public Meeting. Public Deputations received.		2022/23 Letter of Expectations to be received




* Statutory public Board meeting - deputations invited

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

Report to the Board of Watercare Services Limited
Prepared for the 29 April 2021 Board meeting



Disclosure of senior executives' interests

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

1. Purpose and context

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

2. The details

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




Senior Executive	Interest
Jon Lamonte	• Director - Water Services Association of Australia
Marlon Bridge	• Trustee – Te Motu a Hiaroa (Puketutu Island) Governance Trust • Director – WCS Limited
Rebecca Chenery	• Director – Lutra Limited
Shayne Cunis	• Director – The Water Research Foundation (USA)
Rob Fisher	• Deputy Chair – Middlemore Foundation • Trustee – Watercare Harbour Clean Up Trust • Trustee – Te Motu a Hiaroa (Puketutu Island) Governance Trust
Jason Glennon	• Director – Michaels Ave Investments Limited
David Hawkins	• Nil
Shane Morgan	• Committee Member – International Water Association, New Zealand • Director – Lutra Limited
Amanda Singleton	• Director – Die Weskusplek Pty Ltd (South Africa) • Trustee – Te Motu a Hiaroa (Puketutu Island) Governance Trust
Nigel Toms	• Director – TRN Risk & Resilience Consulting
Steve Webster	• Director – Howick Swimgym Limited



Report to the Board of Watercare Services Limited
Prepared for the 29 April 2021 meeting



Directors' appointment terms, committee memberships, and meeting attendances

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

10.3

1. Purpose and context

This paper provides an update on:

- the tenure of the seven current 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 currently have seven directors

Our directors are appointed by Auckland Council.

Director	Original appointment date	End of term
Margaret Devlin (Chair)	1 November 2016	31 October 2022
Dave Chambers	1 November 2019	31 October 2022
Nicola Crauford	1 April 2014	31 October 2021
Brendon Green	1 November 2016	31 October 2022
Hinerangi Raumati-Tu'ua	1 August 2019	31 October 2021
Frances Valentine	1 November 2019	31 October 2022
Graham Darlow	3 February 2021	31 October 2024

Table 2: We have four 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	AMP & Major Capex	Committee for Climate Action
Margaret Devlin (Chair)	*	✓	✓	
Dave Chambers		Committee Chair		✓
Nicola Crauford			Committee Chair	✓
Brendon Green	✓			Committee Chair
Hinerangi Raumati-Tu'ua	Committee Chair		✓	
Frances Valintine		✓		✓
Graham Darlow	✓		✓	

**Board Chair attends in ex-officio capacity*

Table 3: Attendance at Board and committee meetings in 2021 is detailed in the table below:

Board member attendance 2021	Attendance at Board meetings											Attendance at Audit and Risk Committee meetings					Attendance at AMP & Major Capex Committee meetings					Attendance at Te Tangata Komiti meetings					Attendance at Committee for Climate Action meetings				
	Board 29 January 2021	Board 26 February 2021	Board 30 March 2021	Board 29 April 2021	Board 1 June 2021	Board 5 July 2021	Board 29 July 2021	Board 30 August 2021	Board 30 September 2021	Board 28 October 2021	Board 30 November 2021	A&R 3 February 2021	A&R 26 May 2021	A&R 9 August 2021	A&R 24 August 2021	A&R 28 October 2021	AMCC 18 February 2021	AMCC 16 April 2021	AMCC 20 May 2021	AMCC 11 August 2021	AMCC 18 November 2021	TTK 27 January 2021	TTK 28 April 2021	TTK 26 July 2021	TTK 19 August 2021	TTK 24 November 2021	CCA 19 February 2021	CCA 24 May 2021	CCA 16 August 2021	CCA 3 November 2021	
Margaret Devlin	✓	✓	✓									✓					✓					✓						✓			
Nicki Crauford	✓	✓	✓														✓	✓										✓			
Brendon Green		✓	✓									✓																✓			
David Thomas	✓	✓										✓										✓									
Hinerangi Raumati-Tu'ua			✓									✓						✓													
Dave Chambers	✓	✓	✓																			✓						✓			
Frances Valintine	✓	✓	✓																									✓			
Graham Darlow		✓	✓															✓													