

## WATERCARE SERVICES LIMITED

<b>AGENDA</b>	<b>BOARD MEETING</b>	<b>Tuesday, June 30, 2020</b>
<b>Venue</b>	Watercare Services, Level 3, 73 Remuera Road, Remuera, Auckland	
<b>Time</b>	10.30-11am for items 1-5; 12.30-1.30pm for items 6-9	

*Open Public Meeting*

Item	Spokesperson	Action sought at governance meeting	Supporting Material
<b>1 Meeting Administration</b>	Chair	For discussion	Nil
<b>2 Apologies</b>	Chair	Record apologies	Nil
<b>3 Minutes of Meeting</b>	Chair	Approve Board Meeting Minutes 28 May 2020	<a href="#">Board Minutes 28 May 2020</a>
<b>4 Disclosure of Directors' Interests</b>	Chair	For noting	<a href="#">Report</a>
<b>5 Public deputations (10.30-11am)</b>	Chair	For noting	Nil
<b>Intermission (11.00-12.30pm)</b>			
<b>6 For approval</b>			
6.1 Committee for Climate Action Terms of Reference	Emma McBride	For approval	<a href="#">Report</a>
<b>7 For discussion</b>			
7.1 Safety Moment	All	For sharing	Nil
7.2 Drought Update, including update on demand management	Mark Bourne/Amanda Singleton	For discussion	Nil
7.3 Chief Executive's Report	Raveen Jaduram	For discussion	<a href="#">Report</a>
7.4 Board Committee Updates	Committee Chairs	For discussion	Nil
<b>8 Directors' Corporate Governance Items</b>			
8.1 Board Planner	Chair	For noting	<a href="#">Report</a>
8.2 Disclosure of Senior Executives' Interests	Chair	For noting	<a href="#">Report</a>
8.3 Directors' Appointment Terms and Committee Memberships	Chair	For noting	<a href="#">Report</a>
<b>9 General Business</b>	Chair	For discussion	Nil

<b>Date of next meeting</b>	<b>Tuesday 28 July 2020</b>
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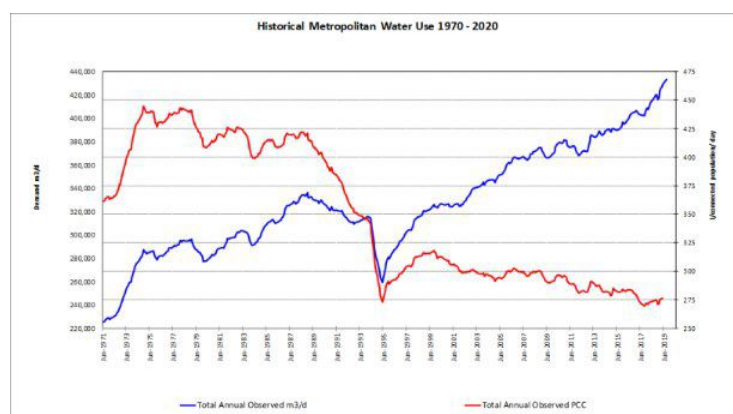
# MINUTES

SUBJECT	WATERCARE SERVICES BOARD MEETING
VENUE	Watercare Services Limited, Level 3, The Hub, 73 Remuera Road, Remuera, Auckland
DATE	28 May 2020
TIME	10.05am
STATUS	Public Session

	<p><b>Present:</b> Margaret Devlin (Chair) Julia Hoare (Deputy Chair) Dave Chambers Nicki Crauford Brendon Green David Thomas Frances Valintine</p> <p><b>Board intern</b> Colin Magee</p>	<p><b>In Attendance:</b> Raveen Jaduram (CE) Marlon Bridge Shane Morgan Steve Webster Amanda Singleton Rebecca Chenery David Hawkins Shayne Cunis Jason Glennon Bronwyn Struthers Mark Bourne Rob Fisher Emma McBride Chris Allen Tere Ryan</p>	<p><b>Members of the Public and guests:</b>  Sarah Holdem, CCO Governance Wendy Gray, Tree Advocate (for item 1 to end of additional item)</p>
1.	<p><b>Meeting Administration</b></p> <p>The Chair welcomed Wendy Gray, Tree Advocate, who is attending the meeting to present to the Board on the Huia Water Treatment Replacement Plant.</p>		
2.	<p><b>Apologies</b></p> <p>Apologies were received from Watercare's Liaison Councillor, Councillor Linda Cooper.</p>		
3.	<p><b>Minutes of Previous Meetings</b></p> <ul style="list-style-type: none"> <li>- Two typographical errors were noted for correction on pages 2 and 3.</li> </ul> <p>The Board <b>resolved</b> that the minutes of the public section of the Board meeting held on 28 April 2020 be confirmed as true and correct.</p>		
4.	<p><b>Review Disclosure of Directors' Interests</b></p> <ul style="list-style-type: none"> <li>- Frances Valintine has resigned as a Board member of Callaghan Innovation</li> <li>- Nicki Crauford has been appointed a member of the Statistics New Zealand Advisory Board.</li> <li>- Brendon Green has resigned as an Executive from Te Runanganui o Ngati Hikairo; and had the following three new appointments: <ul style="list-style-type: none"> <li>o Member of the Waikato District Council - Infrastructure Committee;</li> </ul> </li> </ul>		

	<ul style="list-style-type: none"> <li>○ Advisor, Te Taumata Aronui, Ministry of Education;</li> <li>○ Adjunct Senior Fellow, University of Canterbury Department of Chemical Engineering.</li> </ul> <p>- Dave Chambers has been appointed a director of Living Clean NZ Limited.</p> <p>The report was noted.</p>
<b>Additional item</b>	<p><b>Public Deputation from Wendy Gray, Tree Advocate</b></p> <p><b>Appendix A</b> is a presentation provided to the Board by Wendy Gray.</p> <p>- The Chair thanked Ms Gray for her presentation and confirmed a written response would be provided within a week of the meeting.</p> <p><i>Wendy Gray departed the meeting at this point.</i></p>
<b>5.</b>	<p><b>For Discussion</b></p> <p><b>5.1 Safety Moment</b></p> <p>Bronwyn Struthers, Head of Health, Safety and Wellness (HSW), provided an update on the importance of leadership and kindness during the Covid-19 crisis and commended the CE's leadership, and clear and calm communications to all staff during that period.</p> <p><b>5.2 Drought Update</b></p> <p>Mark Bourne, Head of Servicing and Consents, presented to the Board.</p> <p><b>Appendix B</b> is a copy of the presentation.</p> <p>Key points from the presentation were as follows:</p> <ul style="list-style-type: none"> <li>- The rainfall that has fallen has been mainly been in the west, rather than the south. Our largest water storage lake (that represents 50% of our storage) is in the Hunua Ranges. In total, about half the rain needed to keep the water storage lakes to a normal level was received between November 2019 and May 2020. The rain over the last week provided a week's worth of consumption.</li> <li>- The Board had a robust discussion regarding the type of messages that the company should be telling Aucklanders to encourage water savings. The Board wants Aucklanders to be told the full story, which explains how much rain we need to get back to normal going into summer. The Board also suggested that Aucklanders needed to be told how much water Aucklanders are saving, and how much water we are adding to our storage capacity by boosting our water supply.</li> <li>- To date there has been 458 reports from the public notifying us of people potentially breaching the water use restrictions (e.g. using hoses or water blasters). All notifications are followed up with a phone call or email, and then a formal written warning letter. To date, there have been no repeat offenders. Many of the commercial users that have been reported have, on investigation, been using non-potable water and therefore are not breaching the bylaw. The company is working with these providers to ensure that site signage clearly identifies that non-potable water is being used.</li> <li>- To assist smaller commercial operators (e.g. water blasters and house washers), three non-potable distribution points have been set up in conjunction with Auckland Council's Healthy Waters. Two more points will be brought online today. 130,000L of non-potable water was distributed on Tuesday. Most commercial users have tanks of 1,000 – 3,000L. New non-potable water locations continue to be assessed.</li> </ul>

- Large construction companies typically use standpipes for both construction and hygiene purposes (e.g. ablution blocks). These companies hire our standpipes for long periods (sometimes years). Where possible, we are moving these companies to a permanent water meter for potable water use for use in cleaning, hygiene, sanitation and drinking. The companies are using the non-potable sources for wheel washing, dust suppression etc.
- Prior to any savings, daily expected use in May was 448MLD (rolling seven day average). The savings target of 420MLD (a saving of 28MLD) was set for May. Aucklanders are now saving approximately 33MLD and therefore meeting the target. This is pleasing given many businesses reopened post-Covid-19 in May 2020, and are using more water for cleaning, hygiene and sanitation.
- In June, the expected unconstrained daily use would be 440MLD, and the target after savings is 410MLD, requiring Aucklanders to save 30MLD. When this occurs, we will continue to ask Aucklanders to save 2 buckets/20L per day; however, the intensity of the messaging will increase.
- In response to questioning from the Board regarding the effectiveness of the communications activities and the type of messaging, David Hawkins, Chief Corporate Affairs Officer reported that in April and May we surveyed Aucklanders to gauge their awareness of the drought and their willingness to reduce their water use. The survey shows there is a high level of awareness of the drought, and people are changing their behaviour to reduce their use to below the target required. In particular:
  - o There is a high level of agreement that it's important or extremely important to save water right now (in April 36% of respondents believed it was extremely important to save water. In May, 68% of respondents believe it is extremely important to save water)
  - o 79.5% of respondents reported ways they have reduced their water use in May
  - o Of those who said they had not reduced their water use, 66.3% said it is because they are already water efficient.
- Amanda Singleton, Chief Customer Officer, confirmed our customer team is having one-on-one conversations with large commercial customers, and these businesses are aware of the severity of the drought and the consequences that could come if we move into more severe water use restrictions.
- In conclusion, Mark Bourne explained the graph below. In the early 1970s, daily water use of Aucklanders was around 450L/person/day. In 1993/94 as we entered the drought, daily water use had fallen to 350L/person/day, and by the end of the drought, it had dropped to 275L/person/day. The habits that were encouraged during the 1993/94 drought have endured. While absolute demand has risen in line with population growth (including residential and commercial growth), Aucklanders water use remains the same as it was in 1993/94 (i.e. around 275L/per/day (gross, i.e. including commercial and industrial users)).



- The Chair noted that whilst Aucklanders are efficient water users compared to the rest of New Zealand, compared internationally, there is room for improvement.
- Another part of the story that needs to be told to Aucklanders is that the last time water restrictions were in place (1993/94), the water system was built to a 1 in 50-year drought standard (meaning the dams would only empty once every 50 years). Since then, significant investment has been made by Watercare to increase the resilience of our water supply system, and it is now built to a 1 in 200-year drought standard. The current drought is already more than a 1 in 100-year drought, which means that without interventions (restrictions and boosting supply) the water storage lakes will continue to empty without any significant rain.

The Board noted the paper.

### **5.3 Chief Executive's Report**

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

- In relation to the SOI, the CE noted that the gross PPC figure may be met by the end of the year.
- All environmental sampling and testing that ceased over the Alert Level 4 lockdown has now recommenced
- The NPS figure declined and the monthly figure for April was 27. During the Covid-19 lockdown, the call centre was only responding to emails. Given this, the Voice of the Customer survey was stopped during lockdown. While the call centre is now fully operational under Alert Level 2, and the Voice of the Customer survey has restarted, the NPS figure will take some time to recover. The call centre staff have been under enormous pressure. This is especially the case now we are facing the drought.
- Marlon Bridge, CFO, reported that Central Government's work on the Infrastructure Funding and Financing Bill has slowed down due to Covid-19. However, it is still a priority for the DIA, and Management continues to monitor the progress of the Bill.
- Bronwyn Struthers, confirmed that the close-call involving workers who retrieved the camera did the work without the correct permits in place. They should have ceased the work, left the camera where it was, and returned to retrieve it once the correct permit to work was in place.

The report was noted.

### **5.4 Board Committee Updates**

#### **AMP and Major Capex Committee**

Nicki Crauford, Chair of the Committee noted the next meeting will be held in late July 2020.

#### **Strategic Transformation Programme (STP) Committee**

Brendon Green, Committee Chair, noted that the STP close-out meeting will be held in June 2020.

#### **Te Tangata Komiti**

Dave Chambers, Committee Chair, reported that the Te Tangata Komiti met on 29 April 2020. Items discussed at the meeting included:

	<ul style="list-style-type: none"> <li>- whether the living wage was paid to staff working for our contractors. This is a work in progress, as some of our contractors do not pay their staff a living wage and to ask to do so would involve union discussions.</li> <li>- 83% of our people leaders have completed the Unconscious Bias training. The Board has also been provided access to this online training module and are encouraged to complete the module.</li> <li>- During Covid-19 there have been no redundancies at Watercare.</li> <li>- Post Covid-19, some staff will be working from home more. The People &amp; Capability team are developing a Flexible Working Policy.</li> </ul> <p>Some items on the agenda were not covered as the meeting went over time. The Komiti will have a catch-up meeting on 11 June 2020 to address these items.</p> <p><b>Committee for Climate Action Committee</b></p> <p>Brendon Green, Chair of the Committee, provided an update on the 22 May 2020 meeting.</p> <ul style="list-style-type: none"> <li>- The Green Energy Strategy was presented to the Committee, highlighting the potential for sizeable carbon reduction and cost savings. This is currently unfunded; the Committee will review the potential financing options to be considered and return to the Board.</li> <li>- The draft terms of reference were discussed in relation to the appointment of a youth/rangitahi representative to the Committee. It was agreed that representatives of leading youth climate groups would be invited for the remaining Committee meetings in 2020. The Committee would use this time to evaluate and then invite a representative for 2021. The Committee's terms of reference will be updated to reflect these changes and be presented to the June Board meeting.</li> <li>-</li> </ul> <p><b>Audit and Risk Committee</b></p> <p>Hinerangi Raumati-Tu'ua, Chair of the Committee, updated the Board. This Committee met on 25 May 2020. Items discussed included:</p> <ul style="list-style-type: none"> <li>- The Audit and Risk Charter</li> <li>- Insurances for 2020/2021</li> <li>- The Internal Audit Plan, which may need adjustment post-Covid-19, so this is being reviewed</li> <li>- The internal audit reports</li> <li>- The CFO's scanning the horizon report</li> <li>- The Central Interceptor risk assurance report.</li> </ul>
6.	<p><b>Directors' Corporate Governance Items</b></p> <p><b>6.1 Board Planner</b></p> <p>The report was noted.</p> <p>Emma McBride, Head of Governance will work with the board to restart site visits and arrange a workshop on 29 June 2020 for the Board to discuss future water use options.</p> <p><b>6.2 Disclosure of Senior Executive's Interests</b></p> <p>The report was noted.</p>

	<p><b>6.3 Directors' Appointment Terms and Committee Memberships</b></p> <ul style="list-style-type: none"> <li>- The Chair advised that a new director is currently being recruited by Auckland Council to start in October 2020.</li> </ul> <p>The report was noted.</p>
7.	<p><b>General Business</b></p> <ul style="list-style-type: none"> <li>- The Chair reported that the CCO Review continues to progress to plan with the final report being provided to Council in July 2020</li> <li>- Sarah Holdem, CCO Governance queried whether there had been any changes to the three waters reform post-Covid-19. The Chair responded by suggesting that in the first instance, Council should be discussing the matter with Central Government first, and then once timeframes were established, Watercare and the Council could discuss next steps.</li> <li>- The Chair expressed her thanks and appreciation to Healthy Waters and the good work they are doing to distribute non-potable water to commercial users.</li> </ul>
	<p>The meeting closed at 11.53am.</p>

CERTIFIED AS A TRUE AND CORRECT RECORD

Margaret Devlin

**Chair**

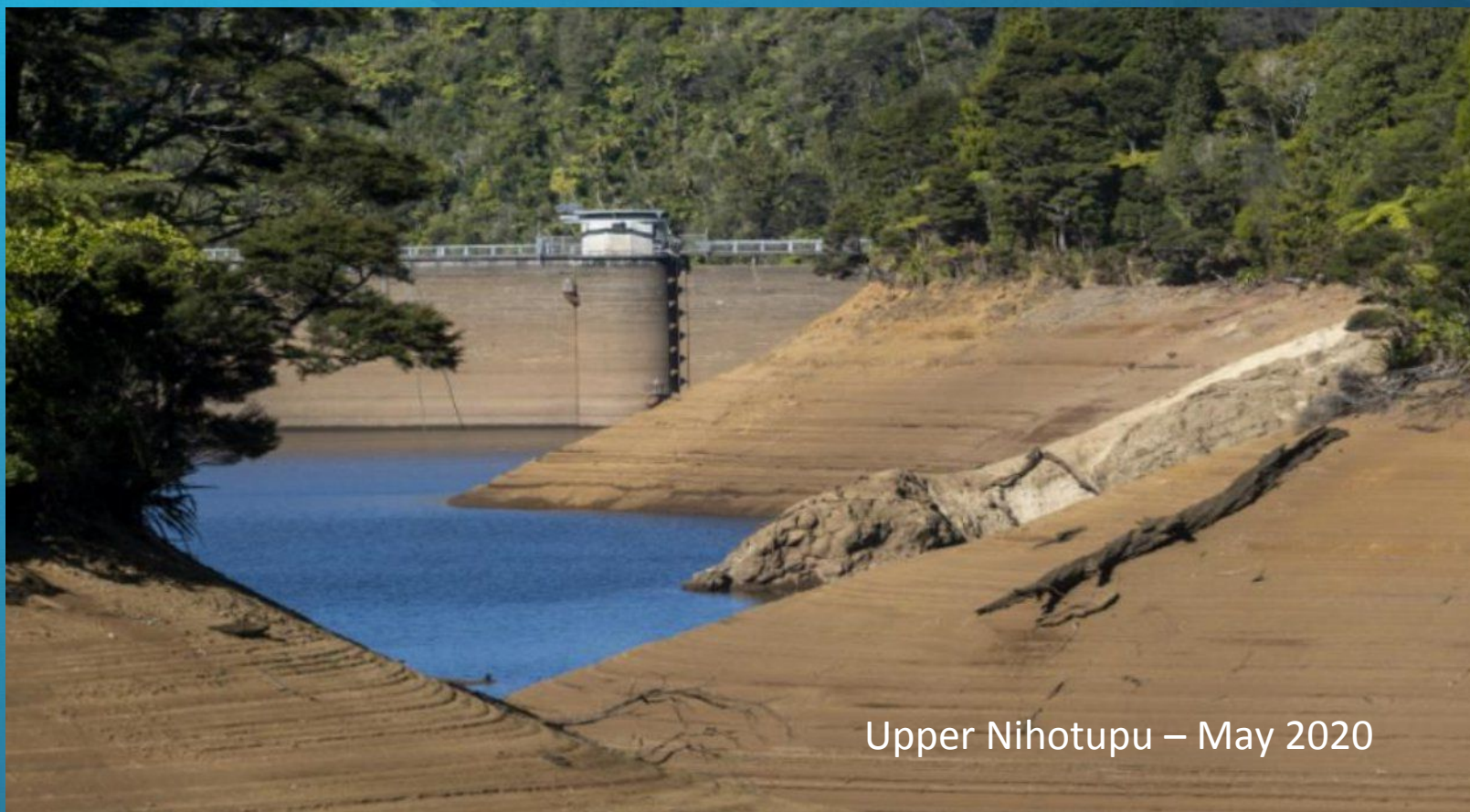
# Appendix A

## Drought Update

*Report to the Watercare Board- 28 May 2020*

*Mark Bourne - Head of Servicing & Consents*

3.1



Upper Nihotupu – May 2020

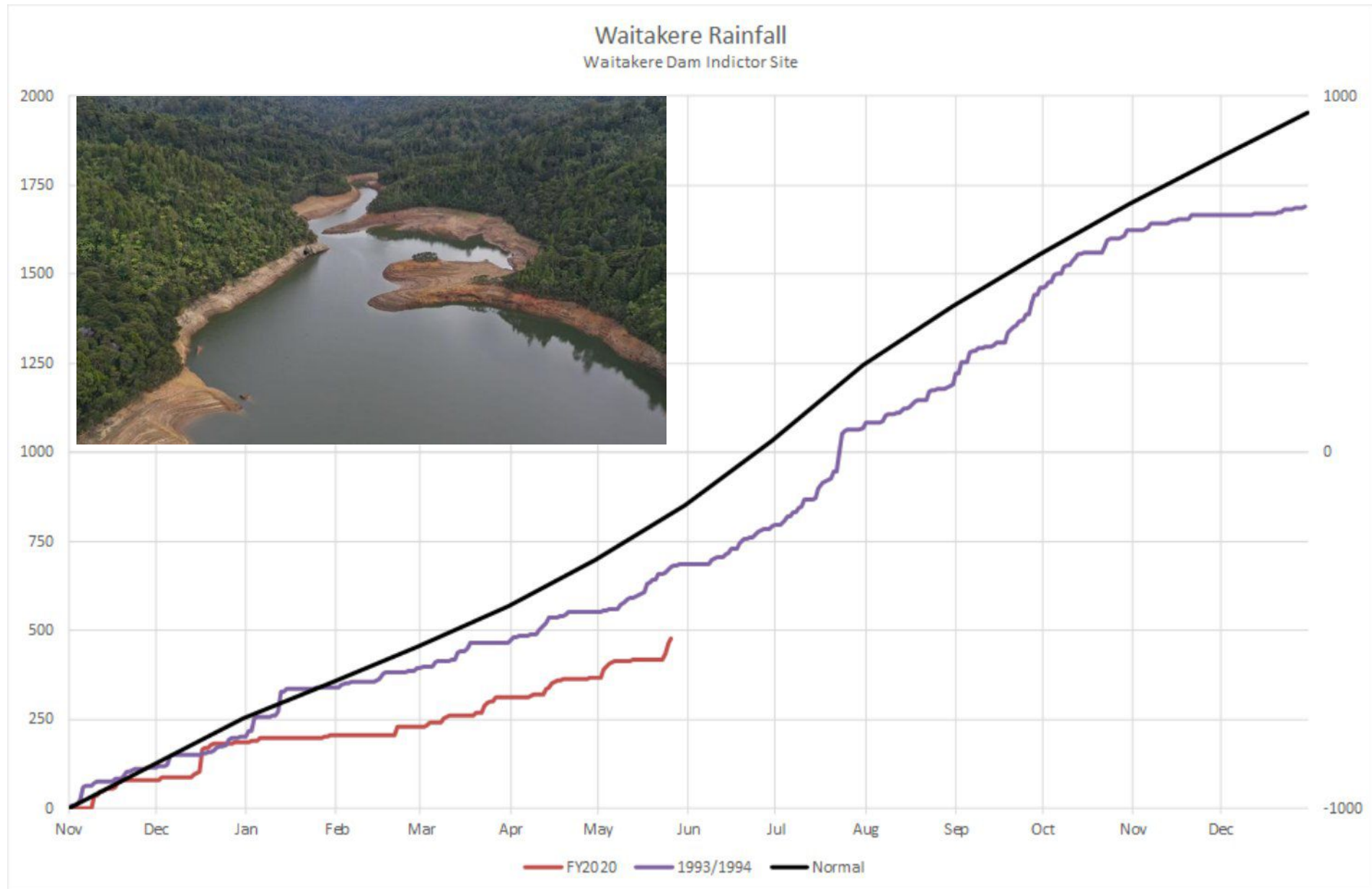


## Weather Forecast

- On 1 May 2020, NIWA forecasted that May-July would be near to below normal rainfall for Auckland.
- On 6 May 2020 MetService's Long Term Forecast indicated that June-August would be slightly above average rainfall, and from September-November inclusive (Spring), the weather would be dry.
- The current four week forecast received on 26 May 2020 shows:
  - Current week – above average for this time of year (and this rain has arrived)
  - Next week – will be drier than normal
  - Week 3 -4 (mid June) - show a return of a high pressure system (i.e. extreme dry with chance of some showers).

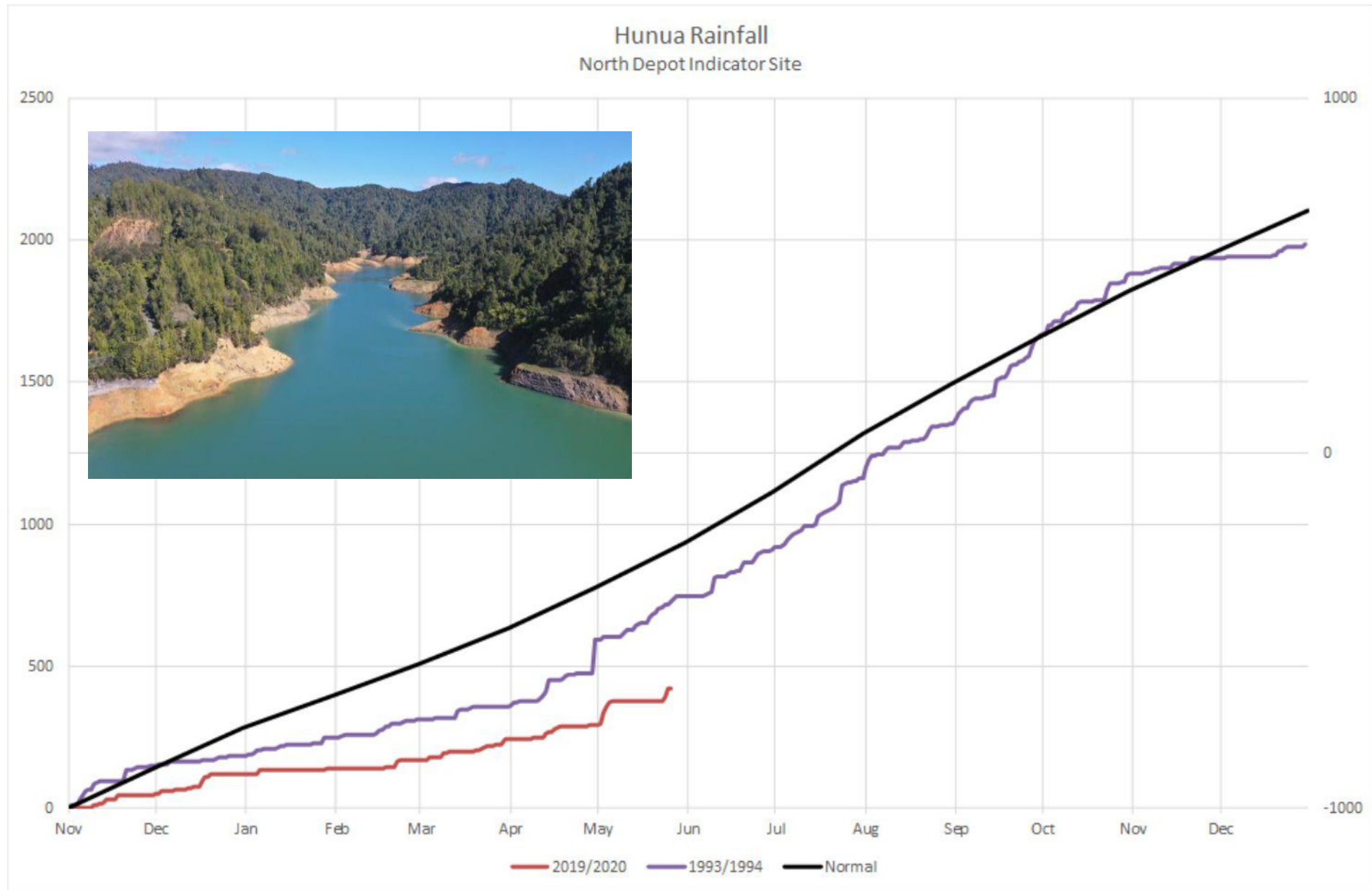
# Waitakere Rainfall

3.1



# Hunua Rainfall

3.1

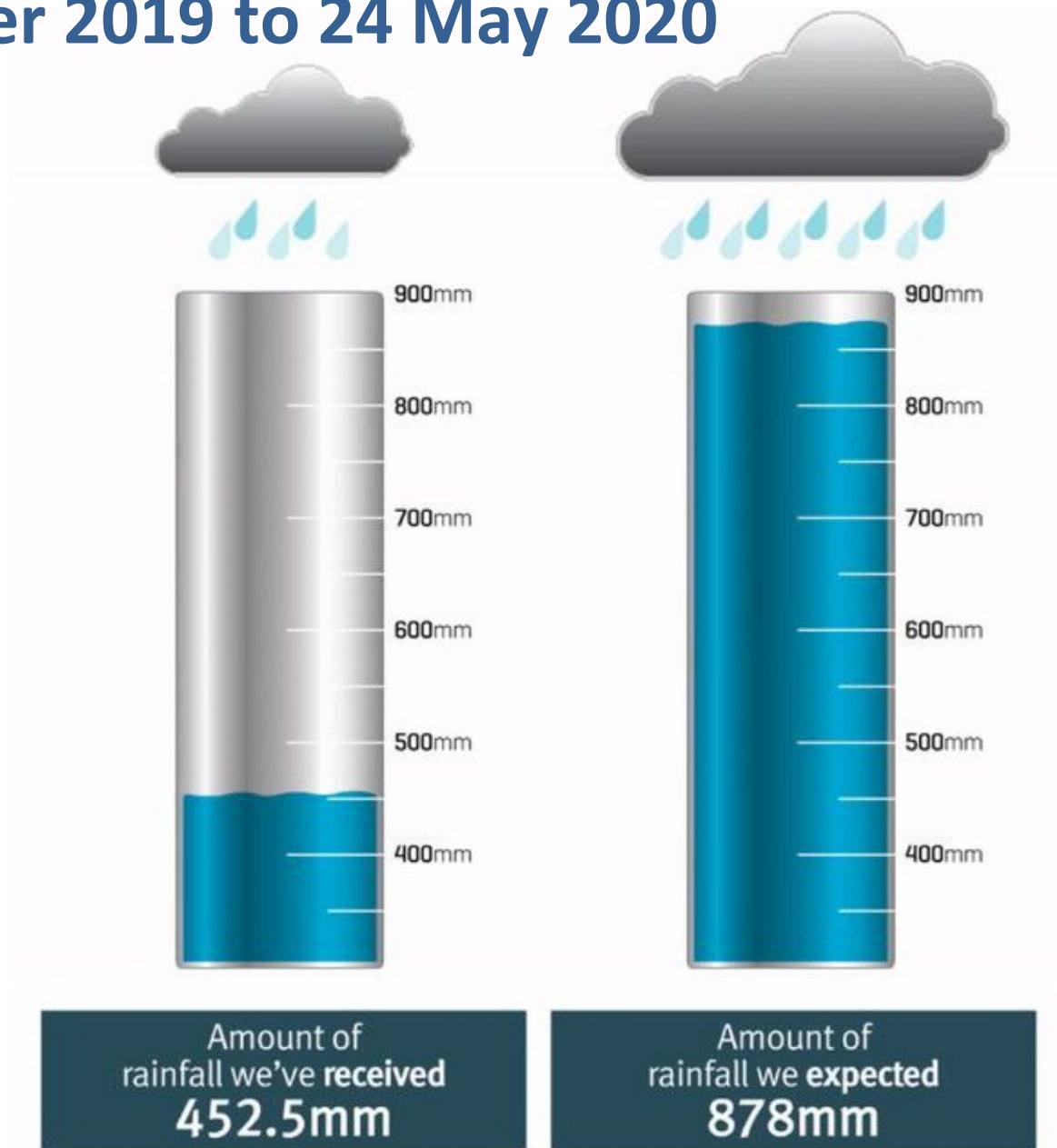


# The Auckland Drought

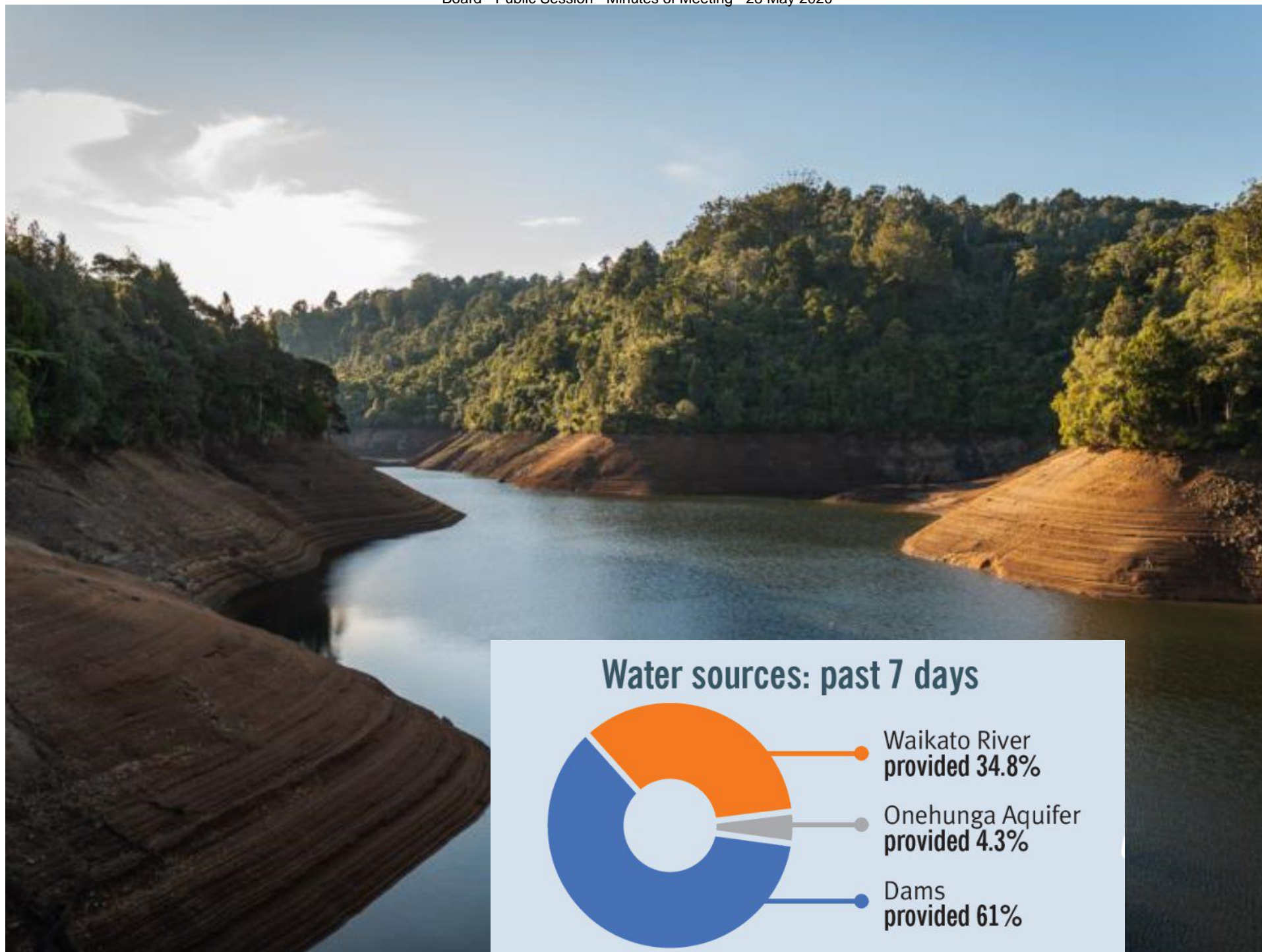
3.1

- Auckland is in a severe drought
- Since the start of the drought in November 2019 to 15 May 2020, we have received 48.5 per cent less rainfall than normal. This is an extraordinary, record-breaking drought.
- The low rainfall coincided with record breaking demand in Jan/Feb and unprecedented demand from rain tank users
- Auckland water storage currently 42.5% full (normal average 76.6%) . Rainfall over the weekend has increased storage by 1%
- We need significant rainfall to replenish dams for next summer
- Forecast is for less than to average rainfall over winter

# Rainfall received v's expected 1 November 2019 to 24 May 2020

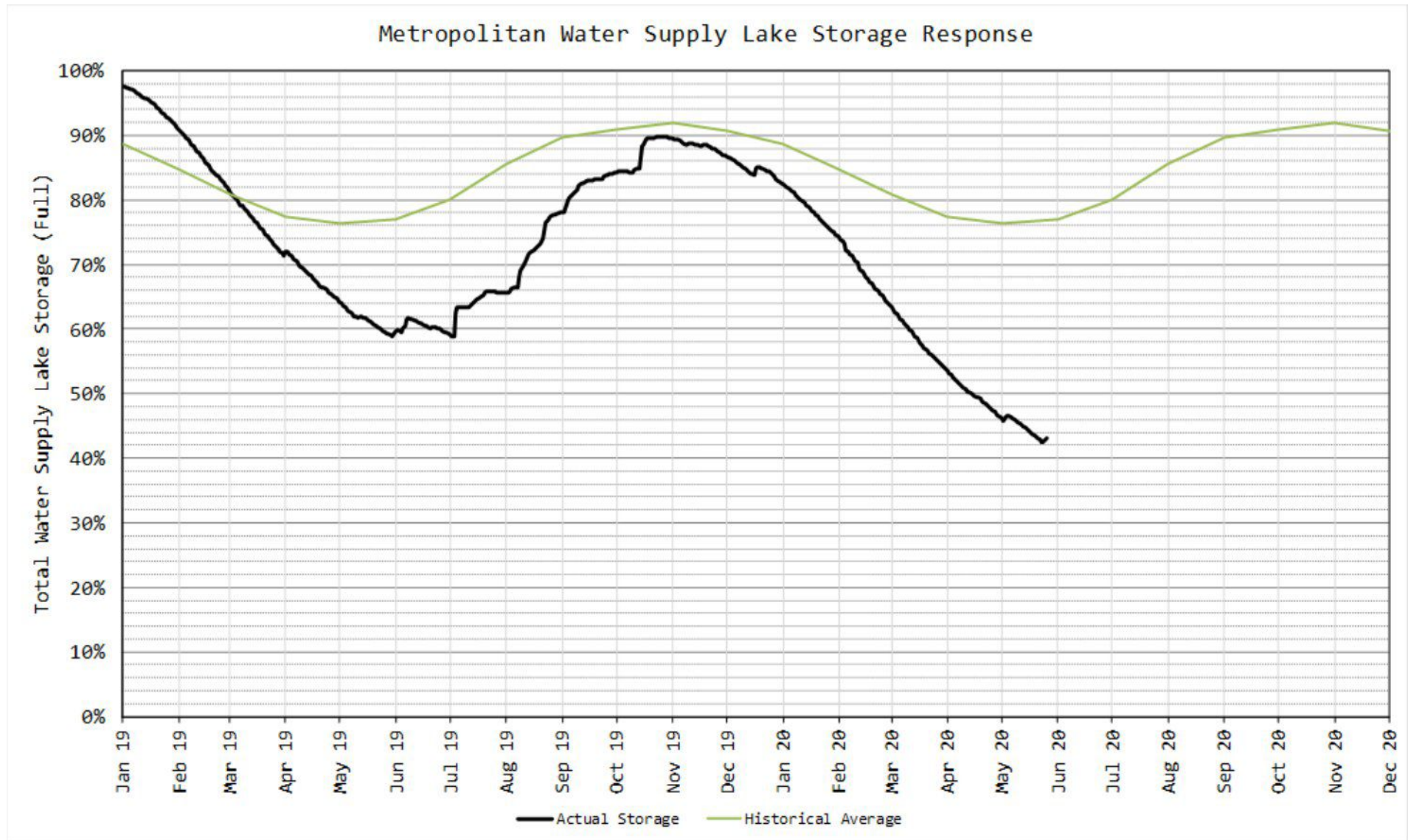






# Water storage lake supply levels

3.1





# Watercare Response to Drought

Tool box approach - range of interventions

## Demand Side Management

*Interventions to help reduce water demand*

- 'Water is Precious' campaign commenced 10 February 2020 – voluntary savings both indoors and outdoors
- Good public awareness of the drought and requirement for water savings – helped reduce demand
- Voluntary water savings messages ongoing, even if it rains
- Water use restrictions – Stage 1 implemented 16 May 2020
- Proactive work with industry and large customers to achieve voluntary water efficiency gains – Auckland Council a large water user

[www.waterforlife.org.nz](http://www.waterforlife.org.nz)





# Metropolitan Drought Management Plan and Water Use Restrictions

3.1

- The Plan provides approach to drought management including options for water savings and restrictions
- Water saving messages continue to focus on both indoor and outdoor water use. We are asking Aucklanders to reduce indoor use by 20 litres a day.
- Voluntary savings of 10% are being sought from non-domestic customers. We are working directly with our high-use customers to assist them to meet reduction targets.
- We are improving network performance - fixing leaks that are reported to us, and proactively searching for leaks in our network.
- Water use restrictions focused on outdoor water use for households and businesses - compliance action can be observed and if necessary enforced
- Staged restrictions may become increasingly stringent if required to save water



# Water Use Restrictions – Stage 1 implemented 16 May 2020

## Stage 1 Water Use Restrictions

Residential water use	Commercial and non-residential water use
You cannot: <ul style="list-style-type: none"> <li>Use an outdoor hose or water blaster</li> </ul>	You cannot: <ul style="list-style-type: none"> <li>Use an outdoor hose or water blaster unless it is for a health, safety, emergency or biosecurity reason.</li> <li>Operate a car wash unless it uses recycled water.</li> <li>Water sports fields, plants or paddocks unless you have an irrigation system fitted with soil moisture or rain sensors.</li> </ul>

*Outdoor water use restrictions for which Council has jurisdiction will work alongside other voluntary water saving messages*

## Stage 2 Water Use Restrictions

Residential water use	Commercial and non-residential water use
You cannot: <ul style="list-style-type: none"> <li>Use an outdoor hose or water blaster</li> </ul>	You cannot: <ul style="list-style-type: none"> <li>Use an outdoor hose or water blaster unless it is for a health, safety, emergency or biosecurity reason.</li> <li>Operate a car wash unless it uses recycled water.</li> <li>Water sports fields.</li> <li>Water plants or paddocks unless you have an irrigation system fitted with soil moisture or rain sensors.</li> </ul>

*Watercare will also continue to work with the high water use commercial sectors to encourage savings*

## Stage 3 Water Use Restrictions

Residential water use	Commercial and non-residential water use
You cannot: <ul style="list-style-type: none"> <li>Use an outdoor hose or water blaster</li> </ul>	You cannot: <ul style="list-style-type: none"> <li>Use an outdoor hose or water blaster unless it is for a health, safety, emergency or biosecurity reason.</li> <li>Operate a car wash unless it uses recycled water.</li> <li>Water sports fields.</li> <li>Water plants or paddocks.</li> </ul>
<i>Stage 3 water restrictions which may include rotating compulsory cuts to commercial water use will be discussed further with Auckland Council before any move to Stage 3 was agreed.</i>	

*Watercare has not asked business to close down – instead to adapt and innovate*

## Water Use Restrictions

- Different stages implemented according to the trigger levels in the Metropolitan Drought Management Plan (Plan).
- Stage 1 implemented from 16 May 2020
- Stage 2 will be triggered in accordance with the Plan

### **What area do the restrictions cover?**

- Pukekohe, Patumahoe, Clarks Beach, Glenbrook Beach, and all other metropolitan areas from Waiwera to Drury and Huia Village which are serviced by the Metropolitan network
- Areas such as Warkworth with a deep aquifer water take are exempt
- Messaging will be region wide to avoid confusion – everyone is expected to show restraint with water use

### **When are restrictions likely to be withdrawn?**

- Depends on rainfall and dam storage according to trigger levels in The Plan



# Enforcing Water Use Restrictions

- Council has delegated enforcement to Watercare.
- Enforcement is consistent with Council Policy – focus on education first during Stage 1.
- We are proactively working with Auckland Councils Compliance and Enforcement Team.
- Since restrictions began 10 days ago, we have received 458 notifications of potential breaches (mainly: residents washing cars and waterblasting driveways).
- To date there has been no repeat offenders. Several commercial users, on investigation, were correctly using non-potable sources.

## Residential vs Commercial customers

- Drought affects all water users
- Focus is on residential outdoor water use
- Businesses using water for health, safety, emergency or biosecurity reasons can continue operation at Stage 1 but have been told to plan and prepare for more stringent restrictions if Stage 2 is triggered
- Watercare & Healthy Waters are assisting commercial users to access non-potable water.



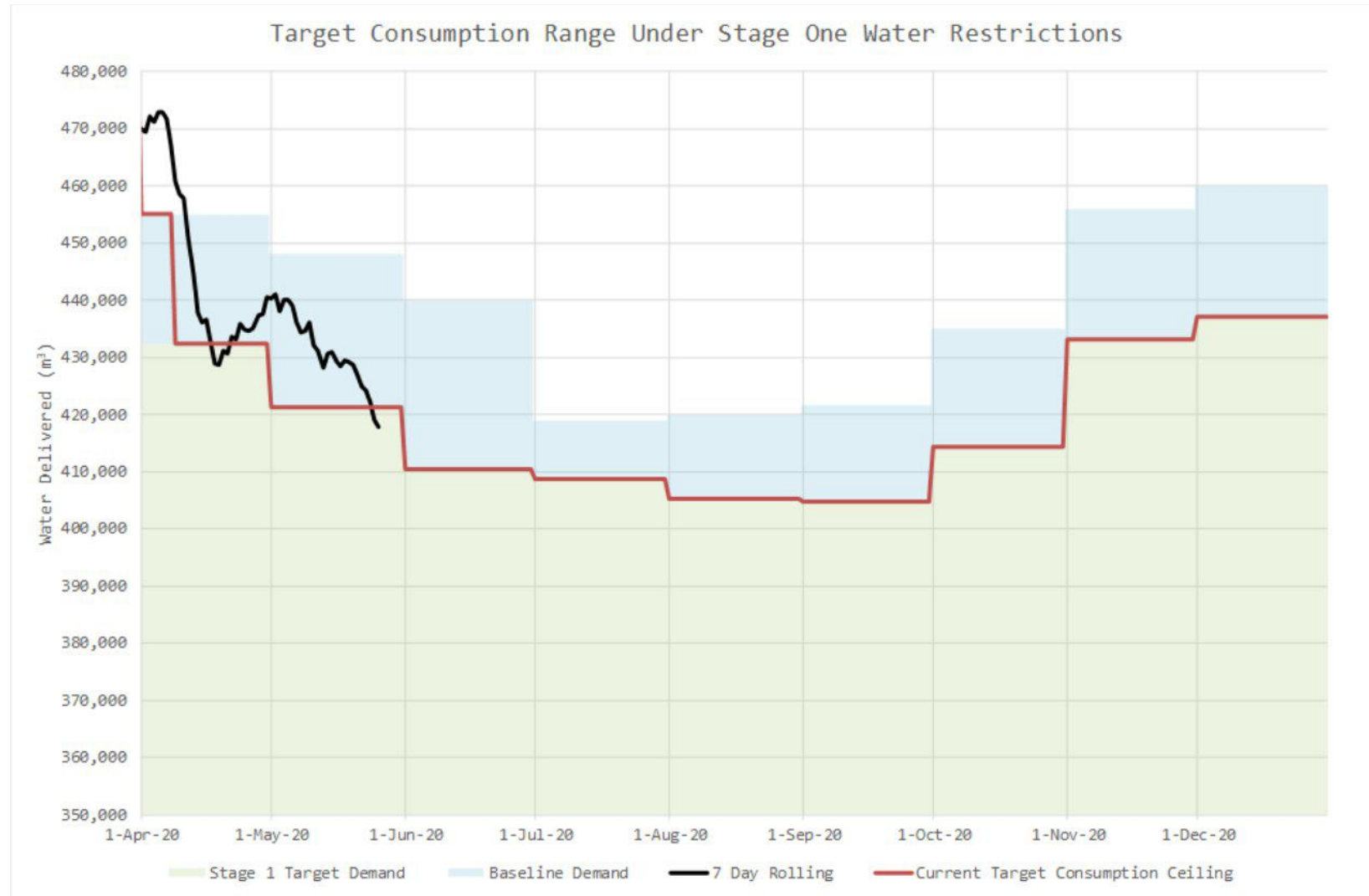
# Commercial users requiring non-potable water

- **Small Businesses, car washes and water blasters:** Watercare and Healthy Waters are assisting these companies to access non-potable water for their business operations.
- **Non-potable water:** There are currently three distribution points with two more due to open 28 May 2020. Lake Pupuke is currently being evaluated.
- **Construction companies:** A collective representing construction companies are working cooperatively to establish non-potable sources to meet their needs. Western Springs has been opened up for this purpose and is already operational.



# Average 7 day usage: 417MLD

## Current Target for May 2020 : 420MLD

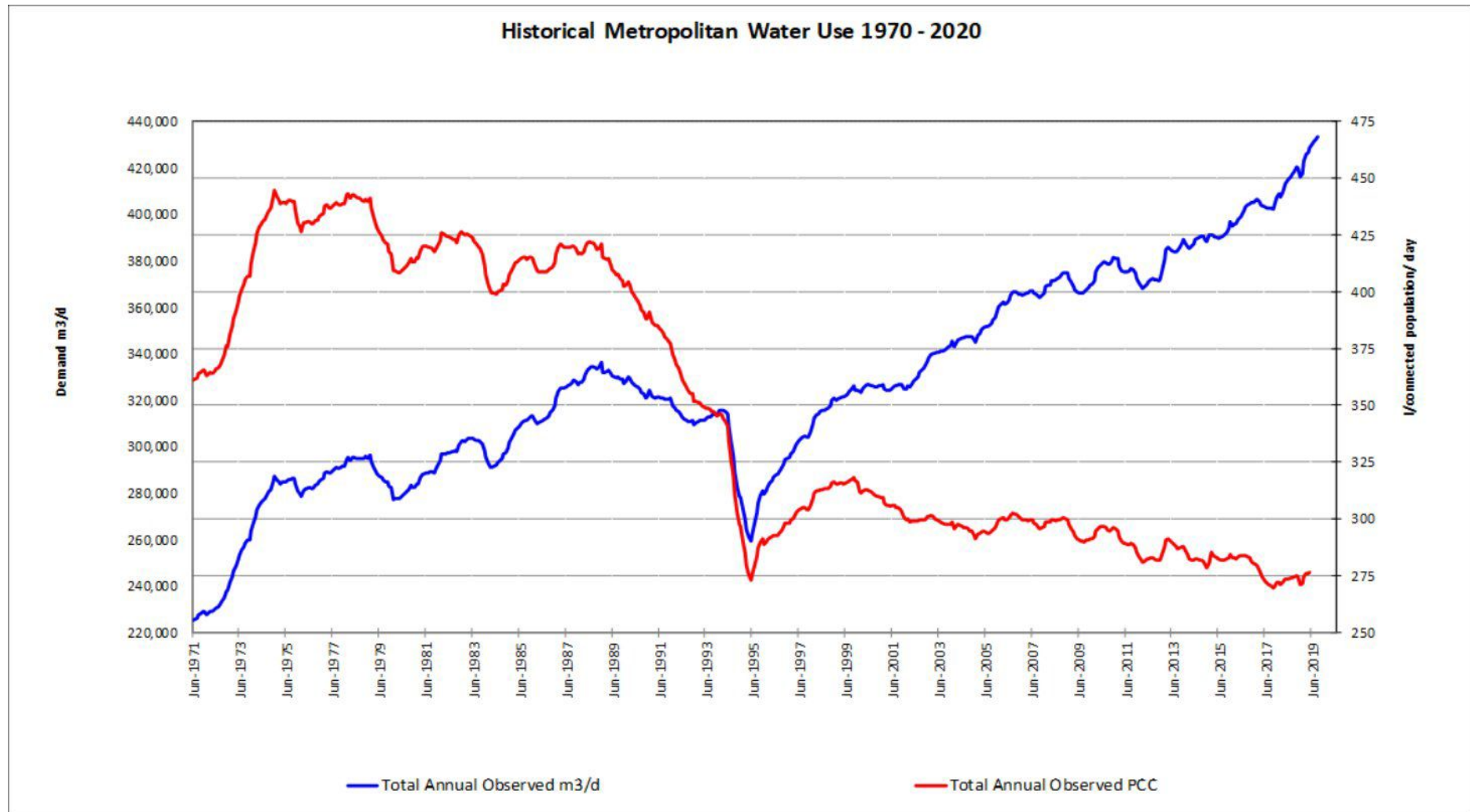




# 1993/1994 previous drought effects on consumption

## Total usage, including domestic and non-domestic and tanker fills

3.1



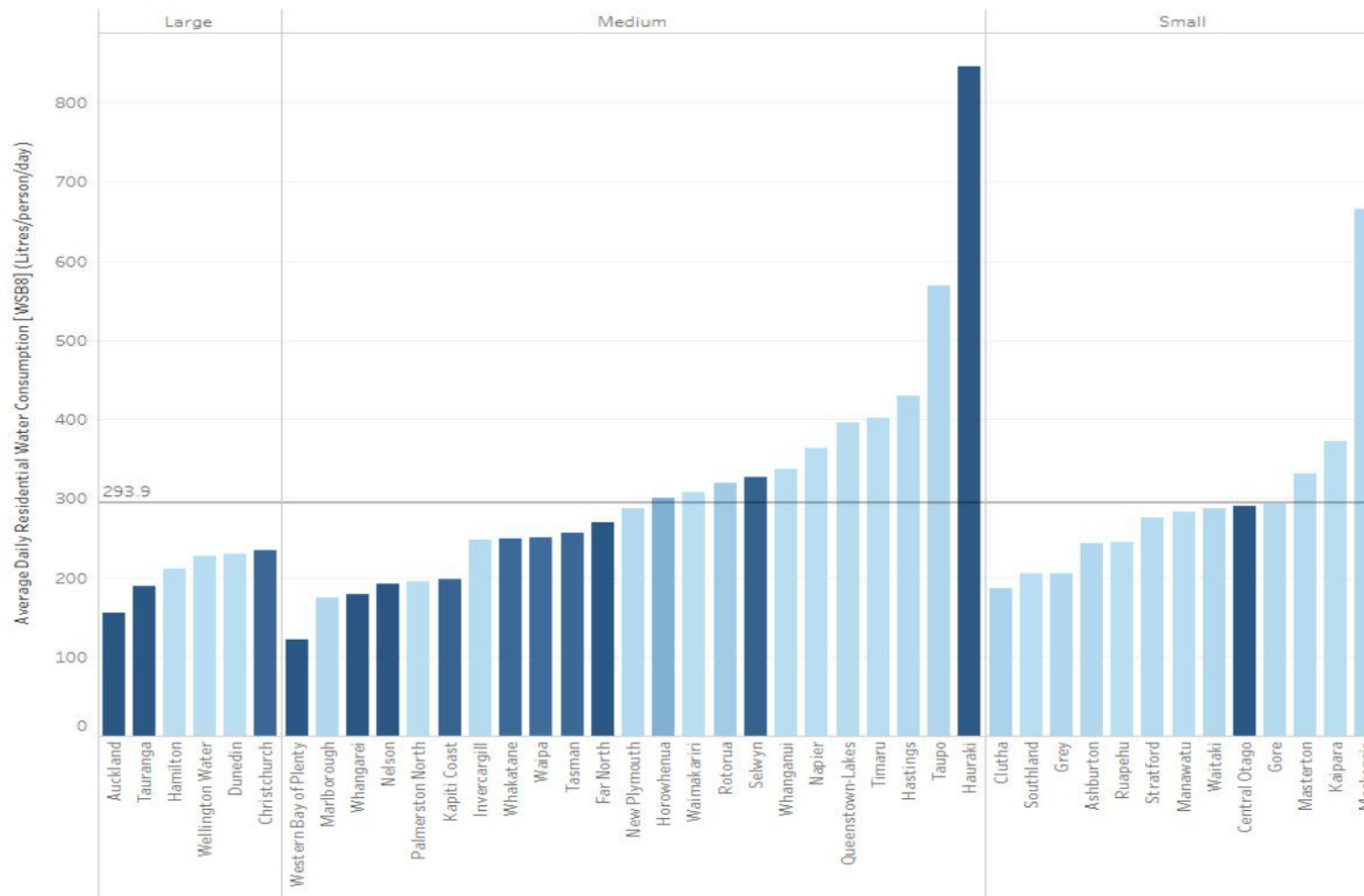
# Average daily domestic consumption – Litres/per person/day

(Water NZ National Performance Review 2018/2019)

3.1

Average daily residential water use (Litres/person/day)

Bars are colour coded according to the proportion of the network that has residential water metering.





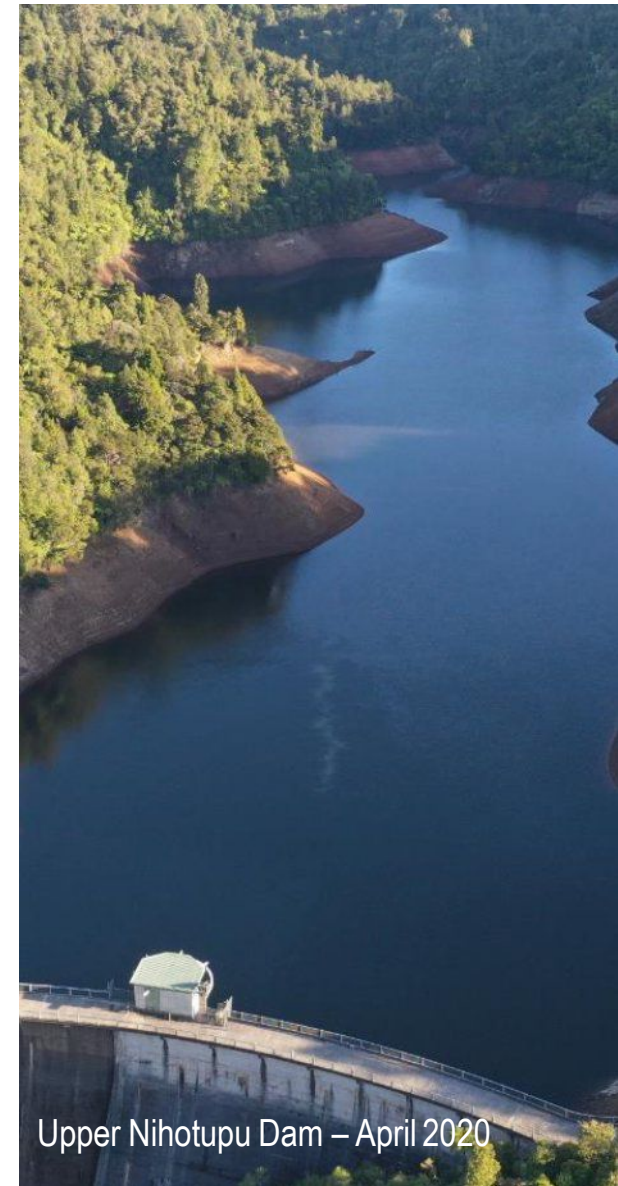
# Watercare Response to Drought

Tool box approach - range of interventions

## Supply Side Management

*Interventions to help increase water supply*

- Maximised abstractions from the Waikato River and Onehunga Aquifer
- Progressing approval for new Seasonal water takes from Waikato River
- Reduce compensation flows from Cosseys, Wairoa and Waitakere dams
- We have expanded the Waikato Water Treatment Plant. We can process 165MLD today if we had the water. By August 2020, we will be able to process 175MLD.
- Bringing back into service Hays Creek Dam in Papakura and Pukekohe bore.



Upper Nihotupu Dam – April 2020

# Drought Return period

NIWA provided an analysis of the severity of the drought, for the six months, November –April 2020:

- Hunua is a 120 +/- 50 year drought
- Waitakere is a 124 +/- 21 year drought

NIWA has now done a forecast if the drought continues. They have said:

- If we get normal rainfall over May-June-July, the drought will be a 1 in 100 year event
- But if we get below normal rainfall over these three months, it will be in excess of a 1 in 200 year event.

Auckland's water system is designed to a 1 in 200 year drought return. This means that it will take a 1 in 200 year drought to completely empty all the storage in our supply lakes.

During the last drought requiring water use restrictions (1993/1994), the Auckland Water System was designed to a 1 in 50 year drought return. When that drought was over, it confirmed to be a below a 1 in 100 year drought.



### Watercare

#### Submissions to Board 28 May 2020

#### Wendy Gray

1. I am a resident of Auckland and a Tree Advocate.
2. I am here today to make a request that the Board reverse its decision to extend the Huia Treatment plant beyond its current footprint.
3. I know the Resource Consent is still in process but I am here today to ask you to stop that process and to do the right thing.
4. To increase capacity of the current Huia Water Treatment Facility from 126 to 140MLD is an increase in capacity of only 11% ~~or 14MLD~~. We are told this project is designed to supply water for the next 50 years, for future proofing the water supply of West Auckland and North Harbour.
5. This is a very small increase in capacity. Looking at the history of the old Huia Treatment Facility which was upgraded a number of times, it is obvious this project makes the need for more upgrading inevitable. Further upgrading will destroy even more of the very high value SEA and taonga forest which currently has a RAHUI on it.
6. Whilst a Rahui may not have any legal status it is a significant issue for the 'Maori world view' that is supposed to inform Watercare's decision-making.
7. The Huia site is unsuitable for future upgrades as well as for the current planned project.
8. I understand that Watercare's purpose is to provide Tamaki Makaurau's integrated water supply and wastewater services.
9. Watercare's website states that Sustainability lies at the heart of all we do.
10. Watercare claims to protect the environment. "We aim to minimise the impact of our activities and contribute to the restoration of Auckland's environment.....to restoring habitats, we work hard to enhance nature and protect biodiversity." But not in Waitakeres. Mitigation will not help to minimise the destruction to be wrought on destroying the life force of this high value SEA and taonga forest.
11. Watercare has a climate change strategy to deal with the recognised, quote, "global impacts of the changing climate (that) will bring significant direct and indirect changes and challenges". We are already seeing these challenges and changes, surely destroying 3.5 hectares of this native forest is the worst thing you can do?



12. Watercare's 30 page climate strategy claims that Watercare has a "strong relationship with the natural environment" and one of its strategic principles is to recognise the importance of all "**parties** including the natural environment, Tangata Whenua and all communities in our decision making".
13. One of <sup>Maori</sup> its flagship actions is to grow native plants as part of the Hunua Ranges re-vegetation project which over the next 30 years may be a potential carbon sink and resilient water catchment area. By this project you are actively destroying a carbon sink and resilient water catchment area. A number of the expert reports produced in the Resource Consent process, demonstrate that Watercare itself is contributing to climate change by this project.
14. I refer here to statement of Dr Cate Macinnis-Ng in an Affidavit produced for Save our Kauri Trust, paragraph 17 in her Affidavit *"Established forests are better placed to survive drought because they have deep root systems to access deep water stores. Seedlings and saplings do not have adequate root structures to allow them to survive dry periods. Under the current drought conditions, we are seeing restoration plantings completely fail across the city because the developing soil moisture deficit is killing sensitive seedlings. As droughts are predicted to become more frequent and severe, we cannot predict if an offset planting will survive to a mature age. Established forest has never been more valuable for the carbon it stores, the water it regulates and it's ability to survive drought."*
15. Any mitigation planting on this site will be subject to the problems outlined by Dr Macinnis-Ng and worse the established forest will be endangered by the clearance of 3.5ha of forest and ecosystem habitat, plus the removal of living forest soil ecosystem (the Soil food Web connecting all plants in this forest), which will destroy the Mauri (the life force) of this Forest. It will also unbalance the forest that is left and expose it to environmental changes and drying from edge effects. The environmental consequences of this project to this Forest are more, far reaching, than is being recognised by Watercare. Consequences well known to Watercare.
16. Watercare has other options for this project. In the light of its own Climate Change Strategy you should have chosen an alternative site instead of this High value SEA. Watercare's own processes of "rethink projects with a carbon lens" has completely failed in determining the choice of this valuable site for this project.
17. The Auckland Council CCO Governance Manual October 2019, at page 58, sets out the Council's expectations of Watercare in relation to its objectives and priorities under the Local Government

(Auckland Council) Act 2009 sections 57 & 58. Environment and cultural heritage are the first priority at page 58:

- *ensuring Tāmaki Makaurau's natural environment and cultural heritage is valued and cared for*
- *applying a Māori world view to treasure and protect our natural environment (taonga tuku iho)*
- *using growth and development to protect and enhance Tāmaki Makaurau's natural environment*
- *ensuring Tāmaki Makaurau's infrastructure is future-proofed*

18. One of the methods Watercare is expected to meet is :

- actively facilitating the participation of Māori in the management of natural resources

19. Watercare is totally failing to meet these expectations by this destructive project on a high value SEA Forest with a Rahui in place. A Rahui indicates that the Forest is under extreme pressure and stress, it needs time to recover from disease. The fact that this Forest already has Kauri Dieback disease is an indicator that the Forest trees are already under pressure and stressed. A project like the one under consideration which further stress and ~~the risk of~~ spreading this soil borne disease, is not complying with Watercare's priorities and strategic principles; is not in the best interests of the natural environment; and is not applying a Maori world view or protecting and enhancing the natural environment .

20. Watercare is totally failing to consider the natural environment as a **party** to be considered in its decision-making.

21. The experts agree that even with the proposed mitigation the proposal will still result in significant residual ecological effects which are unacceptable. They are also telling us that Watercare's Kauri Dieback precautions and plans will not be effective and the taonga Kauri trees will die. We don't need the advice of experts to know that the more stress humans put on these trees and this forest the worse the outcomes.

22. Auckland Council sets the strategic direction, plans and expectations that CCOs must give effect to. I wish to mention a number of strategies which do not appear to have been considered by Watercare in its decision-making ,:

**22.1 Strategy for Auckland's urban ngahere** – Watercare is proposing to destroy in excess of 700 mature healthy native urban forest canopy

trees, all significant ecosystem service providers, stormwater and carbon sequesters, along with the balanced functioning high value biodiversity habitat and ecosystems present on this site. By this proposal Watercare is failing to give due regard to and to apply this important Council Strategy.

**22.2 Indigenous Biodiversity Strategy 2012.** – whilst, in its literature and Climate change strategy, Watercare pays lip-service to protecting the natural environment it has guardianship over, with this project it is totally failing to implement the principles and objectives of this Council Strategy.

**23. Environment Aotearoa 2019 Government Stocktake Report** - this document demonstrates how badly we are doing with our current attitude to and treatment of our natural environment:

- • *At least 75 animal and plant species - most of which are birds - have become extinct since humans arrived in New Zealand.*
- *Almost 4000 more native species are on the brink of being lost.*
- *Forest and Bird chief executive Kevin Hague said this report was proof New Zealand was in the midst of a catastrophe.*

24. The Environment Aotearoa 2019 Report should give us cause to pause and consider our current behaviour. We cannot ignore this environmental crisis. You have a chance to ensure Watercare's legacy is one that helps the environment.

25. The Board must, in good conscience take these strategies fully into consideration when making its decisions.

26. In order to meet Watercare's climate and governance obligations I submit that it is time for a new approach when making decisions that so clearly adversely impact Auckland's environment and biodiversity.

27. We have to appeal to your good sense. Taking out the carbon already sequestered by these 100+ year old trees is not 'sustainable management'. Neither is taking out the future carbon and stormwater sequestering potential of these forest trees. Neither is destroying the soil food network which is maintaining the whole forest network communication system as well as the carbon and water sequestration and retention processes of this forest. I am here to ask you to work WITH our environment and WITH our Maori culture whose Rahui on this taonga forest has been side-lined in contravention of Watercare's priorities and strategic principles.

28. Let us change the way we do things. Instead of decision-making that comes at the cost of our natural environment and biodiversity, I give you - Rob McGowan's Tiwaiwaka.

29. I have here a booklet I will leave with you that sets out the new way forward. Its simple; its direct. Ask whether the project will be good for Papatūānuku? If it won't be good, don't do it. Find a better way.
30. I recommend that you implement Tiwaiwaka thinking when you come to consider any decisions that involve destruction of Auckland's shrinking green estate which negatively impacts our biodiversity. It will help you to fully embrace your own strategic principles and priorities.
31. Allowing this project to proceed because you have already spent so much money is wrong thinking and a failure of compliance with your governance priorities. Watercare will look very bad.
32. This taonga forest is priceless. Just because Auckland Council refuses to value our trees properly does not make them any less precious.
33. It is time to change the way we do things, we have to do this for our future generations. It is required of all of us to make the difficult decisions that initiate the changes we must all make.
34. It is time for Watercare to walk the talk.




Thank you for your attention today.

Wendy Gray

Mobile: 0211492267



## Disclosure of Directors' interests

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

### 1. Purpose and context

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

### 2. The details

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

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



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




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



**Report to the Board of Watercare Services Limited**  
 Prepared for the 30 June 2020 Board meeting

## Annual review of the Committee for Climate Action Charter

6.1

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

### 1. Recommendation

That the Board approve the updated Committee for Climate Action Terms of Reference (**Appendix A**).

### 2. The Details

The Committee for Climate Action has now met twice.

Whilst the Committee is in its establishment phase this year, the Committee members have agreed to use this first year of meetings to invite several youth/rangitahi members to the meetings scheduled for the second half of 2020. This will enable the Committee to hear a range of views from several youth groups that have a knowledge of climate change issues including their recommendation on how a diverse youth perspective could contribute to the Committee.

Next year, the Committee will then agree on how best to include the youth/rangitahi perspective and views into the Committee's long-term work-plan.

To accommodate the Committee's plans, the Terms of Reference of the Committee require a minor amendment.

- **Appendix A** is a clean copy of the proposed new Terms of Reference.
- **Appendix B** is a marked up copy of the current Terms of Reference, showing the recommended minor amendment.



November 2019

# Committee for Climate Action (CfCA) Terms of Reference

6.1

## 1. Purpose and Composition

The Committee for Climate Action (CfCA) is a committee established by the Board of Directors of Watercare Services Limited (Watercare).

The primary purpose of the CfCA is to assist the Board of Directors of Watercare (Board) to exercise due care, diligence and effective oversight of all matters relating to the actions taken by Watercare to mitigate climate change and adapt to a changing climate by increasing our resilience.

The CfCA will:

- Serve as an independent, objective party to review information presented by senior management relating to Watercare's Climate Change Strategy and Policy;
- Act as a forum for the free and open exchange of views and information between the Board and internal Managers relating to climate risks and opportunities; and
- Increase resilience and reduce the company's climate related risk profile.

The CfCA will be independent of management and comprise at least three directors.

The Board will appoint, remove or replace the CfCA director members and Chair of the CfCA (Committee Chair). The Chair of the Board of Directors may be a member of the CfCA, but not the Committee Chair of the CfCA.

The CfCA will be structured to ensure that, as a collective group, it has the qualifications, skills, experience and knowledge to fulfil its purpose and responsibilities.

The CfCA is established from 30 October 2019.

## 2. Meetings

Meetings of the CfCA are held not less than three times a year, or as required.

Meetings of the CfCA will be held at the discretion of the Committee Chair at any time or if requested by any CfCA member, the Board or the Chief Executive.

A quorum will be a majority of members. In the case of a 50/50 split, the Committee Chair will hold the deciding vote.

Meeting may be held by teleconference.

A resolution in writing, signed or assented to by more than half of the members of the CfCA, is as valid and effective as if it had been passed at a meeting of the CfCA duly convened and held.

Any such resolution may consist of several documents (including transmissions by email or other similar means of written communication) in like form, each signed or assented to by one or more members of the CfCA.

The CfCA will appoint an appropriate person to act as Committee Secretary (Secretary) who will be a company employee or advisor as nominated by the CfCA from time to time. The Secretary, in conjunction with the Committee Chair will be responsible for coordination of all CfCA business including meeting scheduling, agendas, policy reviews, distribution of papers, minutes, and communication with the Board and management.

Minutes of each meeting will be taken, circulated promptly in draft form to the Committee Chair, confirmed at the following meeting and signed thereafter by the Committee Chair as a correct record of proceedings of the meeting.

The CfCA may have in attendance:

- management (including the Chief Executive, the Chief Infrastructure Office, the Head of Sustainability and the Head of Risk and Resilience);
- Youth/Rangitahi Representatives, with a knowledge of climate change issues; and
- such other persons including external experts and others it deems necessary to provide appropriate information, explanation or assistance.

From time to time the Committee Chair may request that the CfCA meet without these persons present.

Directors who are not members of the CfCA may attend meetings but may not vote.

## 3. Authority

The CfCA is authorised by the Board to deal with matters relating to climate change mitigation and adaptation by Watercare.

The CfCA may:

- Make decisions (or submit recommendations for consideration by the Board) on matters where decision-making authority has been delegated to the CfCA by the Board [see responsibilities in section 5]; and
- Submit recommendations to the Board on matters for which decision-making authority has not been delegated by the Board.

The CfCA will not become involved in day-to-day operations, functions or decision-making by management or employees.

It is the responsibility of Senior Executives<sup>1</sup> to draw the Committee Chair and CfCA's immediate attention to any material matter that relates to climate change mitigation or adaptation.

#### 4. Access and Independent Advice

To fulfil its functions, duties and responsibilities the CfCA is authorised by the Board to have all necessary access to, and seek any information it requires from, any employee, consultant or advisor to Watercare. All employees are directed by the Board to cooperate with any request made by the CfCA.

The CfCA is authorised by the Board to have access to external experts without management present, to request additional information or explanations.

Individual members of the CfCA are entitled at any time to access Watercare's Senior Executive to request additional information or explanations.

Members of Watercare's Senior Executive have an express right of direct access to the Committee Chair in relation to any matters of material concern that have been raised through normal management processes but have not been advised to the CfCA.

The CfCA is authorised by the Board to obtain, at the expense of Watercare, independent legal or professional advice it considers necessary to discharge its responsibilities.

#### 5. Responsibilities

The primary purpose of the CfCA is to assist the Board to exercise due care, diligence and effective oversight of all matters relating to the Watercare's efforts to take action to mitigate climate change and adapt to a changing climate by increasing our resilience.

In particular, the CfCA will:

- Maintain oversight of climate change related risk profile, impacts, opportunities, policies, plans, programmes, targets, budgets and metrics, and any other climate change related issues that may arise from time to time that will have an impact on Watercare's business;
- oversee the provision of Watercare's Climate Change Strategy and advise on its revision and update; and
- provide assistance and recommendations to the Board so the Board can discharge its duty to provide effective long-term stewardship of the company as it operates and adapts to a changing climate.

In carrying out these responsibilities, the CfCA does not relieve the Board of its responsibilities and legal obligations.

It is the responsibility of the CfCA to maintain communication with the Board and Watercare's Senior Executive.

In carrying out its responsibilities, the CfCA's policies and procedures should remain flexible, in order to best react to changing conditions.

The duties and responsibilities of CfCA members are additional to those they have as a member of Watercare's Board.

##### 5.1 Committee Governance

- Establish and review the work plan of the CfCA to ensure continual alignment of the Climate Change Strategy to Watercare's business vision and strategy, Auckland Council's climate change efforts, and international best practice.
- The CfCA will act as approvers of any decisions that are outside the delegations of the Chief Executive, where decision making authority has been delegated to the CfCA by the Board.
- Ensure minutes and papers (including documents tabled at meetings) for all CfCA meetings are provided to the Board. The Committee Chair will report to the next Board meeting on the outcomes, findings and recommendations of the CfCA meeting.
- Investigate any matter brought to its attention within the scope of its responsibilities, retaining independent legal or professional advice for this purpose if, in its judgment, that is appropriate.
- Unless identified in these Terms of Reference, or otherwise directed by the Board, the CfCA will have no delegated authority in regard to its findings and recommendations.

##### 5.2 Other Responsibilities

- Examine and report to the Board on any matters referred to the CfCA by the Board.

#### 6. Review of the Terms of Reference

The CfCA will undertake, with management assistance, an annual review (or as often as conditions dictate) of these Terms of Reference, including whether a Committee is still required. It will advise the Board of the outcome of that review along with any recommended changes.

Any changes to the CfCA Terms of Reference must be approved by the Board.

These Terms of Reference were approved by the Board in October 2019 and are to be reviewed by the Board in October 2020.

<sup>1</sup> Executive Team and Senior Management Team

November 2019

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- Increase resilience and reduce the company's climate related risk profile.

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The Board will appoint, remove or replace the CfCA director members and Chair of the CfCA (Committee Chair). The Chair of the Board of Directors may be a member of the CfCA, but not the Committee Chair of the CfCA

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- ~~a~~ Youth/Rangitahi Representatives, with a knowledge of climate change issues ~~who is retained to participate in CfCA meetings for at least one year~~; and
- such other persons including external experts and others it deems necessary to provide appropriate information, explanation or assistance.

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- provide assistance and recommendations to the Board so the Board can discharge its duty to provide effective long-term stewardship of the company as it operates and adapts to a changing climate.

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In carrying out its responsibilities, the CfCA's policies and procedures should remain flexible, in order to best react to changing conditions.

The duties and responsibilities of CfCA members are additional to those they have as a member of Watercare's Board.

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- Unless identified in these Terms of Reference, or otherwise directed by the Board, the CfCA will have no delegated authority in regard to its findings and recommendations.

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These Terms of Reference were approved by the Board in October 2019 and are to be reviewed by the Board in October 2020.

<sup>1</sup> Executive Team and Senior Management Team

## Report to the Board of Watercare Services Limited

Prepared for the 30 June 2020 Board meeting



## Deputy Chief Executive's report for May 2020

7.3

### HIGHLIGHTS AND LOWLIGHTS

#### 1. Health, Safety & Wellness

- There was one Lost Time Injury (LTI), and one Restricted Duties Injury (RDI), involving Watercare employees in May 2020.
- There was one Lost Time injury, one Medically Treated Injury (MTI) and one Restricted Duties Injury involving contractors in May 2020.
- The rolling 12-month Lost Time Injury Frequency Rate (LTIFR) for employees is 10.65 per million hours, exceeding our target of  $\leq 5$ .
- The rolling 12-month Total Recordable Injury Frequency Rate (TRIFR) for employees is 19.71 per million hours, within our target of  $\leq 20$ .
- There were an alarming number of contractor incidents in May. Our Infrastructure and Operations teams have been asked to work closely with our contractors, increase site visits, reinforce HSW expectations. External safety audits are also being recommended.
- Our Central Networks team successfully undertook a multi-hazard job in a KiwiRail rail corridor whilst overhead lines were isolated.
- Our CI team took delivery of a replica Tunnel Boring Machine (TBM). This will allow our people to train using a real TBM in an above ground, controlled environment.

#### 2. SOI measures

- We have 16 SOI measures. We are on track to meet at least 15 of these measures.
- The average consumption of drinking water per day per resident is now meeting our targets. The measure is a rolling 12-month average and is now meeting our targets due to Aucklanders responding to our calls to conserve water during the drought.
- The likely missed SOI target is for real water loss. The long, hot, dry summer, resulted in the ground contracting, and therefore many pipe breaks being incurred. We anticipate that this measure will not meet the target.

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

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



**4. Customer service:**

- NPS remains steady at 45 (12 month rolling average), which is a 2 point decline against last month. We are still impacted by high contacts across billing and faults following the Covid-19 lockdown, dry weather conditions, drought restrictions, announcement of price increases and heightened negative press coverage having a halo effect on NPS and customer satisfaction scores.
- Our Customer Satisfaction score declined to 73.3%, which is a 1 point drop, largely due to high volumes of contacts for the same reasons as mentioned above.
- Complaints within SLA remain steady at 94% (12 month rolling average) just under target. The high volume of complaints in faults due to delays in attending smaller leaks during lockdown. This has been addressed with significant catch up on overdue leaks during the last two weeks of May. The SLA for April & May months were 100%.
- Our eBilling statistic is 57.2% against a target of 55%. We continue to drive further uptake of eBilling via targeted campaigns and communication on bills.
- On 16 June 2020, we achieved a significant milestone when we successfully transitioned and cut-over to our new faults and work order management platform.

**5. Community and stakeholder relationships**

- **Community and local board engagement:** Our activity over the last month focussed on keeping Local Boards updated on our response to the drought.
- **Waikato District Council:** Work continues on developing the initial Asset Management Plan and Business Plan for the contract. Both due to be submitted to WDC in June 2020. There were no significant treatment plant or network outages in May 2020.
- **Submissions on various documents and bills:** Watercare made a submission on Waste Management New Zealand's resource consent applications to construct and operate a landfill in the Wellsford area. Auckland Council made a submission calling for several CCO projects, including the Waikato River consent, be specifically listed in the Covid-19 Recovery Fast-Track Consenting Bill. Watercare elected not to make a submission. Watercare made a submission in relation to the Proposed National Policy Statement for Indigenous Biodiversity (NPS-IB). Watercare is developing a submission position regarding NZTA's Warkworth to Wellsford SH1 realignment.
- **Māori Engagement & Outcomes:** Our focus is shifting from Maori Engagement to Maori Outcomes in line with the approach being taken by Auckland Council. A letter from Ngati Whātua Ōrākei has been written to the Council family regarding CCO Iwi engagement.

- **Communications snapshot:** We now send the media daily water supply updates and continue to engage with the media extensively regarding the drought. Our staff are also helping to share the messages. We also continue to promote water conservation through radio, billboard, TV and social media.

## 6. Natural Environment

- **Watercare's Drought Management Response:** Stage 1 Water use restrictions have been in place since 16 May 2020, following the resolution of the Auckland Council Emergency Committee on 7 May 2020. As well as putting in place interventions to manage demand, we are working to reduce pressure on our water storage lakes by maximising production, returning former water sources, and increasing production from the Waikato River using emergency powers.
- **Water outlook for June 2020:** At the end of May 2020, system storage was 43.4% against a historical average of 81.5%. As 25 June 2020, total storage was 47.1 % against a historical average of 79%. The long-range forecast predicts a very dry second half of 2020, which has elevated Auckland's water supply situation to a **critical level**.

## 7. Resource Management Act Compliance:

- Watercare currently holds 506 active consents across Auckland and Waikato. Of these, 194 relate to water takes or discharges to water, air, or land. Water takes and discharges are the activities most likely to have non-compliances.
- In May 2020, 14 of our 194 discharge and take consents were technically non-compliant; 13 under Auckland Council and 1 under Waikato Regional Council. Two non-compliances in Auckland were Category 3 (one for a water treatment plant and one for a wastewater treatment plant). In both cases, current actions to remediate the issues are due to be complete by August 2020. One non-compliance in Auckland was Category 4 (Helensville wastewater treatment plant). In this case, remediation work has begun and works are on track to be complete by August 2020.
- In contrast to March and April when the Covid-19 lockdown was in full effect, non-compliance has reduced significantly.

## 8. Watercare's Covid-19 response

- All actions to enable Watercare to operate at Alert Level 1 have been implemented. However, protocols for escalation to Alert Level 2 or 3 have been developed, if required (e.g. due to a second wave of infections).

## 9. Assets and Infrastructure

- **Auckland Council Water Supply and Wastewater Network Bylaw 2015 Review:** Watercare is working with Council staff to review this bylaw, which is legislatively required. A findings report has been prepared which recommends a number of amendments to the Bylaw. The review process continues and is due to be completed by August 2021.

## FUTURE OUTLOOK

### OUR PEOPLE AND DROUGHT MANAGEMENT

The latest long-range weather forecast predicting a very dry second half of 2020 has elevated Auckland's water supply situation to a critical level.

We are currently in Stage 1 of water use restrictions, and with this extremely dry outlook for the coming spring, we expect we will continue these restrictions over next year.

This is a marathon, not a sprint, so our focus as a business is to keep demand down over the long term and bring new water sources into service to buy us time. In light of the current situation, the CE, Raveen Jaduram, has made some key changes to the executive leadership team, effective immediately. For the next six months:

- The CE, Raveen Jaduram will be focussing primarily on the drought and our response to ensuring demand and supply initiatives are delivered. Raveen will also continue to oversee the Central Interceptor programme led by Shayne Cunis.
- CFO, Marlon Bridge, has been appointed Deputy CE and has delegated authority to oversee the water and wastewater businesses.
- Head of Risk and Resilience, Nigel Toms, has been appointed Acting CFO during this period.

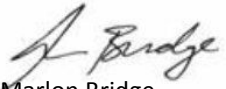
### NEW LEGISLATION

Parliament is sitting under urgency this week in order to pass a number of bills into legislation. We expect this to include the ***Resource Management Amendment Bill*** and ***Taumata Arowai —the Water Services Regulator Bill***. The ***Urban Development Bill*** is further down the list but is still expected to pass before the election.

### UPCOMING BOARD ACTIVITY

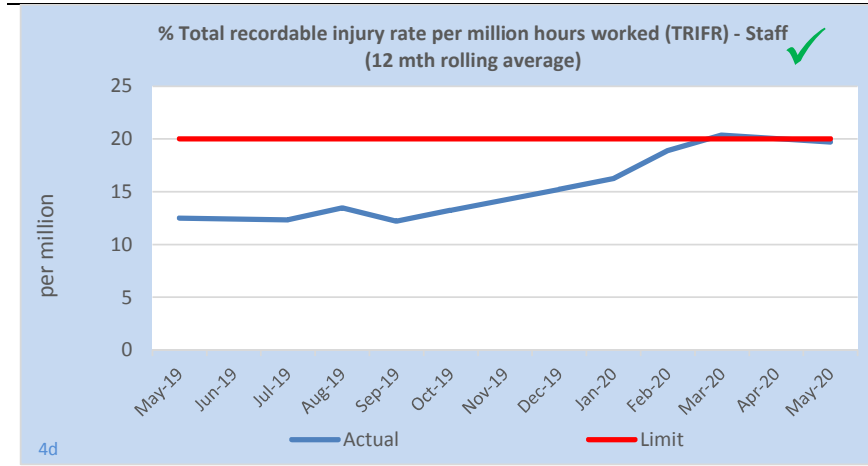
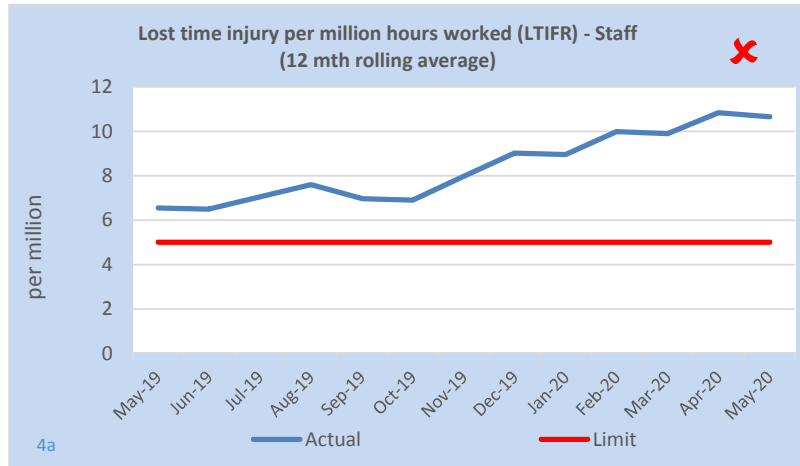
- Governing Body meeting, including update on the Drought – 25 June 2020
- Board Deep Dive workshop - 29 June 2020
- June Board meeting – 30 June 2020
- Governing Body workshop with Councillors– 1 July 2020
- July Board meeting – 28 July 2020
- AMCC Meeting – 28 July 2020

- Te Tangata Komiti meeting – 29 July 2020

A handwritten signature in black ink, appearing to read 'Marlon Bridge', written in a cursive style.

Marlon Bridge  
**Deputy Chief Executive**

## 1. HEALTH, SAFETY & WELLNESS UPDATE



Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
Watercare LTI Operations Māngere WWTP 9764 01/05/20	No – Manual Handling  LTI – 5 days	A worker was removing a bucket of nuts and bolts from site as part of site refurbishment following completion of work when they felt a twinge in their back. The worker attempted to manage the discomfort at home, but the pain escalated. The worker saw doctor and was deemed unfit for work for five days.	Manual Handling injuries can occur from seemingly light activities	<ul style="list-style-type: none"> <li>Care and support following the injury</li> <li>Reminder to all workers on site about early treatment of injuries</li> </ul>
Watercare RDI Customer MSN 9847 05/05/20	No – Manual Handling  RDI - 6 days	After working night shift, a worker felt a strain in their lower back. The worker felt OK but woke up very sore the next day. It was the worker's first shift back following stand-down during COVID-19. The worker was placed on restricted duties for six days.	Following extended periods away from work, pre-start sessions are important to re-focus workers	<ul style="list-style-type: none"> <li>All workers were reminded of the importance of warming up prior to work</li> </ul>



Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
Contractor MTI Brian Perry Civil Māngere WWTP 10116 20/05/20	No – Manual Handling  RDI - 7 days	During a two-person lift, a worker's finger was crushed. The worker was taken to the doctor where the injury was treated. The worker returned to work on restricted duties for one week.	New workers need coaching to 'Take 5' and ensure work is safe prior to starting	<ul style="list-style-type: none"> <li>The lift was planned and the worker was wearing two pairs of gloves as stipulated in the JSA</li> <li>The worker was new and wanted to do a good job so did not take his time in set-up</li> <li>Coaching was provided to the worker</li> </ul>
Contractor LTI Arthur D Riley LTD 9987 13/05/20	No – Slips, trips and falls  LTI – 2 days	A worker was reading a meter. As they stood up, they rolled their ankle and fell down a small bank into a fence. The worker was deemed unfit for work for two days with an ankle strain.	Discuss with meter installation teams to consider access for meter-readers when installing	<ul style="list-style-type: none"> <li>Terrain was uneven</li> <li>Discussed at toolbox with all team members about not rushing.</li> </ul>
Contractor RDI McConnell Dowell WWTP 10340 28/05/20	No – Manual Handling  RDI – 5 days	A cable drum needed to be rotated 90 degrees. The rod being used to rotate the drum was deemed too short, and while a longer rod was being found, a worker attempted to rotate the drum using the shorter rod. The worker strained their lower back and following a doctor's assessment, was placed on restricted duties for four days.	Human factors can mean workers do not always follow agreed procedures	<ul style="list-style-type: none"> <li>The worker was impatient and deviated from agreed procedure</li> <li>Contractor managing individual's performance to ensure learnings are taken</li> </ul>

## HEALTH, SAFETY & WELLNESS UPDATE continued

### SIGNIFICANT INCIDENTS/HAZARDS/CLOSE CALLS

There were nine significant incidents in May 2020.

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
Contractor Incident Rosedale WWTP Argus 10341 30/04/20	Yes – Irrespirable atmosphere	Argus technicians were returning the Inergen fire suppression system into service following maintenance. During hook-up, the technician used an incorrect tool and inadvertently released 13 cylinders of gas into the switchboard room. No-one was in the room at the time.	We have opportunities to improve contractor management, including timeliness of reporting	<ul style="list-style-type: none"> <li>Investigation conducted by contractor that found the technician used the incorrect tool, which released the gas.</li> <li>The contractor has reinforced with all of their team members the importance of using the correct tool. Watercare has reinforced with our team the importance of correct isolation procedures.</li> </ul>
Contractor Incident Golf Road March Cato 9697 01/05/20	Yes – Service Strike	During excavation work, a gas service was hit by a digger bucket. The work crew used potholing and hand digging to identify a pipe in the position marked on the drawings. Having cleared that pipe, the digger struck another pipe one metre away which was not indicated on the drawings. The position of the pipe had been incorrectly marked on the drawings and later investigation showed the first pipe was a casing only. The site was evacuated, and the Fire Service and Vector attended to repair the service.	Underground services are poorly recorded throughout New Zealand, leading to a significant number of incidents	<ul style="list-style-type: none"> <li>Watercare represented on WorkSafe group investigating this issue</li> <li>Contractor consulting specialist to identify ways to improve accuracy of service location.</li> </ul>
Watercare Incident Operations – Maintenance Delivery 9916 12/05/20	Yes – Driving and Lone Worker	A technician was returning home in a Watercare van at 7.30pm having completed a call-out. A car with four occupants harassed the driver including abusing them verbally, throwing items at the van and forcing them off the road where they confronted and threatened the technician. The technician drove off, but the car came after him and sideswiped the front panel of the van as it was moving at 60 km/h. The driver managed to exit the motorway, evading the car, and he arrived home safely.	The Lone Worker app is ready to be implemented. This would provide immediate support in this sort of situation.	<ul style="list-style-type: none"> <li>The driver was provided with support to deal with the incident, manage ongoing stress and to navigate the process with the Police</li> </ul>

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
		The police were contacted and following an investigation, have charged the driver of the car with dangerous driving.		
Contractor Close Call Ardmore WTP Brian Perry Civil 9931 12/05/20	Yes – Service Strike	During excavation work, a drill rig grazed an 11kV duct. The service had not been identified during preparatory work and was not marked on site drawings. All known services had been identified prior to excavation.	Underground services are poorly recorded throughout New Zealand, leading to a significant number of incidents	<ul style="list-style-type: none"> <li>Ground penetrating radar will be extended to one metre past all services</li> </ul>
Contractor Incident Huia 1 March Cato 9993 14/05/20	Yes – Service Strike	During a four-hour, complex trenching operation, placement of the trench shield and cleaning of the trench had been completed successfully. As the excavator bucket was lifted from the trench, it struck an overhead Chorus communication line. Investigation found the change of position of the trench shield meant the height of the excavator bucket had changed when it was lifted at the end of the operation.	Change during work is a common source of risk	<ul style="list-style-type: none"> <li>Work was stopped and Chorus contacted.</li> <li>Watercare is overseeing an investigation by March Cato into the incident.</li> </ul>
Contractor Incident Pukekohe WWTP McConnell Dowell 10113 18/05/20	Yes – Dropped Object	As cabinets were being unloaded from a flatbed truck, one of the cabinets fell from the truck. Exclusion zones were in place and no-one was injured. The incident caused significant damage to the switchboard cabinet.	Change during work increases risk  Communication is important to ensure all workers understand the work plan	<ul style="list-style-type: none"> <li>Investigation found the spotter changed just before the lift. The spotter was not fully briefed on the lifting operation</li> </ul>
Contractor Close Call Glendowie Fulton Hogan 10289 18/05/20	Yes – Chemical exposure	The external vent for a ventilation system was next to a work crew, interfering with their work. The ventilation system was turned off, but this meant a crew working in the shaft did not have ventilation in place potentially exposing them to bad air. Gas monitors were checked and showed no readings out of the safe range.	Project Manager working closely with the team on site to improve safety performance of subcontractors	<ul style="list-style-type: none"> <li>Work was stopped on site. A revised plan was developed which was reviewed by the Watercare Project Manager.</li> <li>An additional ventilation system is now in place</li> </ul>
Contractor Close Call Golf Road March Cato 10240 25/05/20	Yes – Lifting Operations	An excavator had lifted trench shields into place during a trenching operation. The lifting chains were unhooked and as they were lifted out of the trench, the hook snagged on the shield and broke. The broken piece of the hook shattered the windscreen of the excavator.	The Watercare Project Manager has worked to build a strong relationship with the contractor, and this meant early, open reporting and a sound communication process throughout.	<ul style="list-style-type: none"> <li>Work was stopped on site. The excavator was isolated and the hook was sent for examination.</li> <li>A full investigation has been initiated it was found that the hook broke because it was cross loaded, not due to any inherent fault in the hook.</li> </ul>

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
		The excavator operator was taken to hospital to have their eyes checked for glass. The operator's eyes were clear, and they returned to work that day.		<ul style="list-style-type: none"> <li>The role of the spotter has been reviewed and rewritten by the contractor.</li> <li>Training is being conducted with the March Cato workforce around the spotter's role.</li> <li>Immediate actions have been to replace the windscreen and hook and conduct additional lifting training for the work crew.</li> </ul>
Contractor Close Call Pukekohe East Reservoir Site Contractor 10268 26/05/20	Yes – Mobile plant	A telehandler was being used to carry a small work platform across site when it rolled on its side. The operator was wearing a seatbelt and was not hurt. The telehandler boom was partly extended, and the load was slung underneath the tines.	Good communication between Project Manager and contractor supports shared learning	<ul style="list-style-type: none"> <li>Work was stopped and a high-level investigation found a combination of a load sling under the tines of the telehandlers as well as being on a slope meant that the work needed to be performed by a very experienced operator. Whilst the operator involved was trained and qualified, they were not sufficiently experienced to manage the nuances of this maneuverer.</li> <li>Telehandler has been cleared of having any faults and operator was drug tested and cleared.</li> <li>Initial findings suggest a telehandler with a slung load with an extended boom is vulnerable to tipping on a sloping surface</li> </ul>

## HEALTH, SAFETY & WELLNESS UPDATE continued

### Contractor Incidents

There were an alarming number of contractor incidents in May. Infrastructure and Operations teams have been asked to work closely with contractors to ensure safety focus is in place.

Site visits will be increased with Project and contract managers reinforcing HSW expectations.

The HSW Team have recommenced site visits, as have external safety audits.

### Working in Rail Corridor

In May, the Central Networks Team completed work in the rail corridor, taking advantage of an isolation of the Kiwirail overhead lines. The task was to identify and repair the source of a significant leak. The KiwiRail isolation provided a tight window of two days to complete the works.

This was a multi-hazard job involving 3rd party contractors and KiwiRail. Detailed planning and extensive communication meant all parties were clear on the programme, including contingency plans.

The repair was completed successfully and safely.





## HEALTH, SAFETY & WELLNESS UPDATE continued

### CENTRAL INTERCEPTOR (CI) – REPLICA TUNNEL BORING MACHINE ARRIVES

The CI works will take place well below ground, so it is imperative that we train our teams above ground and in a safe environment.

In early June, the CI project took delivery of a replica Tunnel Boring Machine (TBM). The replica TBM will provide a true-to-life training environment that simulates conditions inside the main TBM.

While many of our people have experience working in confined spaces and pressurised environments, some may have no underground experience. The replica TBM will allow our people to get familiar with the equipment in a controlled environment.

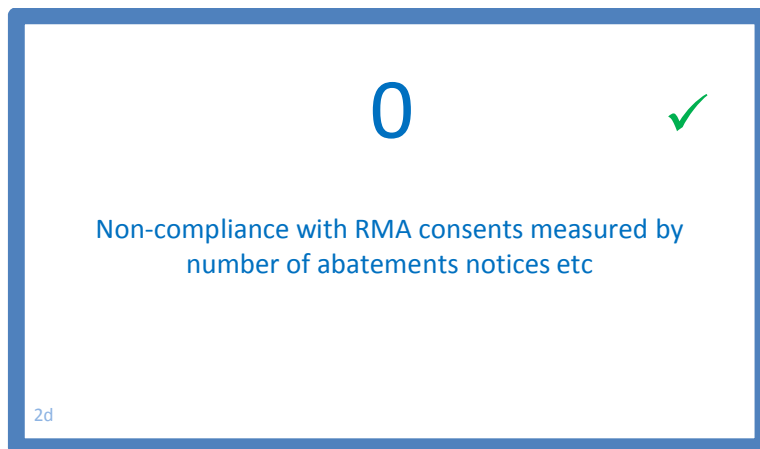
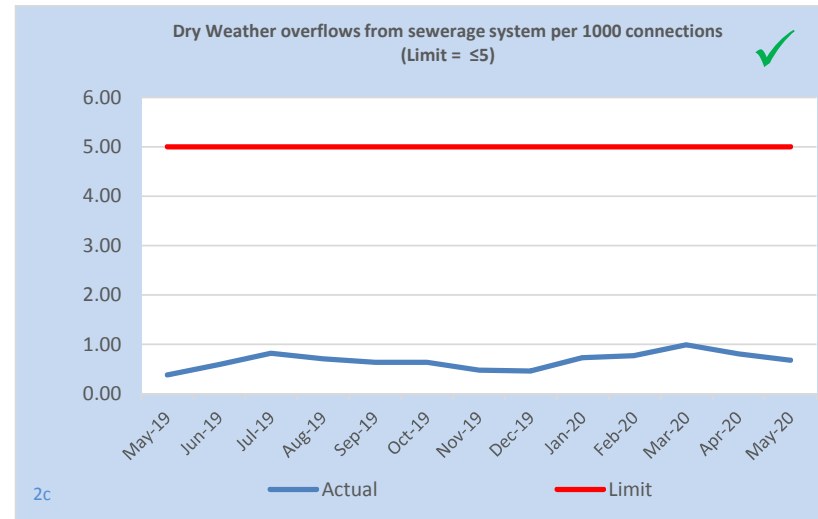
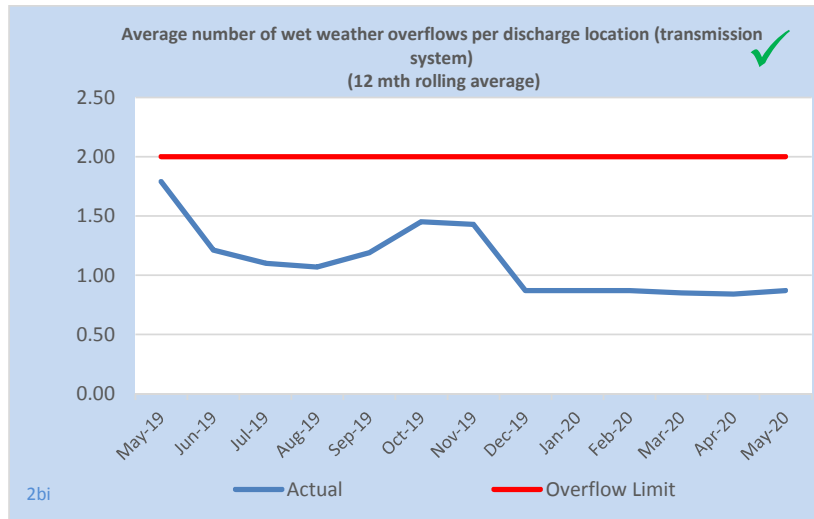
Some of the scenarios the CI site staff will be practicing on the replica TBM include entering the cutterhead of the machine to change the cutting tools on the face of the TBM shield and entering and exiting the airlock to work under pressurised conditions and a variety of mechanical and electrical operations.

The actual TBM arrives in late 2020 and will tunnel at depths of up to 110 metres underground from the Manukau Harbour to Grey Lynn.



*The replica TBM weighs 55,000kg and required two cranes to lift it into place. It is now located outside our purpose-built Central Interceptor Training Centre.*

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



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



100%



Volume of water meeting Aa standard

1a

100%



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

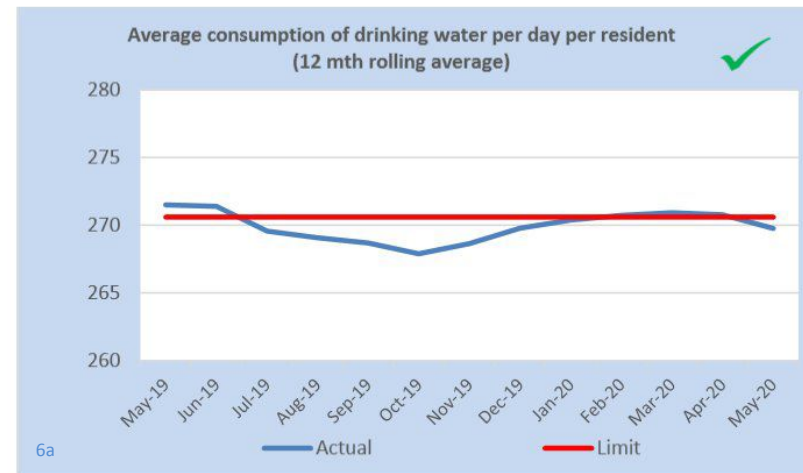
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100%



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

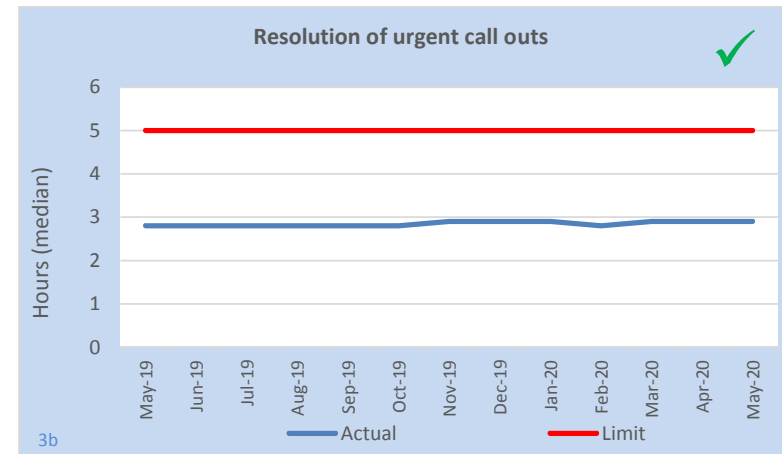
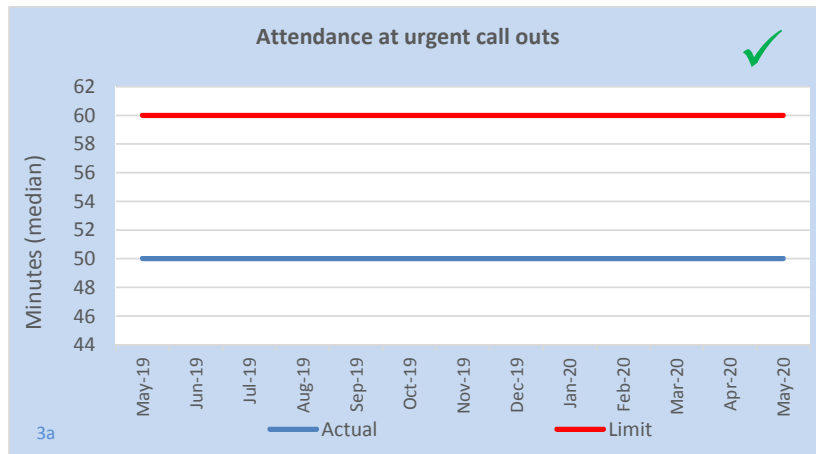
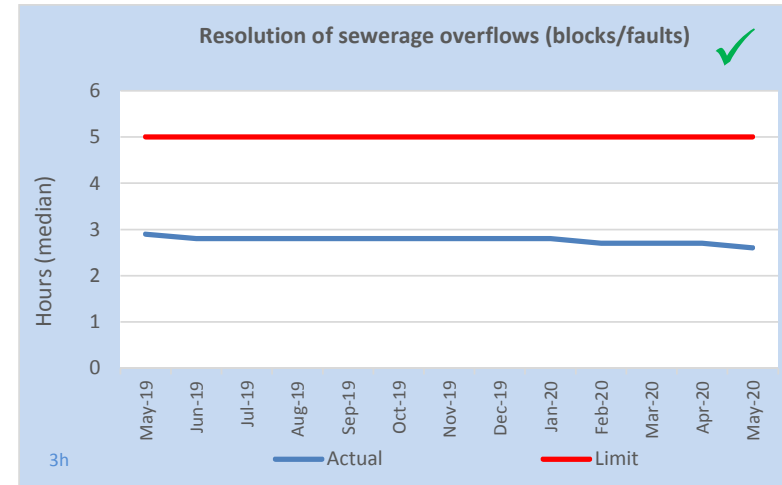
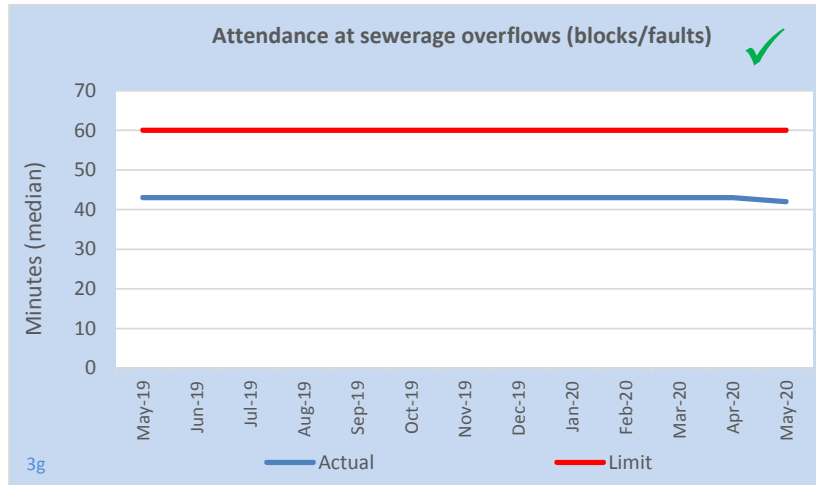
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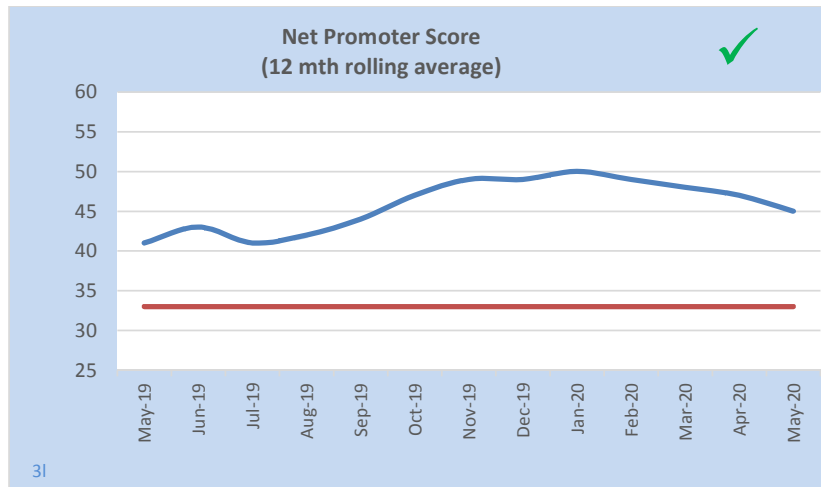
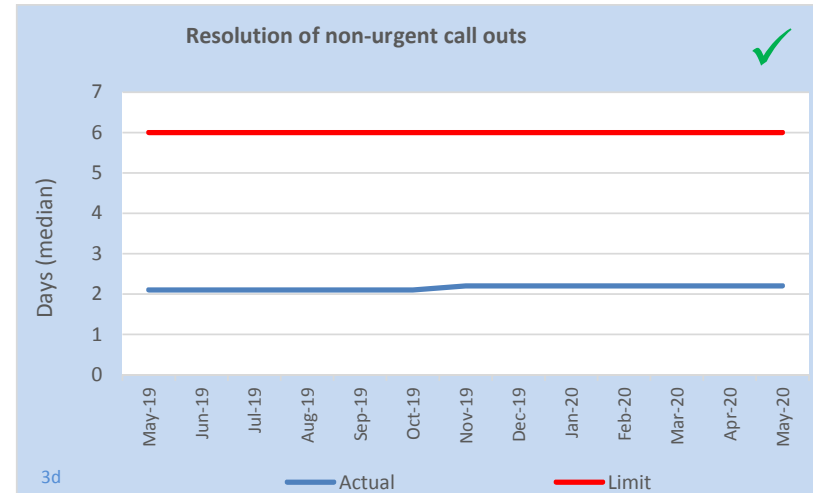
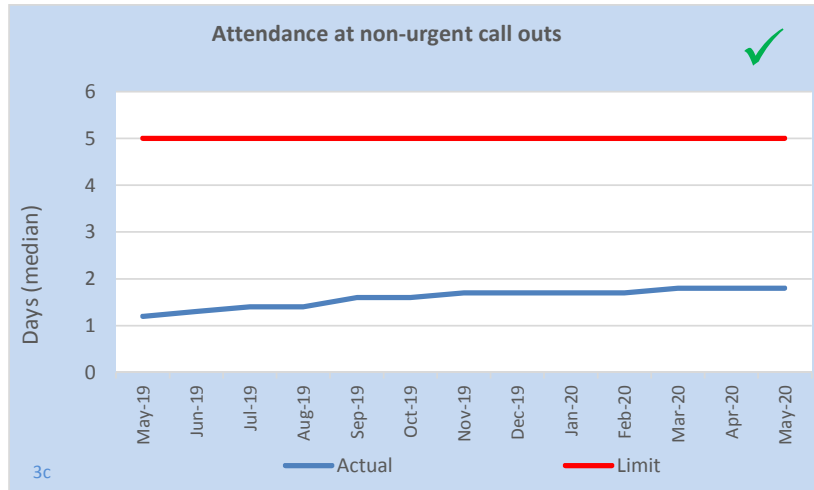


## SOI MEASURES – 2019-2020- Community and Stakeholder relationships



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



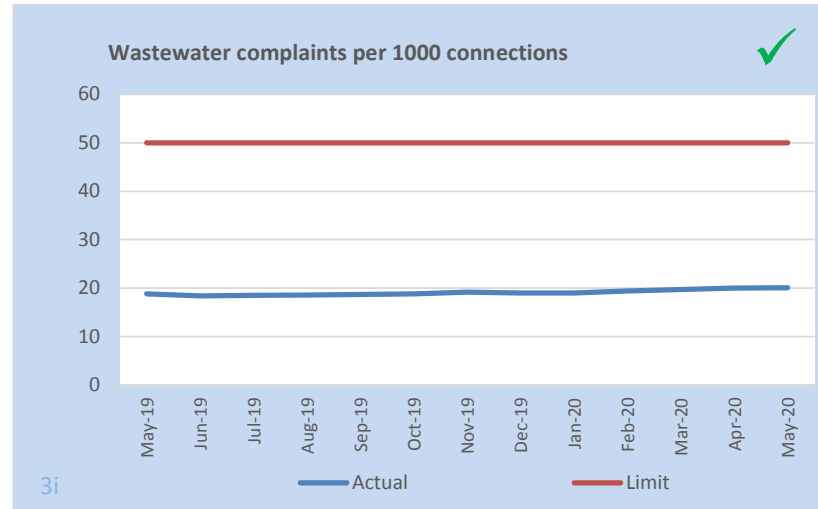
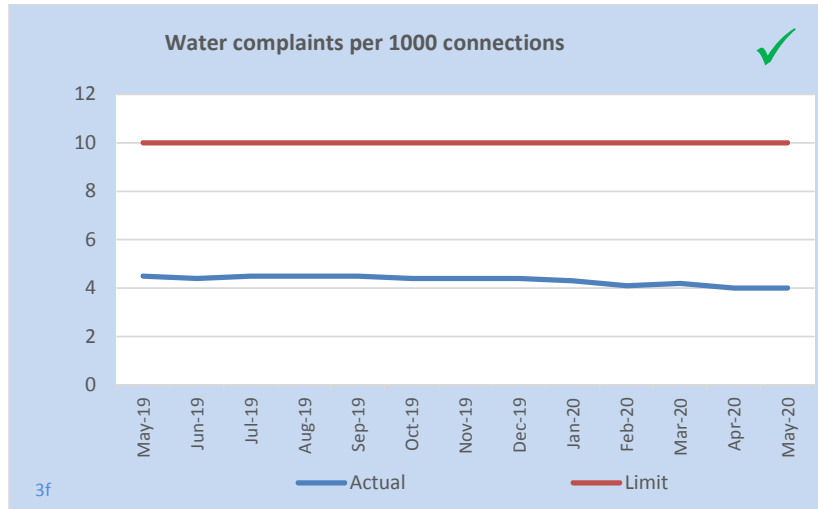
### NEW FAULTS & WORK ORDER MANAGEMENT PLATFORM

On 16 June 2020 we achieved a significant milestone when we successfully transitioned and cut-over to our new faults and work order management platform.

The new platform improves the exchange of information between Watercare's Asset Management solution, MSN and contractors (Citycare and Downer) seamlessly sharing planned and unplanned maintenance jobs and associated costs.

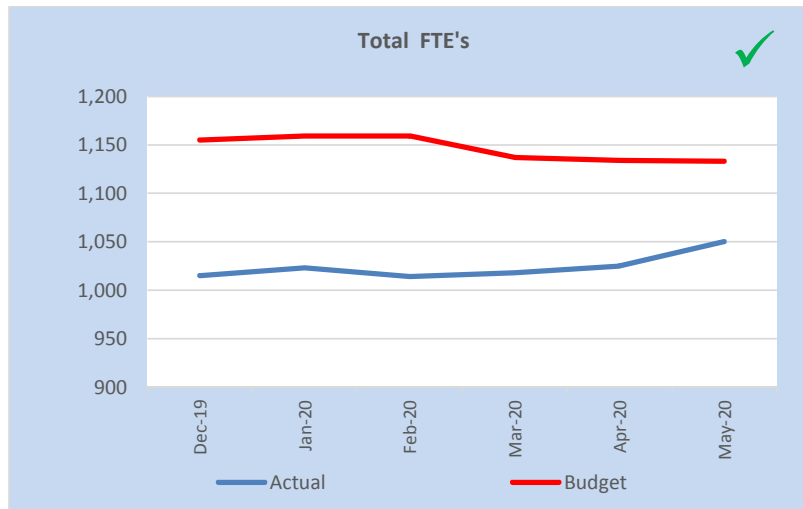
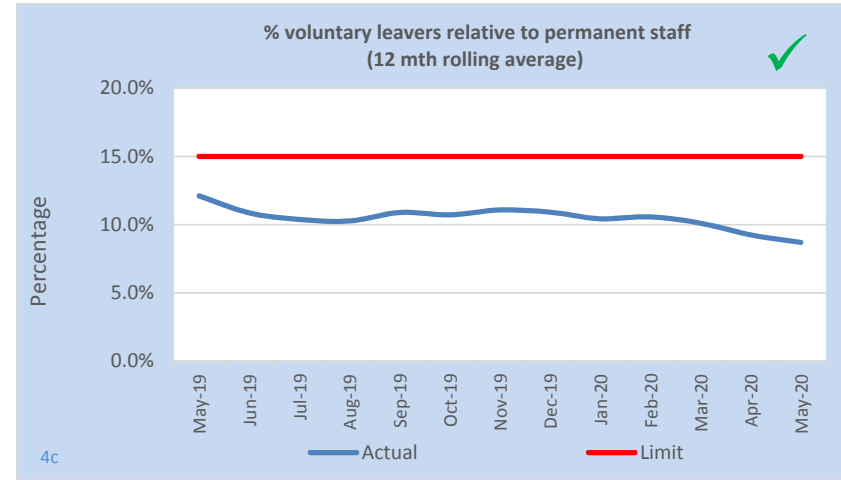
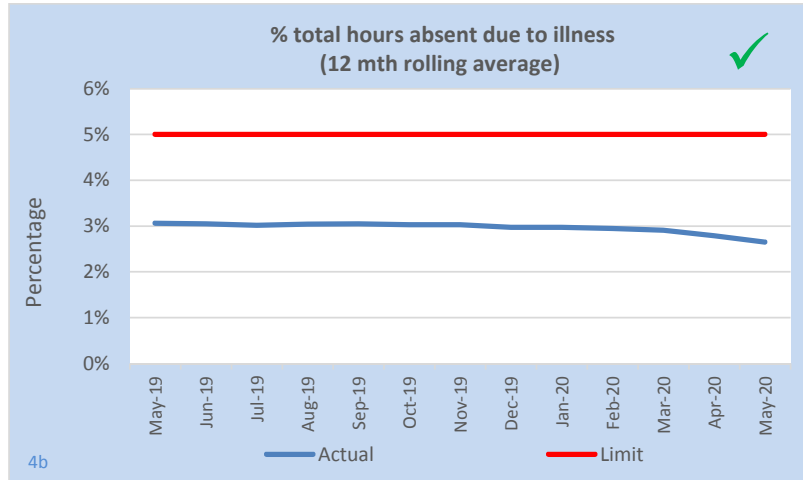


## SOI MEASURES – 2019-2020 - Community and Stakeholder relationships

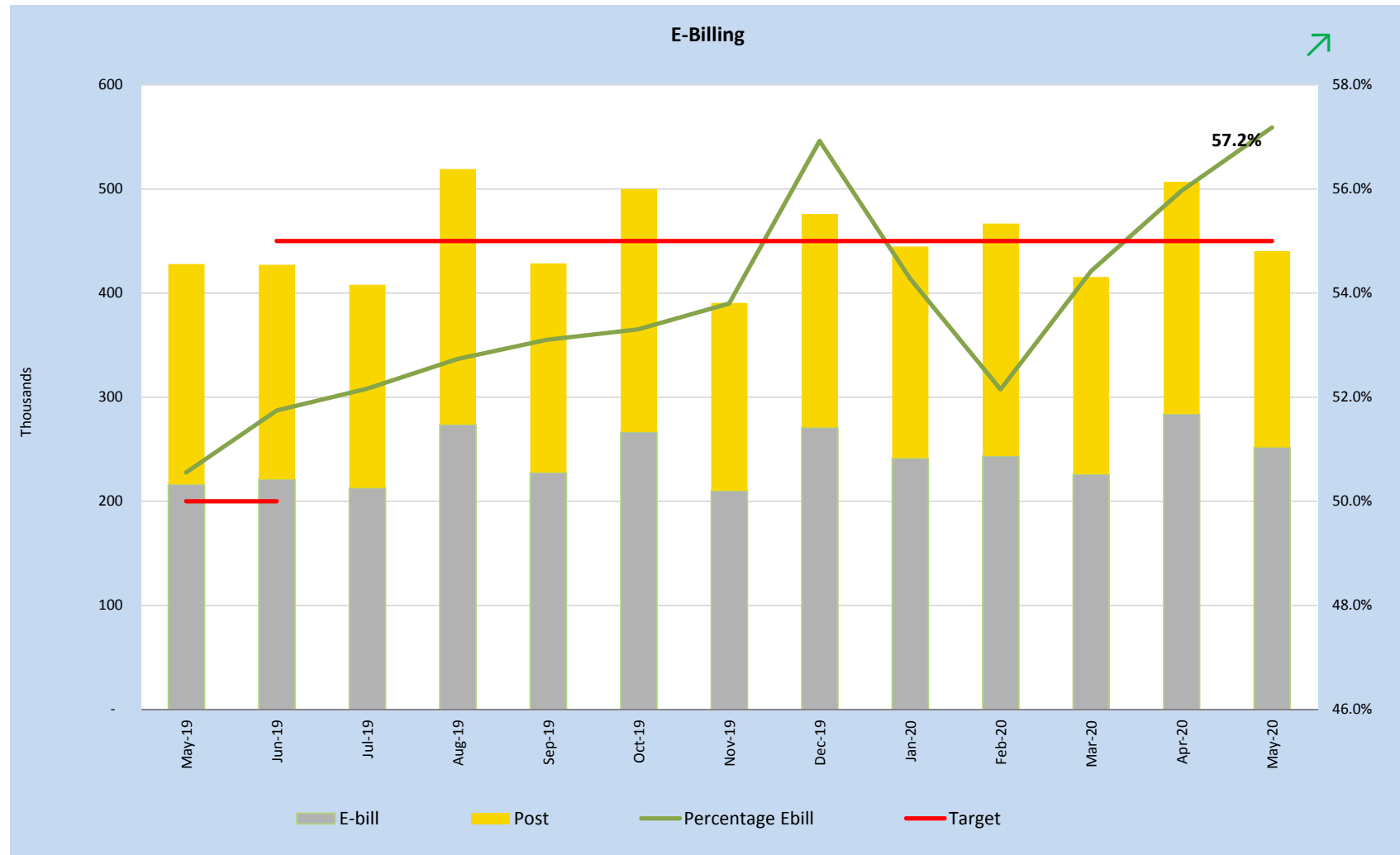


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### 3. PEOPLE, CAPABILITY AND LEARNING



#### 4. CUSTOMER SERVICE



7.3

## 5. COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE

### WORKING WITH LOCAL BOARDS

- Over the past month, our focus has been on keeping Local Boards updated with the response to the record-breaking drought.
- Local Board members have continued to receive weekly updates including information on how members can help, including sharing information on social media. Responses have also been prepared to questions from elected members and escalations from members of the public.
- Healthy Waters and Watercare are also preparing a joint response to several Local Board Notices of Motion related to the drought. The response will be shared with all Local Boards.
- Construction related communication continues to be shared with Local Boards in the interests of no-surprises including briefings with relevant Local Boards related to the Central Interceptor project and other major project works including the Northern Interceptor and the Huia No. 1 watermain.

### WAIKATO DISTRICT COUNCIL (WDC) STATUS UPDATE

- Work is continuing on developing the initial Asset Management Plan and Business Plan for the contract. Both due to be submitted to WDC in June 2020.
- Business cases were approved by the Waters Governance Board for the Meremere MBR, Network Renewals and the SCADA upgrade project.
- Work is continuing on preparing discharge consent applications for Raglan, Meremere and Te Kauwhata.
- There were no significant treatment plant or network outages in May
- An interim maintenance management system has been installed and the initial maintenance plans have been uploaded. This will allow maintenance to be planned and costed in detail.

## COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE *continued*

### WATERCARE'S SUBMISSIONS ON VARIOUS BILLS

#### COVID-19 Recovery (Fast-track Consenting) Bill

- This Bill is likely to be passed under urgency, therefore there is likely to be an exceptionally short submission period and select committee hearing process for this Bill.
- This Bill was introduced to Parliament on 16 June 2020 and was open for public submissions until Sunday 21 June 2020 (i.e. 3 working days to make a submission). The Bill allows for faster RMA consenting of development and infrastructure projects in response to the impacts that Covid-19 is having on the New Zealand economy. The Bill has a three-tiered approach to consenting:
  1. **Listed projects:** Eleven projects are specifically listed in Schedule 2 of the Bill and will be automatically referred to an expert consenting panel for consideration.
  2. **Referred projects:** The Minister for the Environment (and in some cases, the Minister for Conservation) will act as gatekeeper for the fast-track process for projects that are not listed in the Act. If approved by the Minister, these projects will be recommended for confirmation through an Order in Council, before being referred to the expert consenting panel.
  3. **Permitted infrastructure works:** Some minor works on existing infrastructure will also be permitted under the Bill, provided certain criteria are met. At present, the specific works set out in the Bill can be undertaken by KiwiRail and NZTA. Kāinga Ora, the Ministry of Housing and Urban Development, and local authorities may be able to avail themselves of this process through an Order in Council.

Auckland Council has made a submission that several CCO projects be specifically listed in the legislation. Mayor Goff spoke to Council's submission before the Select Committee on 22 June 2020.



**COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE** *continued***Urban Development Bill**

- The Environment Select Committee report on the Urban Development Bill was released on Wednesday, 10 June.
- A second reading of this bill is expected shortly.
- The Bill is still expected to pass before the election.

**Proposed National Policy Statement for Indigenous Biodiversity (NPS-IB)**

- As the new NPS-IB is likely to have several significant implications upon Watercare's existing and future operations.
- Watercare made a submission highlighting these implications, especially within areas identified as Significant Natural Areas (SNA's) that contain most of our water supply headworks.
- The summary of submissions were due May 2020 but have been delayed.

**NZTA's Warkworth to Wellsford SH1 realignment**

- Public submissions to NZTA's Warkworth to Wellsford SH1 realignment opened mid-May, and close 29 June. This application involves both resource consents and required designations. Construction is proposed to begin in 2030 and continue for seven years. Watercare is currently developing its submission position which will be neither for nor against the project. The submission will focus on conditions to ensure Watercare infrastructure is safeguarded. Managing any impacts on the current and future Wellsford drinking water supplies from this highway realignment will be an important issue.

**Waste Management New Zealand in Wellsford**

- 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.

Watercare made submissions on the resource consents and the Private Plan Change. Watercare neither supported or opposed these applications, and has sought that any decisions avoid where practical, and otherwise minimise, potential adverse effects.

**COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE** continued**MĀORI ENGAGEMENT AND OUTCOMES IN MAY 2020**

Our focus is shifting from Māori engagement to Māori outcomes in line with the approach being taken by Auckland Council. Activities undertaken in May 2020 included

- Iwi engagement regarding our draft Water Efficiency Strategy
- Engagement with Te Ākitai Waiōhū including a site blessing for the construction of a pedestrian bridge to the bird hide on the Watercare Coastal Foreshore Walkway.
- Engagement with Ngāti Whanaunga Mana whenua including a site blessing and karakia at the North Shore Memorial Park for the Northern Interceptor project
- Engagement with the Mana whenua Managers kaitiaki forum engagement regarding the water supply and wastewater network bylaw 2015 review
- Engagement with Waikato-Tainui and nine mana whenua regarding the Seasonal Water Harvest and s330 RMA emergency powers regarding the Waikato River
- Attendance at the Mana whenua Managers Kaitiaki Forum June 2020 meeting, including a high-level presentation on the Tāmaki Makaurau drought. Ngāti Te Ata, Ngāti Tamaoho, Te Ākitai Waiōhū, Ngāti Whanaunga, Ngāti Paoa Trust Board, Ngāti Maru were in attendance.
- Continued work on the Central Interceptor Project, including an engagement meeting with Mana whenua working group and GAJV.
- Attendance at Māori Outcomes Group meetings with Auckland Council Māori Leads, Panuku, AT and ATEED.

**NGĀTI WHĀTUA ŌRĀKEI POSITION ON COUNCIL AND COUNCIL CCO'S IWI ENGAGEMENT**

**Appendix A** is a letter received from Ngāti Whātua Ōrākei on 10 June 2020, addressed to the Council and its substantive CCOs, including Watercare. Watercare understand that the Mayor is responding on behalf of the Council family.

**PUBLIC DEPUTATION REGARDING THE HUIA WATER TREATMENT REPLACEMENT PLANT**

Ms Wendy Gray of Tree Advocates presented to the Watercare Board at the May 2020 Board meeting.

**Appendix B** is a copy of the response sent to Ms Gray by the Company Secretary following the meeting.

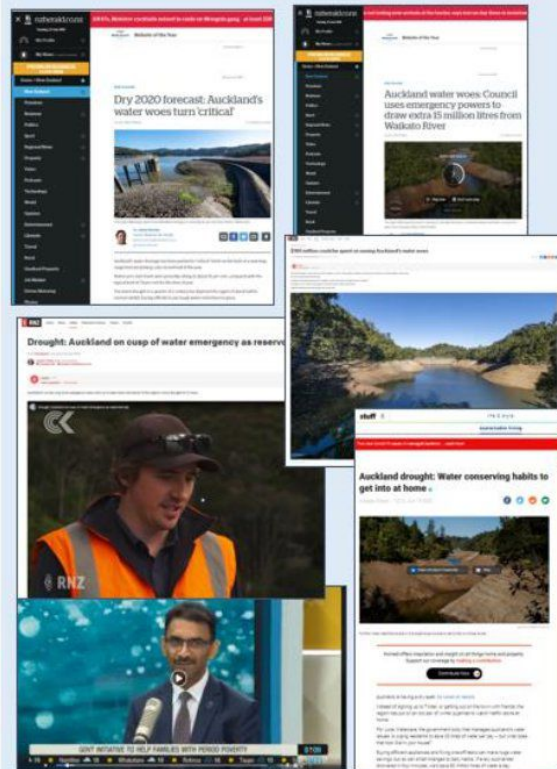
# Monthly snapshot of communications and stakeholder engagement



*Enabling engaged communities and stakeholders*

## Media

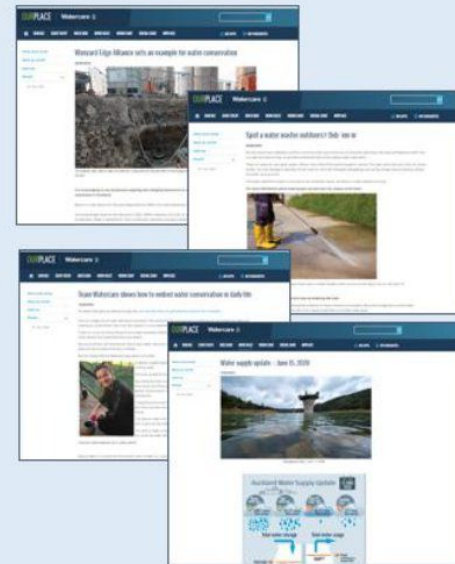
As part of the drought campaign, we continue to send media daily water supply updates along with photos and drone footage of our dams and treatment plants. Raveen and other operations staff were interviewed by numerous broadcast, print and online journalists.



*Enabling safe, happy and empowered teams*

## Staff

We continued to share key messages about the drought internally, to enable staff to act as our champions in the community. We profiled businesses and individuals who practiced water conservation to serve as role-models.



## Stakeholders

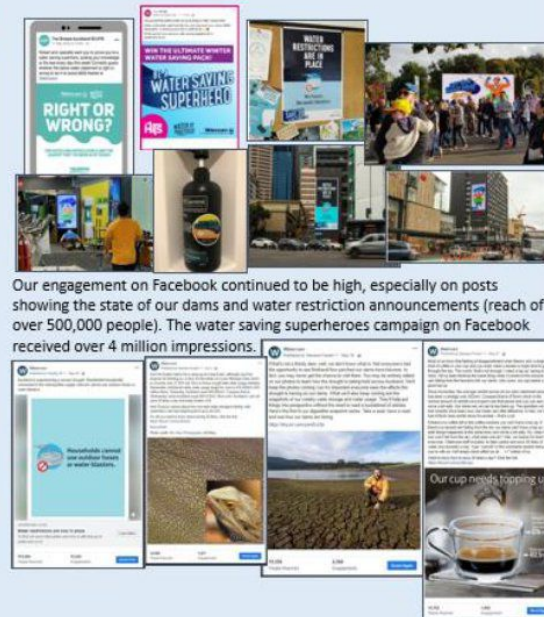
We continued to keep the local boards and councillors informed about the drought; our weekly stakeholder briefing pack provides information on our water storage levels, consumption and key messages on water conservation. They have been very supportive of our efforts and have shared our key messages on social media.



*Enabling customer trust and value*

## Customers and communities

As part of the drought campaign, we continued to promote and advertise our key water conservation messages through radio advertisements across 24 stations running at high-frequency (competitions on Breeze and Hits in particular saw great engagement); billboard advertisements at 19 key sites with a combined direct traffic visual count of over 665,000; posters and signage at 85 gyms/fitness centres reaching over 350,000 members and visitors combined; our 'water saving superheroes' digital campaign received over 4 million impressions across TVNZ, NZ Herald, Stuff, MetService and YouTube.



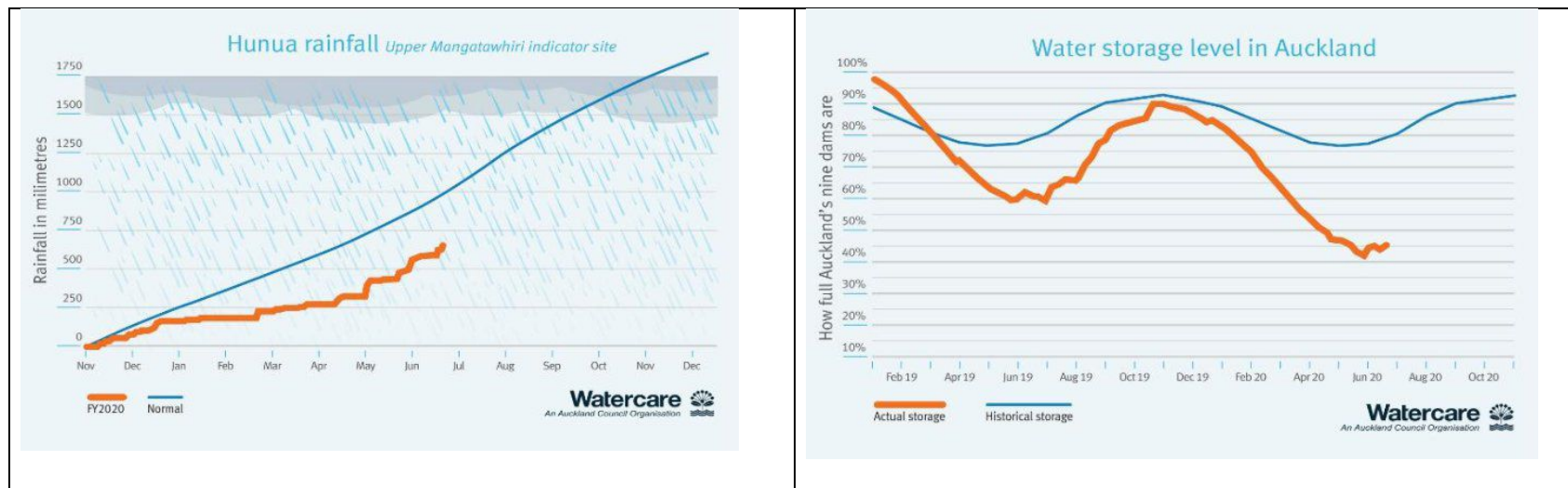
Our engagement on Facebook continued to be high, especially on posts showing the state of our dams and water restriction announcements (reach of over 500,000 people). The water saving superheroes campaign on Facebook received over 4 million impressions.

**Watercare**

## 6. NATURAL ENVIRONMENT

### Watercare's Drought Management Response

The Auckland region continues to experience a severe drought. Our dams in the Hūnua and Waitākere Ranges rely on rainfall to replenish water stores. With record low rainfall, total water storage levels have continued to decline. While the recent rain has been welcomed, it has only made a small amount of difference (see graph on right below showing slight up-tick in June 2020).



7.3

### WATER USE RESTRICTIONS IN PLACE

Since February 2020, we have been encouraging people to voluntarily save water via the Water is Precious campaign. Since 16 May 2020, Level 1 water use restrictions have been in place as well, meaning residential water users cannot use an outdoor hose or water blaster. Commercial and other non-domestic water users also cannot:

- Use an outdoor hose or water blaster unless it is for a health, safety, emergency or biosecurity reason
- Operate a car wash unless it uses recycled water
- Water sports fields, plants or paddocks unless they have an irrigation system that is fitted with soil moisture or rain sensors



## REDUCING PRESSURE ON OUR WATER STORAGE LAKES

To reduce the demand on our water storage lakes, we are:

- maximising production at our Waikato and Onewhanga treatment plants.
- Working to return two former water sources to supply – Hays Creek Dam in Papakura and a bore in Pukekohe
- Since 16 June 2020, emergency powers have been used under the Resource Management Act, to take an extra 15 million litres of water a day from the Waikato River. This will increase the total production from the river to 165 million litres a day.

The decision to take additional water using the emergency provisions has not been made lightly. We have been in discussion with Auckland Council, Waikato Regional Council, Waikato Tainui and Hamilton City Council over the past two weeks so they are aware of our decision to take the extra 25 MLD. I have also spoken to the chief executive of the Waikato River Authority and reiterated Watercare's commitment to assisting with improving the health and wellbeing of the Waikato Awa.

In the meantime, we have asked Hamilton City Council (HCC) to use their allocation of 25 MLD that they do not need nor currently use. HCC has advised that they wish to assist Auckland but will provide us with their decision by the end of June at the earliest. On obtaining the HCC allocation, and a resource consent from Waikato Regional Council, we would be able to cease the use of the emergency powers. The resource consent will "mirror" any agreement with HCC.

The company also continues to focus our efforts on ensuring leaks are detected and fixed promptly to reduce loss of water. More non-potable water sources are also available for businesses affected by the outdoor water use restrictions.



*Cossey's Dam, Hūnua Ranges, on Thursday, 18 June 2020.*



# Water outlook for June 2020



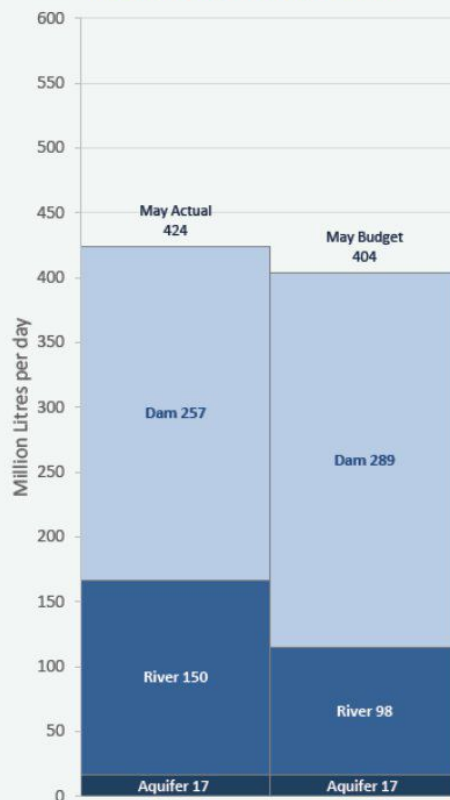
## Rainfall for May



May Actual  
May Normal  
Nov to May Actual  
Nov to May Normal

Waitakere	Hunua
145.8mm	170.3mm
160.8mm	149.3mm
539.3mm	495.8mm
862.9mm	865.0mm

## Average daily water produced



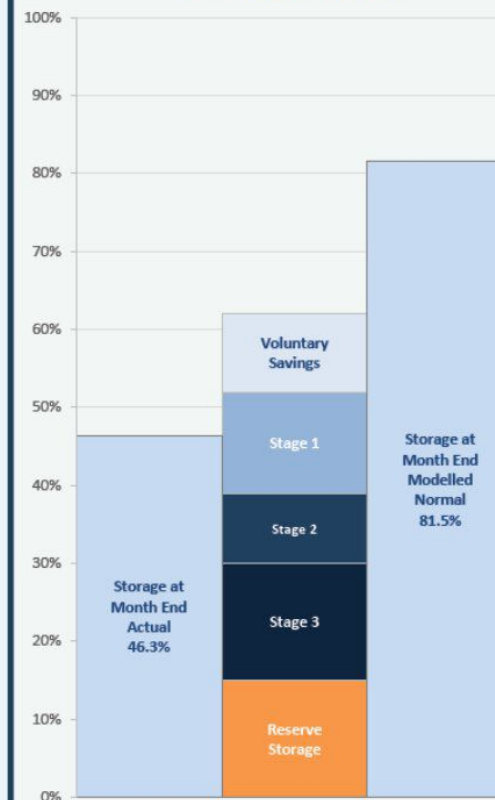
## Water resources position

- Total system storage decreased through May from 46.3% to finish the month at 43.4%, compared to the FY2020 budgeted storage response of 81.5% for a modelled normal response for May.
- Rainfall for the month of May was near normal for all of Auckland. The Waitakere and Hunua ranges received 91% and 114% of their historical averages respectively. Overall, May was predominantly a dry month with only three notable events near the beginning and end of the month which propped up monthly rainfall totals. Rainfall analysis from NIWA indicates that the precipitation conditions from November 2019 to the end of May 2020 represent a rare event with the drought currently tracking as a 1 in 100-year event in both water supply catchments.
- Storage remains below levels that would normally be experienced at this time of year (76.4%), if compared with the historical average (1981–2010). May's storage response has dropped below that of a fifty year dry (48.8%), and is now close to a 100 year dry response (41.5%).
- Abstractions from Waikato and Onehunga continued to be optimised throughout May to reduce abstraction pressures on the storage lakes, keeping the Waikato Water Treatment Plant running at maximum capacity.
- Total water treatment plant production was 5.0% above budgeted volumes for May, and 7.9% above budget for the Financial Year to date.
- Demand throughout May dropped from its high in summer in response to the change in weather as temperatures started to lower, to the water restrictions introduced 16 May and to the 'Water is precious' advertising campaign.

## Long range forecast position

- Rain for June has been forecast to be below normal for Auckland.
- June temperatures have equal chances for near or above average temperatures, a trend expected to continue throughout winter.
- Current long term forecasts are suggesting that rainfall is about equally likely to be near normal (40% chance) or below normal (40-45% chance) for June to August, however these forecasts would not be sufficient to overcome the deficit experienced to date. Initial indications continue to indicate that spring is likely to be dry.
- It is important to note that reduced short-term weather forecast accuracy has been confirmed due to the sharp drop in the number of airplane observations of temperature and wind that weather models use. It is likely that long-range models are also affected, but as yet this has not been quantified.

## Total system storage



Watercare



## 7. RESOURCE MANAGEMENT ACT COMPLIANCE – Auckland Council

May 2020 Summary	Compliance proceedings	Nil	Environmental incidents of significance	0
	Category 4 non-compliant consents held by Watercare	1	Category 3 non-compliant consents held by Watercare	2

	Dec	Jan	Feb	Mar	Apr	May
<b>Number of non-compliant consents held by Watercare in Auckland<sup>1</sup></b>	12	13	9	21	52	13
<b>Number of non-compliant category 3 or 4 conditions<sup>2</sup></b>  <i>Non -compliance where the result will have or has the potential to have an adverse or significant adverse effect on the environment, or where there has been a repeat of a lower score non-compliance.</i>  <i>We would typically receive notification or have warning of a category 4 non-compliance well before we prepare this report.</i>	3	3	3	3	3	3
<b>Number of non-compliant category 1 or 2 conditions<sup>2</sup></b>  <i>Technical non-compliance with no more than minor potential or actual adverse effect to the environment. For example, reports provided after due date.</i>	8	9	6	22	36	11

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

Area	Background and Reason for Non-Compliance	Summary of Current Actions	Current Self-Assessed Council Compliance Rating
<b>WATER TREATMENT</b>			
<b>Huia Village</b>	Long-term issue. Consent has a condition for some recycling of process discharges back to the dam, but this recycling has not been possible given the existing infrastructure at site. Instead, all discharges go direct to Huia Stream, but monitoring shows no adverse environmental effects.	Completion of upgrade expected by August 2020 after some Covid-related delays.	3 – Ongoing issue (negligible environmental impact)
<b>WASTEWATER TREATMENT</b>			
<b>Helensville</b>	On-going water quality issues at the compliance point. Upgraded to Category 4 after Auckland Council inspection.	Remediation work has begun. Works on track to be complete by August 2020 after some Covid-related delays.	4 – Ongoing issue (Auckland Council assessment)
<b>Denehurst</b>	Vegetation on irrigation field has slowly decreased over time. Planting-density no longer meets resource consent requirements, and lack of vegetation affecting irrigation field efficacy for passive wastewater treatment.	Completion date by August 2020	3 – Auckland Council assessment after inspection; small scale irrigation means effects on groundwater less than minor.

## RESOURCE MANAGEMENT ACT COMPLIANCE - Waikato Regional Council



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

	Dec	Jan	Feb	Mar	Apr	May
<b>Number of non-compliant consents held by Watercare in Waikato<sup>1</sup></b>	2	1	0	6	4	1
<b>Number of non-compliant category 3 conditions<sup>2</sup></b>  <i>Non-compliance where the result will have or has the potential to have an adverse or significant adverse effect on the environment, or where there has been a repeat of a lower score non-compliance.</i>  <i>We would typically receive notification or have warning of a category 4 non-compliance well before we prepare this report.</i>	0	0	0	0	0	0
<b>Number of non-compliant category 1 or 2 conditions<sup>2</sup></b>  <i>Technical non-compliance with no more than minor potential or actual adverse effect to the environment. For example, reports provided after due date.</i>	2	1	0	4	6	1

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

## 8. WATERCARE'S COVID-19 RESPONSE

On Monday, 8 June 2020, the Prime Minister announced that we would move to Alert Level 1 at midnight, with borders remaining closed.

All actions to enable Watercare to continue to operate at Alert Level 1 have been implemented. Protocols for escalation to Alert Level 2 and 3 have also been developed if required e.g. due to a second wave after borders reopen.

The COVID-19 team stood down on Friday, 12 June 2020. Monitoring of the national and international position will continue and the team will be recalled if the position changes.

The following controls remain in place:

- Staff who feel sick are being advised to remain at home
- Staff are being advised to maintain a high standard of hygiene including frequent hand washing
- Contact tracing capability will remain in place to address any future cases

## 9. ASSETS AND INFRASTRUCTURE

### AUCKLAND COUNCIL WATER SUPPLY AND WASTEWATER NETWORK BYLAW 2015 REVIEW

Auckland Council is legislatively required to review the Auckland Council Water Supply and Wastewater Network Bylaw 2015 in 2020.

Watercare and Auckland Council staff in consultation with main stakeholders and affected parties have prepared a Findings Report (as required by the review process) to enable Council to complete the review. The Findings Report was endorsed by Auckland Council's Emergency committee on 28 May 2020 (resolution number EME/2020/81).

Key findings the Findings Report included the following:

- Auckland Council and Watercare have a joint responsibility to protect Auckland's water sources and water and wastewater networks
- interference with the public water supply and wastewater networks remains significant
- the Bylaw is still the most appropriate way to manage damage, misuse, interference (illegal connections) and contamination of water and wastewater networks by requiring Watercare's approval to connect to the network, provision of water use restrictions in a drought and cost recovery from third-party damages to pipes during construction, for example.
- the current Bylaw approach could be improved by clarifying definitions, making some requirements more specific, and increasing the Bylaw's ability to protect sources and networks.

The Emergency Committee requested an Options Report, in accordance with the bylaw review process. The report assesses the feasibility of suggestions made by staff and stakeholders during the Findings phase. The feasibility assessment focuses on what can or cannot legally be included in a bylaw, and what is reasonable. It defines four options for the next steps. The four options, of which only 1 and 2 would achieve the objectives of network protection, are:

- option 1: continue the current Bylaw (status quo)
- option 2: improve the current Bylaw by amending it to address issues raised in the findings report
- option 3: replace the current Bylaw with a new bylaw
- option 4: no bylaw (revoke the Bylaw and rely solely on existing legislative provisions, Watercare customer contracts and voluntary compliance).

Watercare is recommending Option 2, which includes the amendments shown below.

Watercare will seek to progress the improvements that are beyond the scope of a bylaw through other means.



Suggested improvement areas for inclusion in Option two (Amend Bylaw)	Recommended direction for any changes
Wastewater recycling	Not to be pursued through bylaw amendments (beyond bylaw scope).
Community water supply schemes	<b>Amend Bylaw</b> to clarify that clauses 6 and 11 apply also to community supply schemes.
Greenfield developments and construction sites	<b>Amend Bylaw</b> to make the types of illegal water use more explicit by defining any unmetered point (including hydrants and service leads) as illegal use.
Water consumption in apartments	Not to be pursued through bylaw amendments (beyond bylaw scope).
Prohibited waste and emerging contaminants	<b>Amend Bylaw</b> to include emerging and problematic waste.
Protection of assets from intentional threats	Not to be pursued through bylaw amendments (not needed).
Rights to physical access	<b>Amend Bylaw</b> to include obstruction of access points to water and wastewater assets and interference with water or wastewater networks.
Safe digging practices	Not to be pursued through bylaw amendments (to be added to works-over conditions).
Restricted works	<b>Amend Bylaw</b> to specify the types of restricted works.
Existing offences	<b>Amend Bylaw</b> to explain more clearly the consequences of breaching each clause.
Liability for costs associated with delays	<b>Amend Bylaw</b> to clarify that Watercare is not liable for costs associated with delays as a result of a non-compliant asset.
Water quality protection	Not to be pursued through bylaw amendments (beyond bylaw scope).
Enforcement powers	Not to be pursued through bylaw amendments (beyond bylaw scope).
Review of definitions for clarity	<b>Amend Bylaw</b> to align definitions with those in the Watercare wastewater code of practice.

The above will be discussed at the 23 June 2020 Regulatory committee, and an Option selected by the committee.

## 10. DELEGATED AUTHORITY OF THE CHIEF EXECUTIVE

<p><b>For the month of May 2020, there was 1 document required to be signed by the CE with the delegated authority provided to the Chief Executive by the Board in relation to deeds, instruments and other documents.</b></p> <p>This was:</p> <ul style="list-style-type: none"> <li>• 1 x compensation covenant to protect Watercare's interest in a property</li> </ul>	<p><b>In May 2020, there were four Capex/Opex contracts, over \$100,000, approved by the CE in accordance with the delegated authority provided to the Chief Executive by the Board.</b></p> <ul style="list-style-type: none"> <li>• Construction – Tank/Reservoir - Pukekohe East Reservoir Tie-ins (Guaranteed Flow Systems Ltd)</li> <li>• Engineering Planning, Feasibility and Consenting – Provision of Software upgrade services for the ISMM tool (Package 1) – (Tonkin &amp; Taylor Limited)</li> <li>• Engineering Design – DTOS Conveyor Safety Improvement (McKay Ltd)</li> <li>• Laboratory Equipment &amp; Spares – TECTA Purchase (Thermo Fisher Scientific NZ)</li> </ul>	<p><b>In May 2020, there was one capex approval signed in accordance with the delegated authority provided to the Chief Executive by the Board in relation to Capex approvals below a threshold of \$15m.</b></p> <ul style="list-style-type: none"> <li>• Hyundai iLoad new vehicle request (Laboratory Services) - \$56,301</li> </ul>
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## NGĀTI WHĀTUA ŌRĀKEI

10 June 2020

Mark Franklin  
Chair, Auckland Tourism, Events and Economic Development  
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Nick Hill  
Chief Executive Officer, Auckland Tourism, Events and Economic Development  
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Adrienne Young-Cooper  
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Raveen Jaduram  
Chief Executive Officer, Watercare Services Limited  
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Tēnā koutou

### Ngāti Whātua Ōrākei Position on Council and Council CCOs Iwi Engagement

I am writing to follow up on the recent korero and correspondence we have had with Auckland Council in relation to the approach of the Council and its CCOs to iwi engagement and to ensure the position of Ngāti Whātua Ōrākei is clear to both the Council and its CCOs.

We have made our position on the approach taken by the Council and its CCOs to iwi engagement very clear for some time in writing, hui, and during our participation across the many and varied iwi engagement fora.

In summary, our position is that the approach taken by the Council and its CCOs of engaging equally with all iwi and hapū that self-identify as “mana whenua” of Tāmaki Makaurau disrespects our place as ahi kā, and diminishes the mana of our people and our tupuna who have for generations guided and protected



## NGĀTI WHĀTUA ŌRĀKEI

the home fires (ahi kā) of central Tamaki.

The position is unlawful and inappropriate because it ignores judicial direction and the strength of the relationship of Ngāti Whātua Ōrākei to the central Tāmaki isthmus, as our area of primary interest.<sup>1</sup> The strength of this relationship can be expressed in terms of our history, tikanga, whakapapa, and exercise of ahi kā as the tāngata whenua and mana whenua in the Tāmaki Isthmus.

The Council has an inherent jurisdiction and duty to consider the relative strength of iwi relationships to lands, waters, wāhi tapu, and taonga. This has been endorsed by the Supreme Court in the context of the Crown's Treaty of Waitangi overlapping claims policy<sup>2</sup> and in the Environment Court, in the recent Westhaven and Queens Wharf resource consent appeal,<sup>3</sup> where the Environment Court found that Council has jurisdiction to determine *"the relative strengths of the hapū/iwi relationships in an area affected by a proposal..."*. The Council's argument that it should not have to look at the weight and strength of iwi relationships for cultural engagement under consent conditions was not accepted: *"Consent authorities must face up to the complexity of issues in all facets of resource consenting, whether of a Māori cultural nature or otherwise."* The decision is under appeal but is binding authority unless and until overturned by a higher Court.

Similar findings regarding the particular association of Ngāti Whātua Ōrākei with central Tāmaki have been made in the recent Council decisions on consents under the Resource Management Act 1991 for Auckland Transport's Downtown Programme of Works.<sup>4</sup>

These decisions and findings reflect the reality that not every iwi has the same relationship with a particular area. Nonetheless the Council and its CCOs persist in a collective approach to iwi engagement.

### Ngāti Whātua Ōrākei response to collective engagement

Given the judicial support outlined above, and in particular the Environment Court decision, we consider the existing approach taken by the Council and its CCOs to iwi engagement is unlawful and disrespectful to Ngāti Whātua Ōrākei and our long-standing relationship. As a result, we respectfully ask that you now correct your approach in order to reflect the relative cultural or historical importance of particular areas to different iwi and hapū.

Until this occurs, Ngāti Whātua Ōrākei will maintain a presence in various collective iwi engagements. We do this without prejudice to our legal position and in order to keep up to date on proceedings and to ensure that our voice as ahi kā is heard. It saddens me that this is what has to happen as it does nothing to improve working relationships, either with Council and its CCOs or between our iwi whanaunga.

To be clear, Ngāti Whātua Ōrākei agrees such collective hui may be appropriate where *regional* kaupapa is at issue, but for kaupapa with a local or project-based focus, we strongly encourage the Council to engage in a more sophisticated manner in line with the judicial direction described above and respecting the mana of all parties.

In this respect, Ngāti Whātua Ōrākei will generally not participate in local level kaupapa outside our area of primary interest because we respect the mana of the respective local iwi. The only exception will be where we have a specific historical interest which is acknowledged under the tikanga of the respective ahi kā iwi of the area.

I trust that this makes our position clear. We will continue to make our position clear in any forum which we attend.

I look forward to hearing from you in relation to these matters and can be contacted directly, or through

<sup>1</sup> Our interests are detailed in *Te Pou o Kāhupōkore*, the Iwi Management Plan for Ngāti Whātua Ōrākei (2018)

<sup>2</sup> Ngāti Whātua Ōrākei Trust v Attorney-General [2019] 1 NZLR 116

<sup>3</sup> Ngāti Whātua Ōrākei Whai Maia Ltd v Auckland Council NZEnvC 184 (2019) - this decision is under challenge at the High Court. However, we note it is binding until overturned by a higher Court.

<sup>4</sup> For example: BUN60327622, BUN6033860



NGĀTI WHĀTUA ŌRĀKEI

our CEO.

Ngā manaakitanga

**Marama Royal**  
Chair, Ngāti Whātua Ōrākei Trust

Copy to:

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7.3

12 June 2020

Ms W Gray

via email: [wendzgray@orcon.net.nz](mailto:wendzgray@orcon.net.nz)

7.3

Dear Ms Gray

Thank you Ms Gray for the careful and thoughtful submission and the manner of your presentation to the Watercare Board at the meeting on Thursday, 28 May 2020.

### Site Choice

In your concluding comments you said, “*all of us need to make difficult decisions*”. Indeed, the Watercare Board was faced with making a difficult decision in deciding which site to use for the replacement Huia water treatment plant.

At its meeting on 30 May 2017, the Board received a presentation from management on the robust process followed for site selection. That process was undertaken by objective independent experts and commenced with an evaluation of a long list of sites (over 100) which were reduced to four sites for further detailed evaluation.

After all four sites were further evaluated, two, Parker Road North and Manuka Road were the preferred sites which again received further analysis by the experts.

Management recommended to the Board the Manuka Road site with two reservoirs to be constructed on the Woodland Park Road site, opposite the existing water treatment plant (WTP).

The reasons for that consideration included the fact that the existing Water Treatment Plant (WTP) has long been an established part of the Waima community and that the Manuka Road and Woodlands Park sites had been designated for water purposes for many years. The designation signalled to the community that the site could be developed in the future for the designated purpose.

By comparison, the Parker Road site was new to that community and significant social effects difficult to offset. In contrast, there is the potential to offset the ecological effects at Manuka Road.

The Board having heard from management, the legal advisor and independent planning consultants, resolved that the Manuka Road (and Woodlands Park Road) was the preferred site.

In so resolving, the Board required that wherever possible, native trees and significant ecological effects be avoided, and offset mitigation be undertaken.

Management briefed the independent designers and experts accordingly. As a result, there were significant changes made to the initial high-level design. For example, the footprint of the proposed WTP was reduced and only one reservoir is to be constructed on the Woodlands Park Road site, thereby avoiding a prominent stand of mature kauri trees.

That approach fits within the requirement in the sustainability section of the Watercare website which you quoted, namely “*to minimise the impact on our activities*”.



**Trees**

We refer to your reference at paragraph 22 of your submission that there will be *“700 mature healthy native urban forest canopy trees destroyed”*.

That reference needs to be seen in context. Forty-seven upper canopy trees greater than 150mm diameter (podocarps and tall broadleaf species) and 714 mid-stature canopy trees, mainly kanuka, will be removed. No mature kauri will be removed.

Dr Sarah Flynn’s evidence (paragraph 7.8) was *“To place this impact in context, the 990ha Little Muddy Creek catchment within which the site is located contains approximately 720ha of native forest and forms part of the 24,000ha Waitakere Ranges SEA. In my opinion, while the proposed extent of clearance is significant at a local catchment scale, it will not compromise the integrity of any ecosystem functions within the catchment or have a noticeable impact on the Waitakere Ranges ecosystem as a whole.”*

Not one mature kauri tree will be destroyed as a result of the construction and operation of the new WTP.

You refer at paragraph 13 of your submission to the revegetation project in the Hunua Ranges. We agree with you and Dr Cate MacInnis-Ng *“that established forests are better placed to survive drought .... than seedlings”*.

The planting programme in the Hunua Ranges is extensive with 402,500 trees (not seedlings) already planted. Over the next ten years approximately 8 million native trees will be planted. These trees are and will be looked after by dedicated forest managers and are flourishing.

Watercare did not use the Hunua plantings as an offset for the clearance required of the Manuka Road and Woodlands Park Road sites. Nor the many thousands of trees planted along the Manukau Harbour walkway, nor the extensive plantings on the banks of the Waikato River and its tributaries undertaken by Watercare. All these plantings though demonstrate that Watercare does care about the environment and is active in delivering on its climate change strategy.

**Mitigation - The Offset and Compensation**

You have said at paragraph 21 *“the experts agree that even with the proposed mitigation the proposal will still result in significant residual effects which are unacceptable”*. We are not aware to whom you are referring as experts who make such an assertion.

The evidence presented to the Independent Hearing Commissioners by Dr Sarah Flynn was to the effect that the permanent loss of indigenous forest cover cannot be fully mitigated through on-site restoration and management. However, in light of this, Dr Flynn has developed a comprehensive programme to mitigate and compensate for the residual adverse ecological effects. The programme has two elements (a) the programme of weed and annual pest management and native planting to be undertaken within the remaining 11ha of vegetation within the project site outside of the construction footprint, and (b) the Waima Biodiversity Management Plan (WBMP).

The WBMP is an ecological compensation package covering 990ha of land in the Little Muddy Creek catchment. Approximately 720ha is within the Significant Ecological Area.

Watercare will establish and fund the stakeholder-led charitable trust which will be accountable for implementing the projects and targets in the WBMP. The trust will administer a five million dollar fund over ten years. It is envisaged that this entity will continue past the ten year period. The amount equates to \$200 a hectare which is the most funded pest and weed management plan in New Zealand. The closest

plan that Watercare's experts are aware of is around \$150, whereas many are less than \$10 and applied over short periods and randomly determined.

Dr Flynn said in evidence (paragraph 3.10) *"In my opinion, the improvement in fauna abundance and population resilience, vegetation condition and habitats across 720ha of native forest as a result of 10 years of proposed WBMP activities amounts to ecological benefits which are at least commensurate with adverse effects on indigenous biodiversity arising from the permanent loss of 3.5ha of vegetation and habitat that is under substantial pressure from pest species. I judge that this equates to no net loss (or potentially net gain) of ecological values."*

Dr Flynn was of the opinion that the work which will be coordinated by the WBMA trust *"is demonstrably additional to what otherwise would occur"*. (paragraph 8.24)

Dr Ussher, the Auckland Council's technical expert, concluded in his evidence that the large scale of the programme, and the substantial control of weeds and annual pests to low numbers over that period, will result in a surge in seedlings of long-lived canopy species within the WBMP area and surrounding areas. There will also be an increase to the local population of birds, reptiles and invertebrates. Overall, there will be an increase in the biomass of the catchment above that will be lost through the construction of the WTP.

### **Kauri Dieback**

At paragraph 21 you refer to the experts saying the Watercare kauri dieback precautions and plans will not be effective and the taonga kauri trees will die.

There was certainly some evidence to that effect given by witnesses called by DoC and other submitters. That was certainly not what the evidence provided by Dr Flynn or Mr Ken Scarlett, a highly experienced arborist, demonstrated.

In the evidence of the DoC and other witnesses, there were measures put forward to improve the position with kauri dieback. Those measures were already included in the draft Kauri Dieback Management Plan (KDMP). This demonstrates, at best, an inaccurate understanding of the proposed management measures in the KDMP. It became clear during the hearing that the other witnesses had not visited the sites or even read and understood the application, in particular the proposed kauri dieback protocols.

The hearing was adjourned to enable the independent experts called by Watercare to engage with these witnesses. These discussions have been undertaken. The agreement was that Watercare would undertake kauri dieback testing on the site and immediate area. All parties have agreed on who will carry out the work and the methodology. The results will then be used to develop the kauri dieback protocols that will be applicable to the site.

### **Rāhui and Te Kawerau ā Maki**

You refer to the Rāhui in place over the Waitakere Ranges. The Rāhui was placed by Te Kawerau ā Maki who are mana whenua of Waitakere. Watercare has great respect for Te Kawerau ā Maki and its kaumatua, Te Warena Tau.

The Rāhui covered the entire Waitakere forest beyond the boundaries of the Waitakere Ranges Regional Park. The Rāhui "takes a pragmatic approach" and access was not restricted to public roads, nor to private property. The Rāhui was not placed to impact upon private rights or uses.

Watercare consulted extensively with mana whenua groups. Of the three mana whenua groups which expressed an interest in the Project, only Te Kawerau ā Maki indicated they would prepare a Māori Values Assessment/Cultural Values Assessment (CVA).

A draft copy of the CVA was received by Watercare on 11 November 2019. The CVA set out a number of recommendations, the very large majority of which had been addressed in the application. The others are under discussion as they are not applicable to be incorporated into the application.

Watercare proposes an additional condition that requires the development and implementation of a Cultural Heritage Management Plan in consultation with Te Kawerau ā Maki. This will enable ongoing engagement throughout the Project to address the Rāhui and other cultural matters that might arise during construction, in the event that consent is granted to the application. The proposed conditions also specifically provide for a representative of Te Kawerau ā Maki to act as a trustee on the Trust.

### **Auckland Council**

At paragraph 22 you say, correctly, that Auckland Council sets the strategic direction plans and expectations that CCOs must give effect to. You then cite several examples.

Watercare is the entity charged by Auckland Council with operating the water and wastewater network for 1.7 million Aucklanders. The Huia Water Treatment Plant is a vital part of the water network producing around 20% of the potable water for Auckland. You mention the increase in capacity as being only 11%. The rationale for replacing the existing plant is simply the age and condition of the existing plant, it is nearly one hundred years old. It must be replaced to enable Watercare to continue to produce potable water from the water supply lakes in the Waitakere Ranges. The capacity of the new plant is determined by the size and capacity of the lakes (there is no sense in providing more capacity than the lakes can provide).

Unfortunately, it is not possible to replace the existing plant on the existing site and keep up the production of high-quality potable water, water essential for life.

### **Conclusion**

The Board in selecting the Manuka Road site, recognised there were issues relating to native trees and significant ecological effects which must be addressed.

Since then, Watercare and its independent expert advisors have worked hard to minimise the effects of construction of the new water treatment plant. If there had been a site with sufficient elevation, size, proximity and locational factors free of trees and people, then Watercare would have chosen that site. It does not exist.

Whether sufficient has been done to justify the granting of consent is now in the hands of the Independent Hearing Panel.

Thank you again for the care and thought you have given to your submission and for the copies of Tiwaiwaka.

Yours sincerely



Rob Fisher  
**Company Secretary**




## Board Planner 2020

		June	July	August	September	October	November	December
Meetings	Board	29 workshops/ 30 June Board meeting	28-July 8.30am-12.30pm	25-Aug 8.30am-12.30pm	29-Sept 8.30am-12.30pm	27-Oct 8.30am-12.30pm Followed by Board Dinner to farewell retiring board members	24-Nov 8.30am-12.30pm	15-Dec 8am-11am (Teleconference)
	Audit and risk committee			10 August and 24-Aug 10am-12.30pm		27 Oct 1.30pm-4pm		
	Te Tangata Komiti	Catch up meeting - 11 June 2020	29 July 8.30-10.30am	24 Aug 1-3pm			26 Nov 8.30-10.30am	
	AMP & Major Capex Committee		28 Jul (after Board meeting)				19 Nov (9.30-12pm)	
	STP Committee	19 June (9am-10am)	TBC					
Events	Committee for Climate Action			6 Aug (1.30-3.30pm)		13 Oct (9-11.230am)		
	CCO Oversight Committee meetings			11 Aug (M Devlin)	22 Sept (possible date for Watercare Board/Council workshop?)	27-Oct	24-Nov	8 Dec (M Devlin)
	Community and Stakeholder Relationships	Meeting with the WDC Waters Governance Board on 30 June 2020		TBC: Meet the Diversity & Inclusion Committee				
	Charter reviews	Committee for Climate Action Terms of Reference	Te Tangata Charter	Corporate Governance charter				
	Policy reviews		Our Commitment to Health, Safety & Wellness <i>Risk Management Policy (2021)</i>	Sensitive Expenditure Policy Good Employer Policy IGCs			<i>Fraud &amp; Corruption Policy (2021)</i>	
Governance	Risk report due to Council		Risk report (due to Council 31 July)			Risk report (due to Council 12 Nov)		
	Enterprise Risk report to Board		Report to Board			Report to Board		
	Compliance		Statutory compliance			Statutory compliance		
	H&S Quarterly report		Apr-Jun 20 Report			Jul-Sept 20 Report		
	Shareholder interaction	Governing Body meeting to discuss Watercare's Drought Response - 25 June 2020	Q4 quarterly report due on 30 July (to be approved by Board at July meeting) Governing Body/Board Workshop on climate resilient water strategy for Auckland - 1 July 2020		Q4 briefing to the CCO Oversight Committee TBC	Q1 quarterly report due on TBC		Q1 briefing to CCO Oversight Committee TBC
Board Training	Site Visits		Site Visit	Site Visit		Site Visit		
	Board training & development		Board evaluation check-in	Culture and conduct/Future of work	Board evaluation check-in	Mental Health & Wellbeing in the workplace	H&S Board Update	Privacy Law (once new laws are in place)
	Strategic planning & Deep Dives	Deep Dive: Medium to Long term water sources		Deep Dive: TBA	Strategy Update:TBA		Deep Dive: TBA	
	Key finance and business decisions		Approval of 2020/21 Budget & updated SOI Financials	a) approve 2020/21 accounts, b) delegate final sign off of 2020/21 Annual Report c) Approve Auckland Council Reporting Pack		AMP		Auckland Council Draft Annual Plan - approve Watercare input*
	Statement of intent		Present shareholder SOI feedback at public meeting. Public Deputations received Final 2020-2023 SOI issued to shareholder	Final 2020/2023 SOI adopted by Auckland Council		2019/2020 SOI Results to be presented to Board at Public Meeting. Public Deputations received.		2021/22 Letter of Expectation to be received

\* Statutory public Board meeting - deputations invited

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

## Disclosure of senior executives' interests

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

8.2

### 1. Purpose and context

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

### 2. The details




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

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



**Report to the Board of Watercare Services Limited**  
Prepared for the 30 June 2020 Board meeting

## Directors' appointment terms and committee memberships

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

8.3

### 1. Purpose and context

This paper provides an update on:

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

### 2. The details

**Table 1: We have eight directors**

Our directors are appointed by Auckland Council

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



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

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

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

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

