

Board meeting | 30 September 2021

Public session

Venue	Watercare Services, Level 3 Boardroom, 73 Remuera Rd, Remuera
Time	9.15am

Item	Spokesperson	Action sought	Supporting material
1 Opening Karakia	Board		
2 Meeting administration	Chair	For discussion	Verbal update
2.1 Quorum	Chair	For information	Verbal update
3 Apologies	Chair	Record apologies	Verbal
4 Minutes of meeting	Chair	Approval of minutes of the meeting of 30 August 2021	Minutes of the meeting of 30 August 2021
5 Public deputations	Chair	For information	Verbal
6 Chief Executive's report	Jon Lamonte	For discussion	Report
7 Health, safety and wellbeing report for August 2021	Bronwyn Struthers	For discussion	Report
8 For discussion			
8.1 Central Interceptor report – August 2021	Shayne Cunis	For discussion	Report
8.2 Water resources report	Mark Bourne and David Moore	For discussion	Report
8.3 CCO Review Recommendations	Rob Fisher	For discussion	Report
8.4 Fairness, partnership and a more resilient future: What our customers want from Watercare	Amanda Singleton and Jenny Wigley	For discussion	Report
9 Governance			
9.1 Board Committee updates	Committee Chairs	For discussion	Verbal
9.2 Board planner	Chair	For information	Report
9.3 Directors' appointment terms and committee memberships and meeting attendances	Chair	For information	Report
9.4 Disclosure of Directors' and Senior Executives' interests	Chair	For information	Report
10 General business	Chair	For discussion	Verbal update

Date of next meeting	Thursday 28 October 2021
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Opening Karakia

E te katoa

Toia mai ngā mahi

Ki te awatea

Haumi e, hui e, tāiki e

To all

bring forth our aims and objectives for today

Embrace, gather, anoint.



Minutes

Board meeting	Public session
Date	30 August 2021
Venue	Held via Microsoft Teams due to Covid-19 Alert Level 4 restrictions
Time	9.15am

Attendance		
Board of Directors	Watercare staff	Guests
Margaret Devlin (Chair) Brendon Green Nicola Crauford Hinerangi Raumati-Tu'ua Graham Darlow Apologies: Dave Chambers Frances Valintine	Jon Lamonte (CEO) Rob Fisher (Company Secretary and Acting Chief Officer Support Services) Amanda Singleton (Chief Customer Officer, for item 8) Shayne Cunis (Executive Programme Director CI, for item 9.1) Mark Bourne (Chief Operations Manager, for item 9.2) Anin Nama (Three Waters Operations & Asset Management Lead, for item 9.2) Bronwyn Struthers (Head of Health, Safety and Wellbeing, for item 7) Richie Waiwai (Poutiaki Tikanga Māori, Principal Advisor) for items 8.2 and 9.3) Kuiaurangi Paki (Te Kaiurungi, Senior Lead & Strategic Māori Advisor for items 8.2 and 9.3) Rachel Hughes (Communications Manager, for item 8.2) Andrew Chin (Executive Director Special Projects, from item 7 until the end of item 9.2) Jacky Simperingham (Head of Governance) Jodie Atkin (Governance Coordinator) Pinaz Pithadia (Governance and Research Administrator)	Councillor Cooper (from item 6) Claire Gomas, Principal Advisor, CCO Governance and External Partnership, Auckland Council Tame Te Rangi Chair of Mana Whenua Kaitiaki Managers Forum (for item 9.3) Jon Turner, Puketāpapa Local Board

1.	<p>Opening karakia</p> <p>The Chair opened the meeting with a karakia.</p>
2.	<p>Meeting administration</p> <p>The Chair noted a number of recent significant events for Watercare including the launch of the tunnel boring machine (TBM) and micro-tunnel boring machine (MTBM) on the Central Interceptor project (CI), both of which were hugely successful.</p> <p>Watercare also hosted a visit from the Council-Controlled Organisation Oversight Committee at Māngere Wastewater Treatment Plant which was also very successful, as was the recent Water Expo.</p> <p>The Chair welcomed Jon Turner, Puketapapa Local Board member to the meeting.</p>
3.	<p>Apologies</p> <p>Apologies were received from Dave Chambers and Frances Valentine, both of whom provided the Chair with written feedback on the board pack prior to the meeting.</p>
4.	<p>Minutes of meeting</p> <p><i>The Board resolved that the minutes of the public session of the Board meeting held on 29 July 2021 be confirmed as true and correct.</i></p>
5.	<p>Public deputations</p> <p>There were no public deputations.</p>
6.	<p>Chief Executive's Report</p> <p>Jon spoke to this report. He noted that we have all now been under Covid-19 Level 4 restrictions for about two weeks and the organisation has been performing well. Water and wastewater services continue to be provided and urgent faults are being addressed. However, meters are not being read under Level 4. Work on all projects has ceased, except for CI as the TBM and MTBM must be kept moving and are currently running at about one metre a day. This will have both time and cost implications.</p> <p>He also spoke to the importance of safety, including the work underway with Human Synergistics, the Back to Basics programme and the Health Safety and Wellbeing committee.</p>

	<p>Jon advised the Board that he had been out to the Warkworth Water Treatment Plant where he had discussions with staff regarding issues such as a crane that cannot be used as it is not certified, and a pipe that is leaking after only three years due to the effects of manganese and iron.</p> <p>Jon noted that the Finance Team had done a great job getting the financial reports for the 2021 financial year finalised.</p> <p>The remainder of the report was taken as read.</p> <p>In response to a question from the Board, regarding the current Covid-19 outbreak, Jon advised that planning was done on the basis that there would be at least four weeks of Level 4 restrictions. He noted that we normally have an A and a B team for operations, however, C and D teams have also been set up to enable staff to be rested. Discussions are ongoing with MBIE regarding the continuation of work on CI, including freight and logistics and the need for Wilson to be able to recommence its operations to create the precast segments for the tunnel. Should Level 4 restrictions be extended beyond four weeks, further decisions would need to be made in respect of activities such as planned maintenance which risks falling behind. Any projects that would need to be progressed is also being considered.</p> <p>The Board noted there are a number of Statement of Intent (SOI) targets that may not be met given the current circumstances. Jon agreed that this is the case as we were at risk of not meeting them before the current Covid-19 outbreak, as had been discussed with Council. With the current restrictions, we are now even less likely to meet those targets.</p> <p>The Board asked Management about the current compliance issues at Helensville WWTP. Management advised that ammoniacal nitrogen levels are above the consented limit but are starting to decline, which is a positive trend. We will be able to confirm that we are back in compliance when we have seen the decline continue over a number of months.</p> <p><i>The Board noted the report.</i></p>
7.	<p>Health, Safety and Wellbeing Report for July 2021</p> <p>Bronwyn spoke to this report which she took as read.</p> <p>She noted that there was a 45% decrease in recorded overspeeds in July as result of the focus placed on the issue by Management and staff.</p> <p>Bronwyn and Jon met with Peter Reidy (CEO of Fletcher Building) at the Waikato WTP to discuss the recent spate of mobile plant tipping over. The main issue was found to be a lack of trained and experienced spotters being used, with the task often falling to staff who are new to site, or who are simply available at the time that the spotter is required. The Board and Management had an extensive discussion about the need for spotters to be appropriately trained and experienced.</p> <p>The Board and Management also had an extensive discussion about the incident on Waikato 50 in which a Watercare operator fell into a void in a room in which the floor had been removed. The discussion centred on the performance of contractors and their sub-contractors and the need for Watercare to support them to improve their HSW practices.</p>

	<p>A further discussion was had regarding the number of safety meetings held across Watercare sites. Bronwyn explained that there are numerous meetings of various kinds held across sites every day, including pre-start meetings, and tool-box talks.</p> <p>The Board and Management then discussed the current licensing requirements for plant operators, including excavator operators, in New Zealand and the need for work to be done on this across the industry. It was noted that CHASNZ (Construction Health and Safety New Zealand) is working on this and Watercare could support this work through Roger McRae, the Chair of CHASNZ and advisor to the Watercare AMP and Major Capex Committee.</p> <p>The Board requested that the HSW Report include a timeline for the review of each of the critical risks.</p> <p>The Chair noted that once the Covid-19 restrictions have been lowered, Board members need to undertake HSW visits to Watercare sites.</p> <p><i>The Board noted the report.</i></p>
8.	<p>For approval</p> <p>8.1 Review of Corporate Governance Charter</p> <p>Rob Fisher spoke to this report.</p> <p>He explained that the review of the Charter was brought forward in anticipation of any changes that may have been required as a result of the CCO Review recommendations.</p> <p>He explained that it was decided to include a small a change requiring Watercare to give effect to the relevant recommendations of the CCO review, rather than to particularise them individually. He noted that an update on the progress of those recommendations is provided to the Board every two months.</p> <p>The Board noted that under clause 3, <i>Oversight of Management</i>, two of the bullet points overlap and could be consolidated.</p> <p>The Board also confirmed the need for it meet in person.</p> <p><i>The Board approved the revisions to the Corporate Governance Charter, with the aforementioned minor changes.</i></p> <p>8.2 Update on Watercare's narrative</p> <p>Amanda Singleton and Rachel Hughes spoke to this report.</p> <p>They noted that the paper is not Watercare's final narrative, as it will need to evolve overtime, especially as Watercare's strategy is developed; and that it has been aligned to the work that has been done on the strategy thus far.</p>

	<p>The Board noted that tikanga is not evident in the strategy, this work still needs to be done. It was suggested that this be led by iwi and that the narrative be shared with iwi for feedback. It was noted that Watercare needs to develop a relationship of partnership with iwi around this.</p> <p><i>The Board endorsed the direction of the work being done on the Narrative and noted that there is more work to be done.</i></p>
9.	<p>For discussion</p> <p>9.1 Central Interceptor Report for July 2021</p> <p>Shayne Cunis spoke to the report which he took as read.</p> <p>Management and the Board discussed the challenges that the current Covid-19 restrictions will have on the project, specifically in relation to price, people and time.</p> <p>Shayne advised that the project is now expected to be completed in the first quarter of 2026 (pushed out from late 2025).</p> <p>He said the cost implications will be significant. He noted that a full report on costs was provided to the AMP and Major Capex Committee (AMCC) at its recent meeting (11 August 2021).</p> <p>Shayne advised that the biggest risk is currently retaining people. Plans are underway to address this. The biggest challenge is that many contractor staff will be returning to their home countries over Christmas and may not be prepared to return due to the requirement for them to quarantine. For some, that would be the third stay in quarantine.</p> <p>WorkSafe inspections were discussed, and Shayne advised that there have been no untoward notices; no cease work orders. He said the GAJV (Ghella Abergeldie joint venture) had resolved most issues.</p> <p>The Board requested that the report contain the progress on the TBM when it is re-set. Shayne advised that this information is available and he will discuss what to include in the report, going forward, with Jon. He noted that it may be more appropriate to take some information to the AMCC as it may be commercially sensitive.</p> <p><i>The Board noted the report.</i></p> <p>9.2 Drought update</p> <p>Mark Bourne and Anin Nama spoke to this report, which they took as read.</p>

Anin noted in particular that we remain in drought response and will do so until at least January 2022, as rainfall until then is expected to be lower than normal. If the expected cyclones eventuate, and bring the expected rainfall, in January through to March 2022, we may move out of drought response. Dam source water is currently being preserved as much as possible.

Hamilton City Council has approved the use of 25MLD for the period 1 October 2021–30 April 2022. The conditions of use, including water restrictions remain unchanged from the previous year. The Board raised a question in respect of recent media coverage in respect of the approval and additional conditions related to the Hamilton–Auckland service. Management confirmed that these matters had been removed from the formal letter of advice received from Hamilton City Council.

*The Board **noted** the report.*

9.3 Iwi Relationships

Richie Waiwai spoke to this report.

Richie introduced Tame Te Rangi, the Chair of the Mana Whenua Kaitiaki Managers Forum.

Tame noted that he has focussed on the response to the demands of the three waters reforms and Auckland Council's response to that. He noted that there will be challenges ahead. He said there have been robust discussions over the last week about the direction set around active engagement with mana whenua.

He acknowledged the support and decisions taken by Watercare on how things will look in the short to medium term as the Forum decides on its response to three waters reform.

He noted the growth in demand for water and noted that Auckland and Northland have the greatest concentration of Māori in the world, so it is critical that iwi capitalise on the lessons learned, for example, from the Ghella family, who have been running their business for six generations.

Richard noted the need for the Forum to re-set in light of the recent challenges posed by both the drought and Covid-19. He said communications on the re-set are still flowing through to some iwi.

The Board asked what can be done to get some traction on Māori outcomes, and make them happen quickly. In response, Tame noted the challenge and the direction taken by the relationship that was set in 2012, when the Forum was established. He noted the need for governance on a top-down basis. He said there had been a loss of alignment in moving the model from Watercare to the Auckland Council group.

He said that what is critical is understanding concepts and designs in planning before they reach the consenting phase. He noted that by the consenting stage, it is too late as the thinking has already been done.

	<p>Richie acknowledged Jon and the work being done to build an outcomes team for Watercare which allow him to 'look under the bonnet'. He noted the need for partnership with iwi.</p> <p>The Board noted the need for an enduring relationship that is not merely transactional, and the need for sustainable outcomes.</p> <p><i>The Board noted the report.</i></p>
10.	<p>Governance</p> <p>10.1 Board committee updates</p> <p>Nicki Crauford, Chair of the AMCC reported, advised that it last met on 11 August 2021 and the following matters were addressed:</p> <ul style="list-style-type: none"> • the work plan, in light of the AMP having been signed off by the Board • how to monitor the implementation of the AMP • a deep dive on CI was presented • an annual assessment of the Enterprise Model was discussed • an update on drought augmentation projects was presented • major projects were looked at, via the new Major Projects Summary Report • the upgrade of the Ardmore Watermain was discussed • a workshop was held with KPMG regarding the AMP. <p>Hinerangi Raumati-Tu'ua, Chair of the Audit and Risk Committee (ARC), reported that the ARC met twice in August due to the need to review and approve the end of year financial statements. She noted that the ARC:</p> <ul style="list-style-type: none"> • considered the Board delegation for capex and reviewed the proposed increases ahead of its recommendation to the Board • considered the security for staff in the context of the Huia decision • reviewed the financial report in the second meeting • noted the inclusion of the emphasis of matter around three waters reform as a matter of uncertainty • noted the \$5.8m unadjusted error for vested assets • reviewed the Q4 Report to the CCO Oversight Committee at Council • received a presentation regarding the concerns of a community group, which was centred on dry weather overflows and the effects on Hobsons Bay • discussed the internal audit update.

Brendon Green, Chair of the **Committee for Climate Change Action (CCA)**, advised that this committee will next meet in two weeks' time. The key item for discussion will be the roadmap to the 50% carbon reduction target. He noted that there has been a lot of interest in the electric trucks to be used on the CI project.

Dave Chambers provided written notes on the **Te Tangata Komiti** meeting that was held on 19 August. He noted:

- there was presentation on building capability and retaining talent
- the Parental Leave Policy was reviewed and was approved as an interim policy as Watercare will look at adding more progressive elements to the policy that go beyond legislation
- the proposal for executive remuneration was also reviewed
- the Diversity, Inclusion and Belonging Committee was introduced to the Komiti
- a deep dive on HSW was discussed, including the recruitment of a contractor to review our HSW systems over 18 months and additional resources that are being recruited to round out a new structure for the HSW Team.

10.2 Board planner

The Board noted the Board planner.

The Board safety visits to CI sites will need to be re-scheduled to occur after the Covid-19 restrictions have been removed.

10.3 Directors' appointment terms and committee memberships and meeting attendances

The Board noted the report.

The Chair advised that recruitment of an eighth board member is underway, and it is expected that a recommendation will be made to Auckland Council by mid-November 2021.

10.4 Disclosure of Directors' and Executives' interests

The Board noted the report.

Frances Valintine advised, in writing to the Chair prior to the meeting, that she is no longer a futures advisor to BNZ.

11.	General Business There was no general business to discuss. The meeting closed at 11.05am.
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CERTIFIED AS A TRUE AND CORRECT RECORD

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Margaret Devlin, Chair

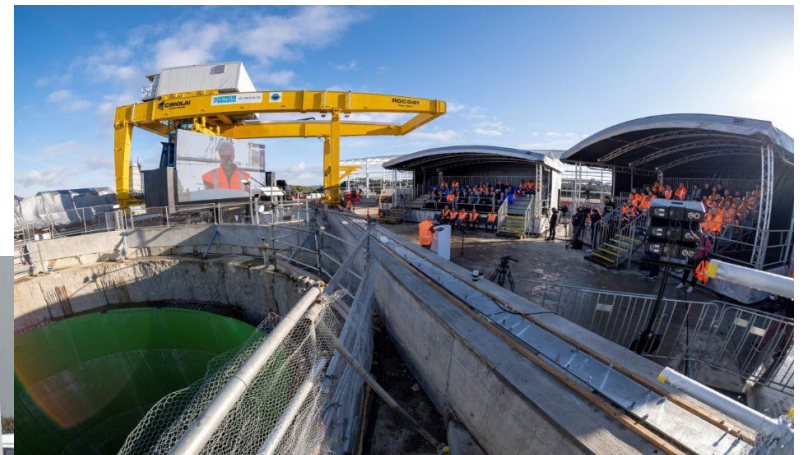
DRAFT

Chief Executive's report – August 2021

Presented by: Jon Lamonte



Watercare
An Auckland Council Organisation



1. Ngā take matua o te wā/ Current significant issues

August was dominated by two events: the resurgence of Covid-19 with the Delta variant and the extreme weather event of 30/31 August.

Watercare went back into lockdown at Alert Level 4 quite easily; this was well understood by all, and in fact, the organisation had been planning for a Covid-19 exercise the same week as we entered lockdown so the procedures and protocols had been refreshed anyway. Two thirds of staff are working from home. All infrastructure projects have ceased with one having weekly maintenance. Central Interceptor has, with MBIE approval, continued to operate both the mTBM and the main TBM at very low levels of production to ensure they would not get stuck. Dewatering at one CI site has continued. Operations have continued, with plant staff being rostered into A–D teams, using an island principle. Maintenance staff have been put into shifts too and excluded as far as possible from plant staff. Meters are not being read. Only essential P1 repairs are being completed. Daily Executive briefings have continued and weekly updates to board members produced.

Although the numbers of cases during the first half of September have looked encouragingly low, we are prepared for a longer period at Alert Level 4, or to resume projects and routine work at Alert Level 3 if that emerges.

The extreme weather event at the end of the month caused widespread damage to Western Auckland, with flooding in Kumeu and to roads and houses in Bethells Beach. For Watercare, the Waitakere dams, from being half full went to overflowing in hours, the result of rainfall between 220 and 270mm in the period, and at times up to 90mm per hour. The level of rainfall caused landslips close to the dams, eradicating the track of the railway which has been used to maintain the transmission pipe. Only airborne inspection has been possible by helicopter to date; the pipe and tunnels are inaccessible and likely to remain so for a while. The damage is extensive and will be expensive and time-consuming to repair. This will be the subject of an insurance claim.

The extensive landslips and soil erosion also caused, and continue to cause, high turbidity levels. In waters where the levels are normally 2–3, levels at the surface have been 40–50, and towards the bottom of the lake around 1200. This has led us to plan for a release of the scour valve for Lower Huia Dam, effectively releasing some of the thickest density water to a stream and out to sea. This is a standard process, and indeed exercising the valve is a resource consent annual requirement, but will have to be managed with the regulator, stakeholders and the community.

2. He kōrero hou mō te whakatinanatanga o te māhere rautaki/ Update on strategic plan implementation

Due to the Covid-19 Alert Level 4 lockdown in Auckland, the Board strategy day scheduled for 27 August did not take place. It would be far better to be able to hold this meeting in person, so this has now been rescheduled for 9 November.

3. He kōrero hou mō te kokenga whakamua o nga taunakitanga/ Update on progress on recommendations

The table set out at Attachment 1 provides an update on Watercare's progress against the recommendations it has received from various reviews, including the Aurecon review. A report updating progress on the CCO Review recommendation will be given at item 8.4 on the public agenda for today's meeting.

4. Te tangata/ People

Current staff numbers are 1,157 full time equivalents (excludes contractors filling full time positions).¹ Sick leave for the month of August was 3.13%, slightly higher than the same period last year but lower than last month. Turnover for the month of August has increased slightly from last month to 10.15% and is higher than the same period last year. However, it is noteworthy that during the same period last year, Auckland was in lockdown due to an outbreak of Covid-19. Average leave liability is 199 hours.

Update on vaccinations

Supporting the government's advice that high levels of vaccination is a key to New Zealand's ongoing management of Covid-19, we have been strongly encouraging as many employees as possible to get vaccinated. Seventy-four percent of our employees responded to our survey canvassing vaccination status. Of those, 73% have received their first dose, 34% are fully vaccinated and a further 11% are booked in. We have seen an increase of nearly 30% of employees vaccinated since we initially sent the survey out in late August which demonstrates our employees are responding positively. We have arranged for employees to go to the Māngere drive thru vaccination centre as essential workers and offered our employees four hours' time off away from work to get vaccinated. We are working closely with those teams who are working rostered shifts to ensure they are able to take the necessary time out.

Making vaccination mandatory for employees remains a debated subject nationally and it is unlikely we will be able to follow this route without a Public Health Order. We are however exploring options for new employees. Encouraging uptake in the vaccination program remains a key focus and we are ensuring employees have access to credible information to be able to make an informed decision. Our occupational health nurses have been a valued reference point to those unsure and have been attending toolbox meetings and providing guidance and support where alert levels allow.

¹ Please note, this number is *full time equivalents* and differs from the *number of employees* in the HSW Report. The HSW Report uses the number of persons, whether part-time, full-time, directly employed or contracted.

Construction – Covid-19 vaccinations and testing

The sector leaders are strongly encouraging vaccinations for industry participants. The legal opinions indicate that compulsory vaccinations cannot be mandated for existing employees, at this time. Like Watercare (as mentioned above), some organisations are looking at the possibility of making vaccinations a requirement for new employees. There remains confusion and concern at the lack of alignment in messaging and advice on worker vaccination requirements given the policy nexus between the Health and Safety at Work Act, Employment Relations Act, Human Rights Act and public health measures. At this time, we have not made vaccinations compulsory for our contractors' staff on Watercare construction sites.

Several organisations have requested to run their own vaccination centres for their employees, frustration grows with the sluggish progress from the Ministry of Health on expressions of interest.

Testing on site remains a conundrum because of the length of time between a test and the result. The introduction of saliva tests has not alleviated this issue, as currently the test results are not known until the shift end if taken at the beginning of the work shift.

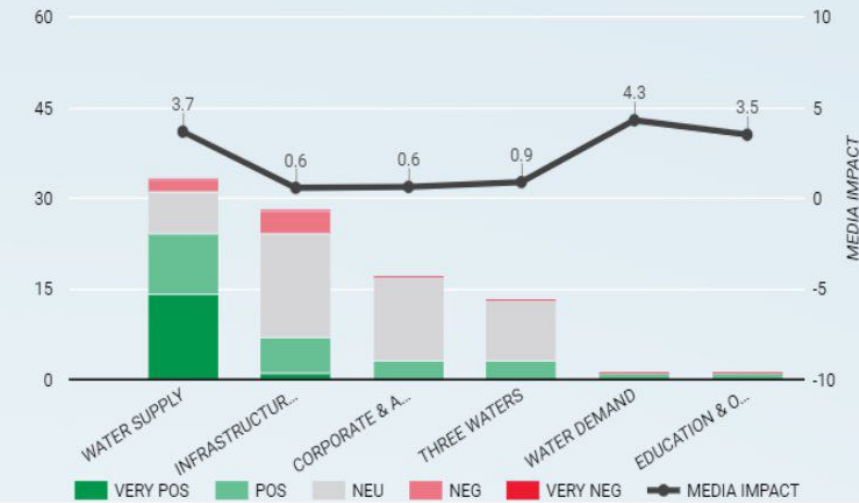
5. Nga Tohu Matua Takinga Mahi/ Major Key Performance Indicators (KPIs)

Watercare has a number of performance indicators set out in our Statement of Intent. Attachment 2 sets out Watercare's performance against the current Statement of Intent measures for August 2021.

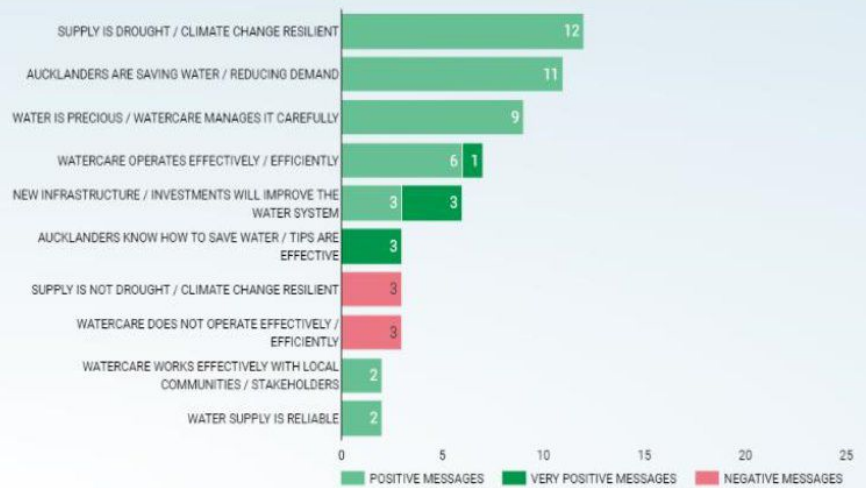
In addition to the Statement of Intent measures, an outcome of the Board strategy day could include a decision on the major KPIs that the Board would like to be updated on every month in this report.

We note an increase in positive media coverage that is translating into a healthy increase in our trust score. For the month of August, the trust index score lifted by 3 points, taking it to 54, with the rolling 12-month average still holding steady at 52. Customers' increased awareness of our brand is driven by media (both earned and owned), exposure of our infrastructure (planned and built), the essential services we provide, and the reliability and quality of water they enjoy. As evidenced by the graphs set out below from our monthly media analysis, the narrative is starting to shift from the inconvenience of water restrictions due to bad planning and poor management to an appreciation for investing in resilient infrastructure for a better future.

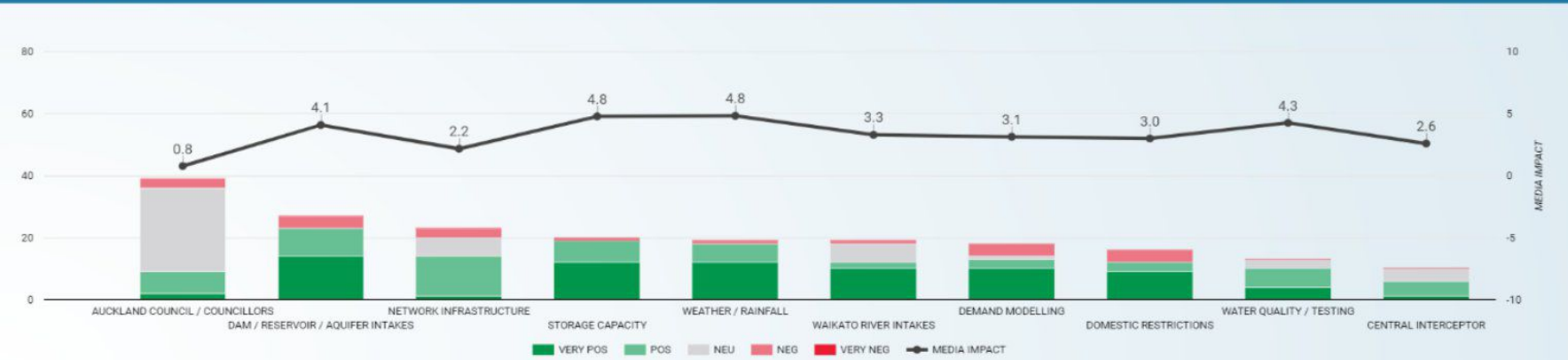
Story Focus



Key Messages



Leading Topics



We published an information hub on the corporate website that features information of interest to Auckland Council's elected members in an easy-to-navigate format. Elected members can easily access the information at <https://infohub.watercare.co.nz>. In selecting the content for the infohub, we looked at the most common information requests from elected members. The hub has been launched to elected members, with positive feedback received.

We held our inaugural water efficiency expo for commercial customers – He taonga te wai. The expo aimed to bring together customers and suppliers of water efficient fittings, appliances and technology solutions. The exhibition and programme of speakers were attended by over 200 commercial customers who, based on their formal and informal feedback, benefitted from their attendance. We intend to make this an annual event.

Our frontline staff and field service crews swiftly changed the way we work during lockdown, maintained service levels and managed customer expectations. Our self-service improvements for multi account users have been timely, as August saw the highest volume of online transactions over the last 12 months. Our NPS score of 53 for the month of August increased the rolling average to 48.

While the backlog of lower priority faults increased in the Central area due to Alert Level 4 lockdown restrictions, customers are being given the assurance that these jobs will be prioritised when Alert Levels change.

We recently trialled proactive text notifications to customers impacted by mains breaks with extended periods of water loss. This has proven very successful as we received no calls from customers in the targeted location.

6. He kōrero hou mō ngā raru tūpono me te āheitanga/ Risk and compliance update

6.1 Update on risk and compliance management

The updated Risk Policy will be presented to the Board for approval in November 2021. A refreshed Watercare business strategy is being developed, once this has been finalised the Watercare Risk Appetite statement will be defined to ensure alignment.

A full review of the format, risks and associated mitigation actions is underway with the intention of streamlining and enhancing our current risk reporting to be more strategically focused. Planning work has commenced on a new risk system with an implementation approach to be confirmed by October 2021.

6.2 Risk and compliance incidents

Health, safety and wellbeing

Health, safety and wellbeing incidents are reported separately.

Non-compliance with resource consents

There were 20 resource consents with non-compliances in August. Attachment 3 sets out Watercare's consent compliance.

The transition to Lutra's Infrastructure Data platform continues, so consent compliance remains focused on Operations, which holds our highest risk resource consents, in the interim.

Despite the Alert Level 4 lockdown, resource consent compliance improved from July. However, we have yet to resolve the issues related to the Helensville wastewater treatment plant or the Waikato water treatment plant; the latter requires a series of capital works. Furthermore, the Auckland Council has indicated it will increasingly scrutinise Watercare's performance against its wastewater network discharge consent, and we expect to report more technical non-compliances as a consequence.

Water quality

Attachment 4 sets out the Water Quality Report for August 2021.

All water quality parameters have been met for the month. The annual compliance report has been received. Full compliance with the requirements of the Drinking Water Standards for New Zealand 2005 (revised 2018) and duties under the Health Act 1956 have been achieved for the compliance period 1 July 2020 – 30 June 2021. The Water Quality Science Team in partnership with the Learning and Development team has created a training module on Immerse to assist everyone at Watercare with better understanding of Water Safety Plans.

LGOIMA requests

In August, we received seven requests for information under the Local Government Official Information and Meetings Act 1987 (the Act). Two of the requests were forwarded to us by Auckland Council. Watercare responded to each of those requests within 20 working days (in accordance with the Act).

Legal action

- RMA related:
 - Waikato River – BOI: The hearing was scheduled to commence on 31 August, and conclude by 10 September. Arrangements were made for a virtual hearing. On Wednesday 25 August, Te Whakakitenga o Waikato (Waikato-Tainui) and the Waikato River Authority (WRA) lodged a joint memorandum seeking to defer the hearing to the Environmental Protection Authority (EPA). The request sought the deferral until such time as a hearing could be held in person. Among the reasons advanced was Waikato Tainui are proposing to involve kaumatua and kuia within their presentations and would be significantly compromised in their ability to do so by video conference (if it is possible at all).

Watercare along with other parties submitted its views to the EPA by 25 August. Watercare advocated to continue with a virtual hearing for the first week, which included Watercare's presentation of evidence.

The BOI panel held an urgent conferencing of all parties to hear views on the morning of Thursday 26 August. The BOI panel released its decision on Friday 27 August to defer the hearing until 4 October. The BOI anticipates the hearing will take place on a face-to-face basis, for two weeks as scheduled. The ability to hold the re-scheduled hearing on a face-to-face basis will be subject to Covid-19 Alert Levels. The BOI has asked that all parties consider how they might prepare to participate fully in a virtual alternative should the Alert Levels on 4 October 2021 not allow the hearing to take place face-to-face. The EPA require a Covid-19 Alert Level 2 to hold face-to-face hearings. The project team is now preparing for the new hearing dates.

Following the entering into a Kawenata with Ngāti Tahu-Ngāti Whāoa, they have withdrawn from the hearing. The focus of Kawenata is its goal to restore and protect the health and wellbeing of the Waikato River for future generations.

- Huia Water Treatment Plant: Council granted approval to the resource consents to carry out the site preparation works (earthworks and vegetation removal) on the 30 June 2021. Seven parties have appealed the decision to the Environment Court (EC). They are the five immediate neighbours, the Titirangi Protection Society and the Tree Council. Since these were lodged, two parties have joined the appeals as 274 parties. These are the Waitākere Ranges Protection Society and Forest and Bird. The primary reasons for the appeal are the risks associated with kauri dieback, loss of amenity, compensation levels and impact on the area's ecology. The EC should issue directions as to how it views the appeal proceeding within the next few weeks. The EC will initially direct all the parties to enter into mediation. If the mediation is unsuccessful then it is anticipated that the hearing will be held before July 2022.
- Non-RMA related:
 - There is currently one claim for \$1.2m for alleged damage to a residential property from a burst watermain.
 - There is currently one property related claim which is above \$1m, however we have public liability insurance where the deductible is \$100k which is the limit of our exposure.

Whistleblowing

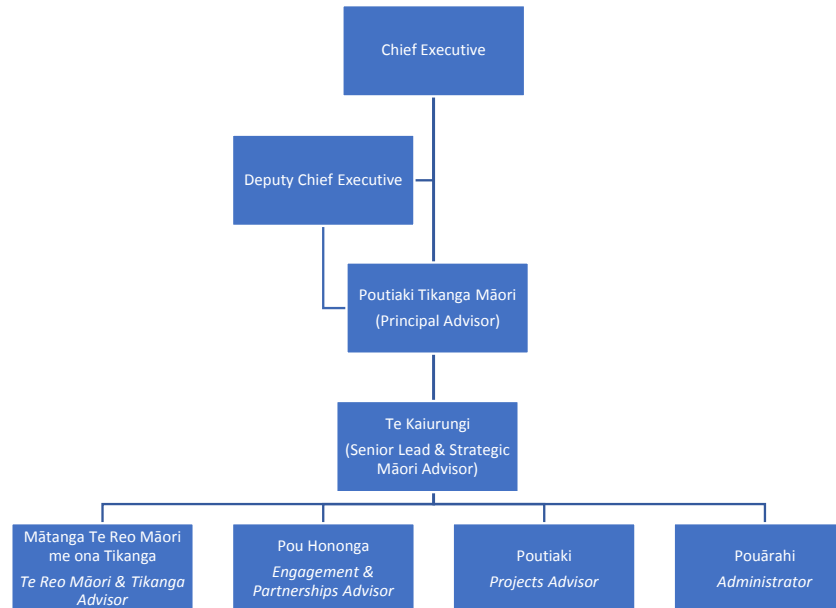
There have been no disclosures made through the PwC whistle-blower service since the last Board meeting. All previous investigations are now complete. All disclosures are reported to the Audit and Risk Committee on a quarterly basis.

7. He kōrero hou mō nga wāhanga pakihi/ Update on business areas

Māori Outcomes Plan

In November 2020, the Board, with endorsement from our Executive leadership team, approved Watercare's Māori Outcomes Plan (MOP). The MOP provides us with a roadmap to deliver against the Auckland Plan and Council's *Kia ora Tāmaki Makaurau* Māori Outcomes Performance Framework. The adoption of the MOP will keep us accountable and uphold the principles of partnership, participation and protection under Te Tiriti o Waitangi. Across our various business units, we will implement and support initiatives that help Watercare achieve the milestones outlined in the MOP.

Te Rua Whetū - Māori Outcomes & Relationships Unit



Te Rua Whetū, our new Māori Outcomes & Relationships Unit was established in August and will oversee implementation and monitoring of the MOP. Led by Richard Waiwai, Poutiaki - Tikanga Māori (Principal Advisor), the team is currently recruiting for a number of roles across key portfolios including Te Reo Māori & Tikanga, community engagement and partnerships, project management and administration. Kuiarangi Paki (Waikato) joined Watercare in September as the Te Kaiurungi (Senior Lead & Strategic Māori Advisor). Over the next quarter, the team will be reviewing the MOP, its milestones and a reporting mechanism that ensures effective monitoring of all our business units as we align key deliverables within each of our work programmes to the MOP.

As the organisational lead for Watercare's partnerships with Māori communities, Te Rua Whetū will also play a key engagement role in supporting delivery of the three waters reform programme. The proposed four new entities, means our relationships with iwi and mana whenua will grow. It is therefore imperative that Watercare continues to demonstrate effective partnership under Te Tiriti o Waitangi by managing existing relationships with Iwi and Mana Whenua (Entity B), and establishing strong relationships with Ngā Mana Whenua o Te Tai Tokerau (Entity A).

As we progress the MOP, regular communications and engagement both internally and externally, will expand as Te Rua Whetū navigates its priorities and finalises its operational work programme.

Te Rua Whetū

Te Rua Whetū te wāhi e mau ai te mātauranga o te tangata.

The name Te Rua Whetū is derived from the joinings within a wharenui. It reflects the infrastructure of a wharenui and the way in which the tāhūhū, the poutokomanawa, ngā poupou and ngā heke (rafters) keep the wharenui together. Te Rua Whetū will be the key link throughout the different components that make up the Watercare whare. We will act as a connector with people and systems, sharing our mātauranga Māori across the organisation to collectively dream and succeed, whilst strengthening our whare.

8. Ngā take me whakaaro/ Matters for noting

Hydrogen Sulphide

It has come to our attention that a change in hydrogen sulphide levels by Safework Australia is likely to have a significant impact on the Australian water industry. Due to these changes, Watercare reviewed the levels in New Zealand to see how we compared. This review alerted us to the fact that WorkSafe NZ are also planning to perform a review of hydrogen sulphide levels in NZ in 2022. Further details on this have been provided at Attachment 5.

The Government delays climate plan

The Government has just announced that its emission reduction plan and response to the Climate Change Commission's advice on establishing carbon emissions budgets will be delayed to next year. This will require a change in legislation as the Government is currently required to respond with a plan by the end of 2021. The reasons for delay are being presented as Covid-19 issues and wanting to ensure New Zealanders can properly engage in consultation on an important topic (challenging to do whilst focusing on lockdowns) as well as to align initiatives with the next budget. Media commentary is calling this another example of kicking the can down the road on the climate emergency. This awareness of prioritisation is something for Watercare and Auckland Council to be aware of. Some form of consultation on the Government's emission reduction plan has been signalled for October, which Watercare will review.

Sustainability leadership – Chris Thurston has recently been appointed to the inaugural Sustainability Committee for Local Government Funding Agency (LGFA) as an external advisor. This role will provide best practice advice on the agency's sustainability approach, reporting requirements (such as GRI and Taskforce on Climate Related Financial Disclosure) and also sustainability borrowing, and lending activities. This includes providing input into the governance and oversight process of the Green Social and Sustainability Lending Programme and LGFA GSS Bond issuance being launched in October 2021.

Redoubt Reservoir Expansion Project

We plan to expand the Redoubt Reservoir complex by building two new 50MLD reservoirs. This is a resilience project for what is a regionally significant part of the water supply network. We plan to construct the new Redoubt Reservoir No.4 between FY22 and FY24. Funding of \$47.9m has been approved. We plan to commence construction of Redoubt Reservoir No.5 in FY26.

Reservoir 4 has been consented, designed and now tendered by Enterprise Model partner Fulton Hogan. Through this process we have identified that the total capital investment required for Reservoir 4 will be \$63m. We carried out further work to investigate the cost of the project and we identified the opportunity for savings if the delivery of Reservoirs 4 and 5 are considered together rather than as standalone projects, both in terms of design and construction.

We plan to award an early works contract for the earthworks component and construction of a required access road in order to utilise the upcoming summer earthworks season. This will enable progress of the project onsite to continue and provide time to realise the identified opportunities. If this is not done, the project will be delayed for one year until next summer. The estimated value of this early works contract is \$10.5m. The earthworks and access road construction are required regardless of whether Reservoirs 4 and 5 are delivered together or separately and have no further opportunity for cost savings.

In parallel with the earthworks, detailed design and investigations will be carried out with the designer and contractor to establish the most efficient way to deliver Reservoirs 4 and 5, and confirm the opportunities that have been identified. On completion of this work, we will submit a revised business case covering Reservoirs 4 and 5 to the Board for approval. We expect to present the revised business case in the first quarter 2022 in order to allow construction works to continue as the earthworks are completed.

Significant meetings

WDC/TITO three-waters steering group; Councillor Darby; Miriam Dean and Doug Martin; Singapore PUB; Bill Kapea re Martin's Bay Ocean Outfall; He taonga te wai (water efficiency expo); Ngāti Paoa and Ngāi Tai ki Tāmaki; Ngāti Whātua Ōrākei; EPA and BOI Watercare water take consent from Waikato awa; Te Kawerau a Maki Chair, Te Warena Taua and Environment Manager Edward Ashby.

9. Te Mana kua Tuku ki te Tumu Whakarae/ Delegated authority to Chief Executive

For the month of August 2021, in accordance with the authority delegated to the Chief Executive by the Board:

- There were no documents required to be signed by Watercare's Chief Executive with the delegated authority provided to the Chief Executive by the Board in relation to deeds, instruments and other documents.
- There were no capex approvals signed below a threshold of \$50m.
- There were no capex and opex contracts over \$100,000 approved by the CE.



Jon Lamonte
Chief Executive

Update on progress following Aurecon, Senate and Propero recommendations – August 2021

Recommendations	Status C= critical E= essential D= desirable	Initiative to address	Timeline/ Progress
AURECON			
<i>(Note that recommendations 21 and 25 have been removed as they were duplicates)</i>			
Key items identified as being required to be performed: <ul style="list-style-type: none"> - Complete and compile all customer (commercial and residential) expectations around levels of service - Feed levels of services expected into drought standards review (noted that Auckland Council currently expect the currently drought standard to remain) - A drought resilience workshop is to be established with the Board and the Watercare Management to agree on levels of service - Stocktake gaps/overlaps/synergies with Auckland Council 			
1. Watercare must review and revise the 2020 DMP. The revised Drought Standard should be based on all supply sources and should clearly state the level of service to customers.	C	Feedback from Auckland Council during preparation of the Auckland Council Water Strategy is that the current security of supply standard is not being changed. Watercare is working to update the Drought Management Plan (referring to national and international learnings, and lessons learnt from our current drought). The work will include a review of communication with our customers (in the form of focus groups) and with Auckland Council (which will be aligned with the work set out above). An internal Watercare stakeholders workshop was held in August with the timeline for completion being December 2021. The website has also been updated to include a wider perspective on the water supply situation beyond the dams and to provide more transparency around the water use restrictions and potential trigger levels.	On track for December 2021 deadline. Follow on workshops being held online.
2. Watercare needs to engage with Auckland community and stakeholders on water security to ensure they understand the Drought Standard, water supply resilience and planned response to droughts.	E	A significant number of workstreams have taken place to address this recommendation: Supply Management <ul style="list-style-type: none"> - The process of meeting with stakeholder/submitters is consistently applied for all notified wastewater and water consents. For example, The Board of Inquiry consenting process was publicly notified with 55 submissions. Watercare has met with most of the submitters. - The Watercare <i>Tapped In</i> e-newsletter has provided a thorough overview of: <ul style="list-style-type: none"> o our drought response and how we are performing against our drought standard. o how the investment in the AMP will deliver customer outcomes as we manage growth and address climate change challenges o localised examples of investment - the newsletter has been geographically targeted to three regions. - Jon Lamonte received media training and extensive messaging about our drought response. He is now the spokesperson, highly capable of talking about our drought response, capital programme/AMP and pricing. Demand Management <ul style="list-style-type: none"> - Roll out of smart metres. Commercial roll out complete, with the residential programme established (roll out over the next 5-10 years). - Deliberative democracy - four exploratory workshops have been held across Auckland with approximately 30 participants in each. The participants were selected using a tool to ensure there was a representative sample (age and ethnicity) for each of the areas of Auckland. The process was a success and addressed the question - what should be Auckland's next source of water (beyond 2040). The workshops were refined based on learnings and the level of knowledge and will inform the main "citizen's jury" session/s. Interesting initial insights from these sessions include: <ul style="list-style-type: none"> o A preference for reuse (over desalination) in combination with demand management. Acceptability of recycled water options improved after deliberation and hearing from experts. o A desire to learn more (from a fairly low knowledge base) about water and sustainable supply. o The partnership approach was vital to the success of the forum. Auckland University facilitated and the people felt they were legitimate and objective. o Participants indicated their interest in participating in further workshops and/or the final "citizens' jury" session to be run over a full weekend (or two). - We have undertaken: <ul style="list-style-type: none"> o Research on commercial customers and their willingness to pay for future resiliency. The research was qualitative and involved a cross section of 30 key, strategic, major and SME commercial customers. Outcomes are being reported to the Board in this meeting. o A monthly tracker - a survey of Aucklanders who provide information about their household water use, perceptions of Watercare and levels of water efficiency (among other things). o Codesign workshops to design better service offerings and solutions. We conducted these workshops for smart meter dashboards and vulnerable customers, and we have enlisted volunteers to participate in app development. We also plan to co-design solutions to long-term issues that we face, i.e. water efficiency and climate change. o Mini deliberative democracy engagements for key infrastructure projects - we plan to engage our communities earlier about major infrastructure projects using techniques that we have learned from our deliberative engagement. We know that they want to know more about what we are doing, why we need to do it and to be more involved in decision making. o Other engagement forums - we carry out ad hoc research to drive customer centricity throughout the business. We have regular customer forums with key segments to ensure that we are meeting their needs and building trust beyond the transactional relationship we had in the past (developers, top 50 customers, he taonga te wai). - A water efficiency expo for commercial customers was held in August connecting commercial customers with key water efficient suppliers. Over 200 customers attended the expo and feedback was very positive. We had thought leaders speaking on the importance of being water efficient in this changing climate. We are planning to make this an annual event. 	Addressed, but will continue on an ongoing basis.

		<ul style="list-style-type: none"> - Our stakeholder updates, which go to local and central government officials, are continuing. We have also developed an information portal for elected members to make it easier to access relevant information about the company and our activities. - We celebrate our projects, for example the public open day tours of the Central Interceptor and the media engagement for the opening of the water treatment plant in Tūākau. - Targeted face to face forums are ongoing based on the relevant issues. For example, commercial plant tours, top 50 customer breakfasts, and developer forums have all recently taken place. - The Watercare Board and Management meet with the CCO oversight committee regularly. A tour of the Māngere wastewater treatment plant and Puketutu Island also provided a less formal opportunity for open discussion between the Councillors, the Directors, and staff. - We are planning further paid advertising and partnerships for spring and summer. For example, Eden Park will continue to run our messaging at all events and Countdown will distribute a further 30,000 shower timers. We are also liaising with Auckland Council so that our collateral is used in its digital channels. - The winter campaign is complete, which encouraged water efficient behaviour through social media competitions, radio sponsorships on eight major stations and distribution of shower timers across 85 gyms, pools and sports centres around Auckland. We are also reminding people to use water wisely this winter via our <i>Tapped In</i> e-newsletter. - A paper on the company narrative was presented to the Board in August. It outlined how internal and external communication would align with the company strategy and incorporate Māori views on the value of water and role of Watercare. 	
3. Watercare must monitor water security and update relevant strategies regularly to ensure they achieve the desired levels of service. Watercare should engage continually with the community to raise water literacy, maintain trust, and build shared understanding.	E	<p>Watercare monitors water security on a daily to weekly basis to ensure we continually meet our desired level of service. Annual reporting tracks water security for supply and demand over the time and against AMP growth projections.</p> <p>The first phase of the upgrade to ISMM (Integrated Source Management Model) has been completed. This has extended the climate record in ISMM and confirms that the underlying data reflects the current climate. Stage two is underway to model climate change scenarios for mid- and end-century time horizons.</p> <p>We are moving our engagement with customers from one-way information flows to include more inclusive and collaborative engagement (see comments against recommendation 2 above). The participatory model is providing great insights as to the water literacy of our customers. We have analysed our key stakeholders, their areas of interest and the nature of the relationship as well as the effective channels for communication. Work will continue on developing the understanding of these relationships relative to our strategic issues while also providing a much more targeted and coordinated response. Our education programme continues to run in schools, reaching over 8,000 pupils a year. It is focused on raising water literacy and is supporting by water and wastewater hardcopy and digital books (English/te reo Māori versions).</p>	Addressed, but will continue on an ongoing basis.
4. Watercare must clarify for stakeholders on how Auckland's water security is being met and the basis for Watercare's confidence must be clearly conveyed to its stakeholders, especially Auckland Council.	C	Addressed in response to recommendation number 2.	Addressed, but will continue on an ongoing basis.
5. It is recommended that an Integrated Water Security Program for Auckland be developed, to ensure water supply security for Auckland for medium to long-term.	C	<p>Following the completion of the updated Drought Management Plan, Watercare will commence work on a Water Security Plan which will sit alongside our Asset Management Plan to help identify and manage the reliable availability of an acceptable quantity and quality of water for health, livelihood and production, coupled with an acceptable level of water-related risks.</p> <p>Watercare is working with Auckland Council on the water supply and demand workstream of the Auckland Water Strategy. Watercare has committed to key investments towards the 2030 targets which are a residential smart meter programme and reducing leakage below 132 litres per connection per day (l/c/d), aiming for 123 l/c/d. It is important to note that these targets do not remove the need to secure additional water for Auckland, and therefore Watercare's 2020 application to the Board of Inquiry to take water from the Waikato Awa is still required in order to be a prudent water provider for the city of Auckland. Auckland Council are in support of this application.</p> <p>Watercare continue to support Auckland Council in the development of the other streams of the Auckland Water Strategy, for example, Watercare is working with Auckland Council on the water sensitive cities index, a tool designed to benchmark the city's current performance against seven water sensitive goals.</p>	2022/2023.
6. Watercare should form a Customer Reference Group or similar body to inform, gain customer insights, co-design solutions, raise awareness and build support, to represent the voice of customers.	E	<p>Residential Customers Refer to comments included in recommendation 2 above.</p> <p>Commercial Customers Refer to comments included in recommendation 2 above.</p> <p>Public Authorities (Auckland Council)</p> <ul style="list-style-type: none"> - The majority of our WWTP and WTP consents require us to hold community liaison group (CLG) meetings at least once a year. The new consents also include technology reviews which we perform and report on regularly. - The process of meeting with stakeholder/submitters is consistently applied for all notified wastewater and water consents. For example, the Board of Inquiry consenting process was publicly notified with 55 submissions. Watercare has met with most of the submitters. - The Watercare Board and Management met with the CCO oversight committee on a quarterly basis. 	Addressed, but will continue on an ongoing basis.
7. Watercare and Auckland Council to put in place agreed protocols which would clarify lines of communication and consultation.	E	<p>Watercare have prepared a forward engagement programme with Auckland Council in response made by SenateSHJ as follows:</p> <ul style="list-style-type: none"> - The Rangatira-to-Rangatira relationship – this is the senior relationships with Auckland Council at the elected member/Director/Executive level. - Portal for elected members – this will be regularly updated to ensure it remains relevant. - Internal communications <p>Watercare meet with Auckland Council staff on a fortnightly basis over summer and a monthly basis over winter to discuss any issues. This is over and above the communication with Auckland Council as a major commercial customer.</p> <p>Watercare acknowledge the critical importance of sharing the water resource position with AC and we will continue to improve on the process around interactions and engagement when resources are challenged.</p>	Addressed, but will continue on an ongoing basis.

8. Watercare undertake future scenario planning incorporating internal and external factors/forces of change and trends.	E	Water supply and demand modelling is updated on a regular basis. We use the UK Headroom and Outage planning model that has a significant number of scenarios.	Addressed, but will continue on an ongoing basis.
9. Watercare should co-develop with key stakeholders, an agreed set of integrated 'top-down' future scenarios (most likely, probable, plausible, and preferable/ desirable), to stress-test and develop robust drought strategies and standards.	E	Watercare worked with the Auckland Council Infrastructure Strategy team to develop a set of demand side scenarios. These scenarios were presented to the Councillors in April 2021, with the most likely demand scenario being approved. The supply side has not been workshopped with Auckland Council, however Watercare have developed a set of supply scenarios with Tonkin and Taylor, which we expect to workshop with Auckland Council in the later part of 2021. A kick-off meeting for this was set for 9.9.21.	To be completed late 2021, or early 2022 depending on Auckland Council timelines.
10. Watercare must review and revise the 2020 DMP, the Drought Standard, IMP, and the Asset Management Plan (AMP). The revised Drought Standard should be based on all supply sources and should clearly state the level of service to customers.	C	The 2020 DMP and lessons learnt from the drought are being undertaken as part of the Drought Management Plan update currently being undertaken by Aurecon. All feedback from Auckland Council is that the Drought Standards are not to be changed. A full review of Watercare's Incident Management Plan is conducted in a three yearly cycle, although an annual high level assessment is also performed. A full review of the Watercare's Incident Management Plan is planned in Q3 FY22.	February 2022.
11. Watercare should review the Drought Standard at the same time as the DMP, IMP and the Asset Management Plan (AMP) and if necessary, appropriate revisions made to them.	C	Addressed in response to recommendation number 10 above. The Drought Standard has been reviewed with Auckland Council and a decision has been made to retain our existing drought standard. It is acknowledged that we need to ensure that business critical documents are required to be reviewed at regular intervals. Watercare will continue to do this.	Completed.
12. To align the Drought Standard and response measures with customer and community expectations, Watercare should develop a comprehensive desired Level of Service (LoS) for water supply security and resilience.	C	Watercare undertook research on commercial customers and their willingness to pay for future resiliency. The research was qualitative and involved a cross section of 30 key, strategic, major and SME commercial customers. There is a paper on this going to the Board in September 2021 Given the decision to maintain the drought standard, there is no proposed change to residential customer service levels at this stage. However, further work is taking place to better understand domestic customer expectations (see response in recommendation 2 above).	Ongoing.
13. Using climate change scenarios, Watercare should review the 2020 DMP including hydrology, yield, the Drought Standard, and the restrictions regime, and revise as required.	E	We are updating the tools we use for water source yield to include future climate scenarios. This includes the downscaling of global models and input to the ISMM tool. We expect this work to be completed June 2022. Within the first six months of the project there will be an opportunity to review progress and see if any updates can be made with the information at hand. Once completed the DMP and Drought standard will be reviewed and revised accordingly.	September 2022 – March 2023.
14. To ensure drought resilience for the future, further assessment of the level of security in ongoing climate change, benefits of alternative decentralised supply sources, and willingness to pay for extent of drought resilience are recommended.	E	It has been determined by Auckland Council that the Drought Standard will not change at this stage. We have performed a detailed analysis of future and alternate sources. We have also considered decentralised sources to support our application to the Board of Inquiry for the Waikato Water take consent. These decentralised sources do not make financial sense at this stage. We are currently undertaking research with commercial and residential customers to determine their expectations. Refer to comments in recommendation 2.	Ongoing.
15. Given the community support for stormwater/ rainwater harvesting for augmenting local supplies, Auckland Council and Watercare should explore mutually beneficial precinct level projects to engage with the broader community.	D	Watercare is working with Auckland Council on the Auckland Waters Strategy. In the Demand workstream, Auckland Council have made a commitment that all new builds that would be required to install a stormwater tank, will now be required to plumb these tanks into the household. We would also expect stormwater/rainwater harvesting to be covered in some of the other Waters Strategy workstreams that are yet to be completed.	Ongoing.
16. Watercare needs to raise awareness and understanding of the stakeholders to provide assurance of water supply security and resilience and the integral role of water restrictions in achieving supply security and resilience.	D	Watercare is using <i>Tapped In</i> , the Website, and many forms of advertising to ensure that stakeholders understand water supply security and resilience. Refer to the comments in recommendation 2.	Ongoing.
17. The lack of regulations and guidelines for use of recycled water is a constraint to supply diversification. This should be addressed at the earliest by the regulators, commencing with guidelines for outdoor use in parks, gardens and playing surfaces	C	Watercare is working on some small-scale reuse programs, such as community gardens, to commence the recycled water journey. We expect these small-scale programmes of work will support the establishment of regulations and guidelines. A Recycled Water Strategy has been developed and was presented at the August 2021 Board Meeting. We are working on six non-potable demonstration projects that are all in different stages of development which include sports fields irrigation, golf course irrigation, community garden, recycled water ice rink and our first recycled water pilot plant as part of the CI project. We have also created two focused recycled water roles within the Water Value team with one role being appointed and the other currently going through the interview process. We expect to work closely with Iwi and Auckland Council on this journey.	Commenced and ongoing.
18. Watercare should consider leveraging off the Three Waters Reform opportunity to influence policy and planning to improve drought resilience and supply reliability.	C	Watercare is working with Auckland Council and DIA to support the transition, and to influence policy, with the intention of improving drought resilience and supply reliability across NZ.	Ongoing.
19. Watercare's Board and Executive need to build a shared understanding of current and future level of water security and drought resilience by examining potential drought scenarios and the extent of drought resilience/ drought proofing to maintain Watercare's mission.	E	A drought resilience workshop with the Board and Watercare Management is to be established. In the first instance we will need to bring all future water source planning into a single location and run this work in a coordinated, collaborative way. This work will be led by a new role in the Strategy and Planning team – the Demand Planner.	Priyan Perera to establish.

20. Watercare needs to engage with Auckland community and stakeholders on water security to ensure they understand the Drought Standard, water supply resilience and planned response to droughts. Since Drought Resilience is a shared responsibility of service providers and consumers/ beneficiaries, the wider community needs to be consulted and have an opportunity to provide input.	E	Watercare is using <i>Tapped In</i> , the Website, and many forms of advertising to ensure that stakeholders understand water supply security and resilience. Refer to the comments in recommendation 2.	Ongoing.
22. Watercare must explore opportunities with large water users, water dependent/sensitive customers, emerging developments, CCOs, water utilities as well as industry researchers and on how to better incorporate water security into their business planning and to explore opportunities of mutual benefit.	E	We are working closely with our large commercial customers such as Kiānga Ora, Auckland Council and Auckland Zoo to ensure that they are using water wisely and have water sensitive strategies in place.	Ongoing.
23. Watercare must clarify for stakeholders on how Auckland's water security is being met and the basis for Watercare's confidence must be clearly conveyed to its stakeholders, especially Auckland Council.	E	Watercare is using <i>Tapped In</i> , the Website, and many forms of advertising to ensure that stakeholders understand water supply security and resilience.	Ongoing.
24. Auckland could consider collaborating with its sister City Brisbane (given the similarities) to co-develop, adopt, adapt, and apply their collective wisdom and resources in achieving drought resilience.	D	Watercare have held an initial meeting with Brisbane water utility to understand how they developed their water strategy. The intention is to continue this engagement. Watercare also have regular contract with WSAA, to learn from them and connect with other utilities in Australia.	Ongoing.
26. It is recommended that Watercare do a stocktake and map actions/ initiatives of Watercare, Auckland Council and stakeholders to create shared understanding of their status, gaps, overlaps, synergies, timeframes, and resources.	E	This needs to be performed. Watercare can use the shared services review as a place to start when considering overlaps/gaps/resources.	Rebecca van Son to establish.
27. It is recommended that Watercare leads and coordinates the development of the Integrated Water Security Program. Taking into consideration the accountability, capability, knowledge base and resources the component projects could be led in partnership with key stakeholders.	C	Following the completion of the updated Drought Management Plan, Watercare will commence work on a Water Security Plan which will sit alongside our Asset Management Plan to help identify and manage the reliable availability of an acceptable quantity and quality of water for health, livelihood and production, coupled with an acceptable level of water-related risks. Watercare continue to support Auckland Council in the development of the Auckland Water Strategy, for example, Watercare is working with Auckland Council on the water sensitive cities index, a tool designed to benchmark the city's current performance against seven water sensitive goals. Watercare is also supporting a Water Security programme being run by Auckland Council which is part of the C40 Cities programme.	June 2022.

Recommendations		Status	Commentary
SENATE			
Definition of new relationship responsibility	Appointment and job description of new relationship role.	Completed.	The Deputy CE will take responsibility for this role identified by Senate. It is included in the job description.
Creating internal strategy and support to make happen	Develop the strategy	Completed.	The draft forward engagement plan was discussed at the 5 July Board meeting.
	Put in place in plan to support the implementation of this strategy.	Completed.	The draft forward engagement plan was discussed at the 5 July Board meeting.
Roadmap for implementation		Completed.	The roadmap was discussed at the 5 July Board meeting. The progress made was set out in the Board paper and will be reported on quarterly. The next update will be at the October Board meeting.
PROPERO			
Setting up the new CE for success	Ensure the CE has clarity on the Board's view of critical / priority areas of focus	Completed.	Conversations have been held between the CE and Chair as well as with Board members.
	Keep providing feedback to the CE on what is working well, areas of continuing concern, etc.	Noted.	
	Reduce management presence (in some areas of Board meetings) to assist the lift in strategic focus and ability to hold candid conversations with the CE	Completed.	There was reduced management presence at the 5 July Board meeting, and this has continued since then.
	Work with management to build greater insight in customer reporting	In progress.	Customer monthly dashboard shared with the Management.
	Jon is to immerse himself in the company and industry to quickly develop his operational knowledge and awareness of stakeholder and customer needs	Noted.	Key focus has been 'business as usual' with initial focus on customer facing roles and interactions, visiting main sites, customer groups, Auckland Council and the Local Boards.
	The Board is to provide a key support role – providing clarity of expectations around strategy and management interaction and setting a framework for this engagement	Ongoing.	Regular conversations are being held between the Chair and CE. The development of a strategic plan for the company is underway. The next strategy day with the Board and Management to agree the strategic plan is currently being re-scheduled due to Covid-19 level 4 lockdown restrictions.
	Regular feedback (and small 'course corrections' as needed) is required early in his tenure as his key strategic, personal, interpersonal, and operational capabilities develop	Completed.	
	Build future meeting agendas around the "big rock" areas of strategic focus to carve out high-quality focus / dialogue on these key topics. Seek to streamline public meeting time to support this rebalancing of time	In progress.	Forward months agendas have been developed. Future agendas include placeholders for strategic update sections of the agenda which will be updated once the next Board strategy day takes place (this will be rescheduled due to Covid-19 level 4 lockdown). Francesco Saibene of Ghella Abergeldie Joint Venture (GAJV) was invited to attend the 29 July Board meeting to give an update on the CI project. Graeme Johnson (CE, Fulton Hogan) and Peter Reidy (CE Construction, Fletcher Building) who sit on the joint governance board for the Enterprise Model attended the 1 June Board meeting to give an update on the Enterprise Model.
	Ensure clarity on the "golden metrics" – the most critical performance objectives	To be started.	This will be identified and reported on following the Board strategy day. The meeting scheduled for 27 August could not take place due to Covid-19 level 4 lockdown. Alternative date being considered.
	Increase visibility of risk and performance, especially around H&S	In progress.	Since the 1 June Board meeting, Management have reported all the relevant information into one part of the Board pack. For the company, the focus is on lead indicator reporting. Each month since 1 June, Management have been receiving feedback from the Board on the updated HSW report, and have been updating it accordingly.
	Reset the CE performance evaluation, and clarify KPIs (especially early in his tenure)	Completed.	Conversations have been held between the Chair and CE.
	Continue streamlining reporting – address the concern of a bias towards 'good news', use an excellent CE report to frame meetings with a depth of strategic insight	Completed.	A new CE report has been used to frame meetings appropriately since the 1 June Board meeting. Also, since the 1 June Board meeting, Management have been using a new board report template to streamline reporting and drive the right discussions. Since then, the template has had various iterations following feedback. Work has been undertaken to ensure consistency across the Board and sub-committee packs.
Continue the rebuild of relationships and perceptions of Watercare	Develop a stakeholder engagement plan to track relevant groups and clarify the Board and management's role in leveraging and strengthening these relationships	In progress.	A board paper on "Rebuilding Trust", which is largely about stakeholder relations, was in the 1 June Board pack. An iteration of this board paper is being worked on, and following the Board strategy day, this will be presented to the Board (this was scheduled for 27 August but will be rescheduled due to Covid-19 lockdown). A draft forward engagement plan was presented at the 5 July Board meeting.
	Maintain communication with the Council through regulatory reforms for clarity on shareholder expectations, potential changes in strategic direction, and upcoming risks and opportunities	In progress.	Watercare is working with Auckland Council as required. Watercare continues to engage in fortnightly steering group meetings with Auckland Council.
	Engage with Council around future capability needs (led by the Chair)	In progress.	The Watercare Board and Management met with the CCO oversight committee for a tour of the Māngere wastewater treatment plant and Puketutu Island. The visit also provided a less formal opportunity for open discussion between the Councillors, Watercare Board, and staff.

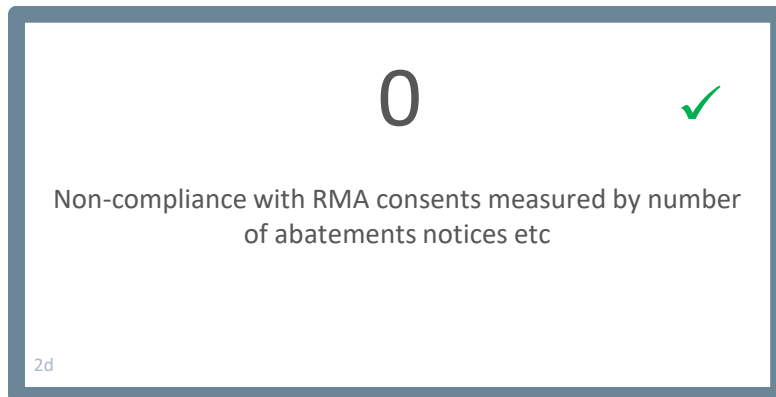
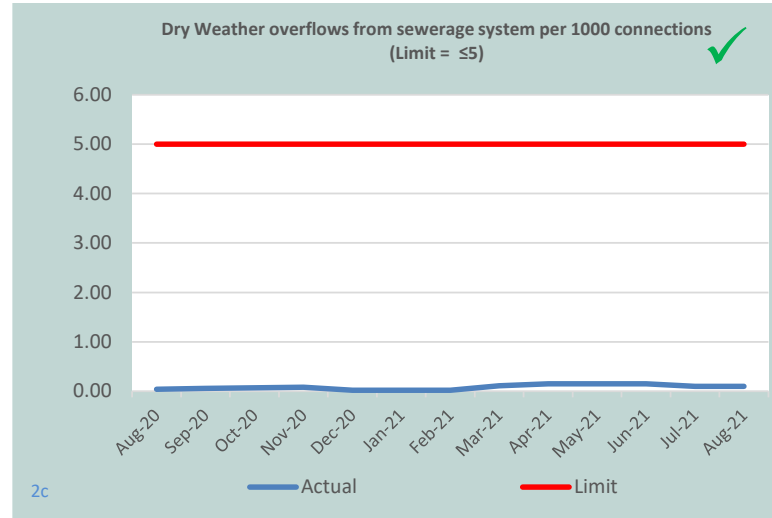
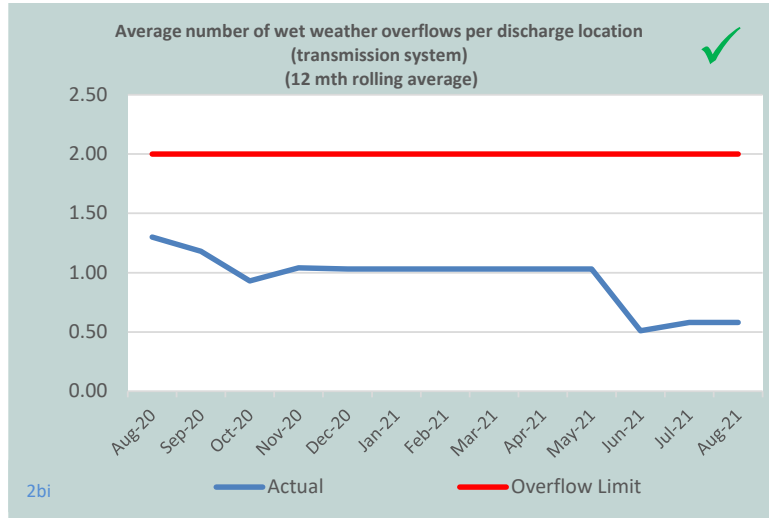
Board - Public Session - Chief Executive's report

Step out of 'activist mode' and shift to 'thought partnership mode'	With the CE, reset the Board-management relationship – clarify Board expectations and priorities, reduce management's defensiveness, and build greater collaboration and transparency	Ongoing.	
	Management to ensure they are adopting an open stance and sharing a "warts and all" view with the Board	Ongoing.	
	Board members to focus on constructive challenge / inquiry / debate and ensure they provide a safe environment for management to openly share their challenges	Ongoing.	
	The Chair-CE relationship will be critical to frame the wider dynamic, and both report a commitment to 'setting a tone from the top'	Ongoing.	
	Board to demonstrate confidence and provide clarity around expectations to the team	Noted.	
	Board and management commit to providing clear feedback on what is / is not working, increasing transparency and open communication, and decreasing defensiveness	Ongoing.	A half hour session has been established between the Board and CE prior to the start of the Board meeting.
Shift to a thought partnership update	Clarify key goals and align on the company's core focus	In progress.	The Watercare Management and staff held a Strategy workshop with the Board on 27 July. The workshop, facilitated by Frances Valentine resulted in a number of exciting goals being discussed. The group was scheduled to meet again on 27 August to approve the strategic outcomes and initiatives going forward. However, this meeting could not take place due to Covid-19 level 4 lockdown. Alternative date being considered.
	Set clear, aspirational, and realistic goals	In progress.	The Watercare Management and staff were scheduled to meet with the Board on 27 August to approve the strategic outcomes and initiatives going forward. Due to Covid-19 level lockdown, alternative dates are being considered.
	Board and CE-only time	Completed.	A half hour session has been established prior to the start of the Board meeting.
CCO REVIEW			
A number of recommendations set out in the bi-monthly Board update		Ongoing.	Continue to work on the actions that come out of the number of recommendations from the CCO Review. CCO Review update reported to the Board bi-monthly by exception.

6.1

Attachment 2 – Performance against Statement of Intent measures

SOI Measures —Natural Environment



SOI Measures — Assets and Infrastructure

100%



Volume of water complaint with standards

1a

100%



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

1a

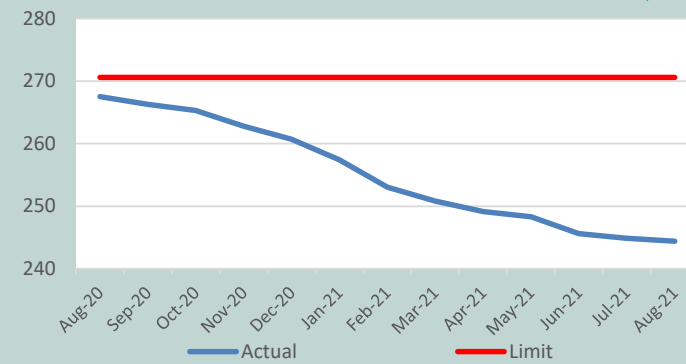
100%



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

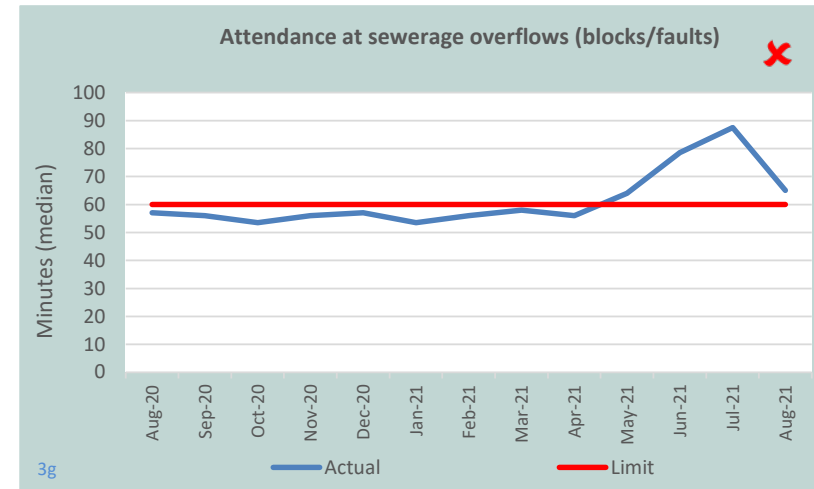
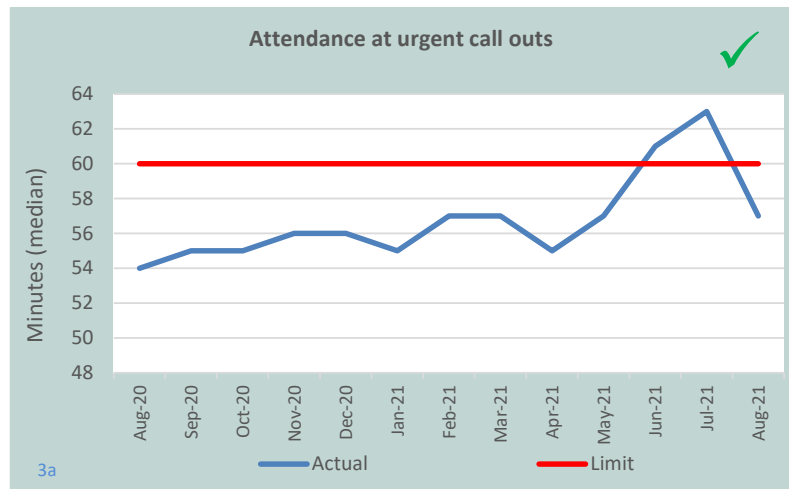
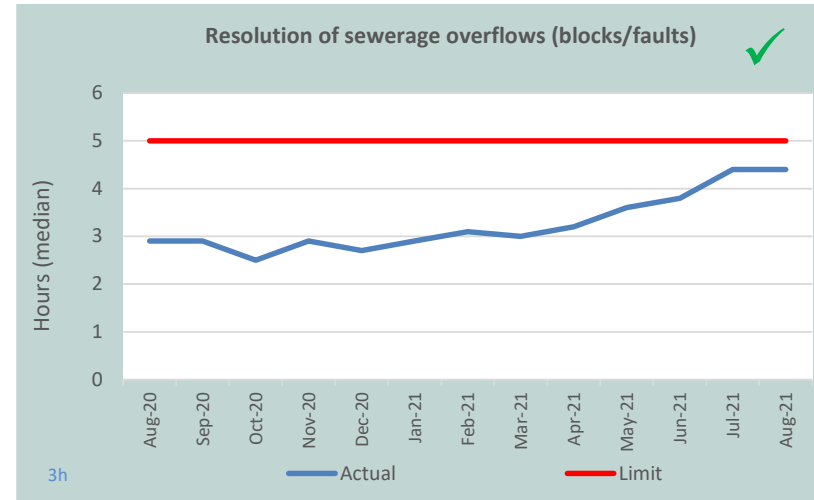
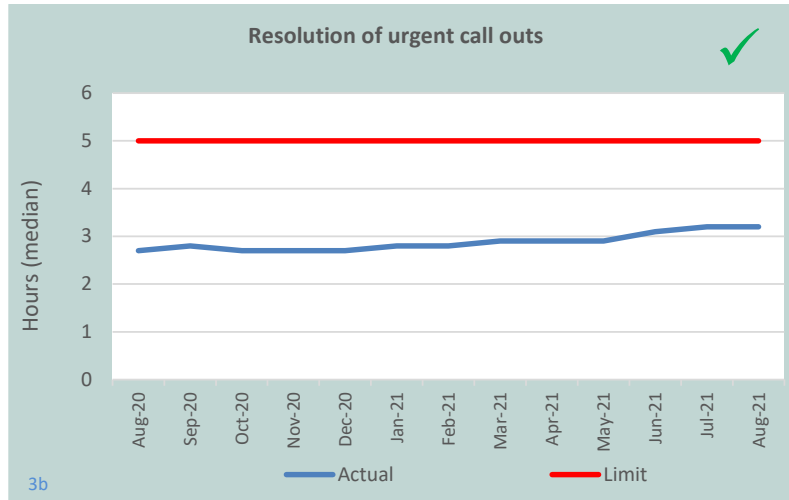
1b

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

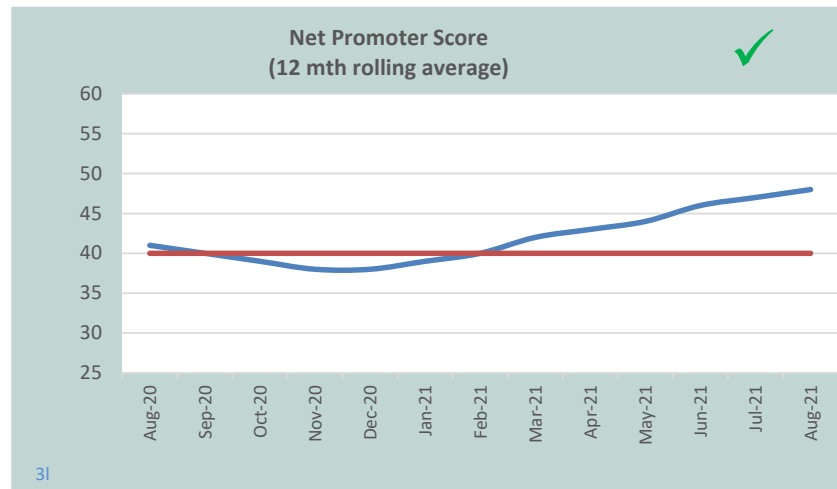
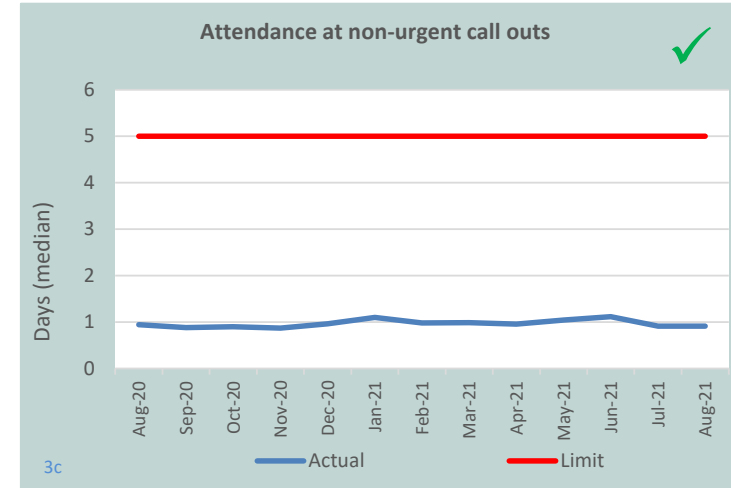
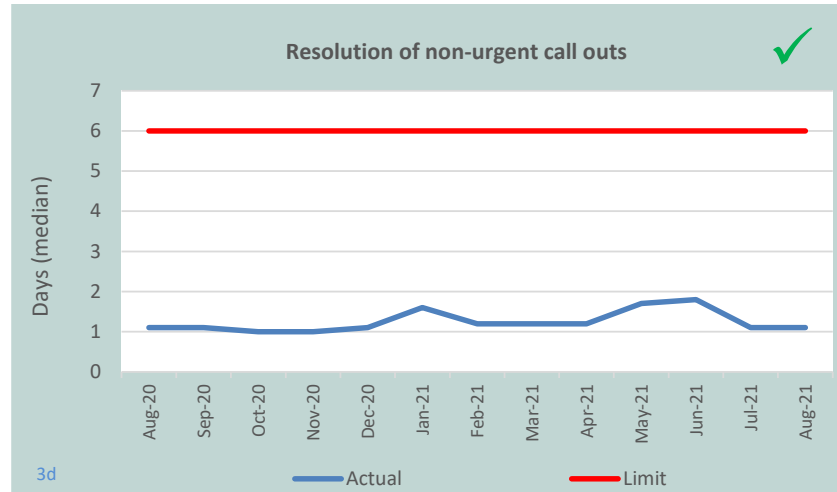


6a

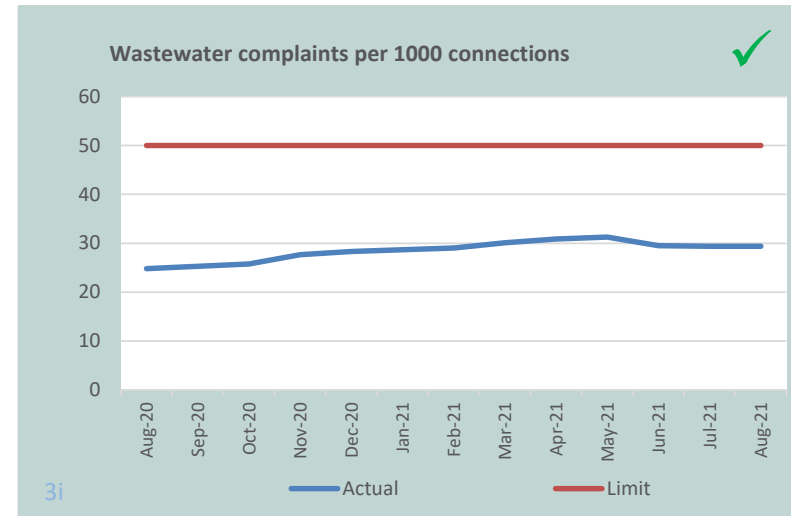
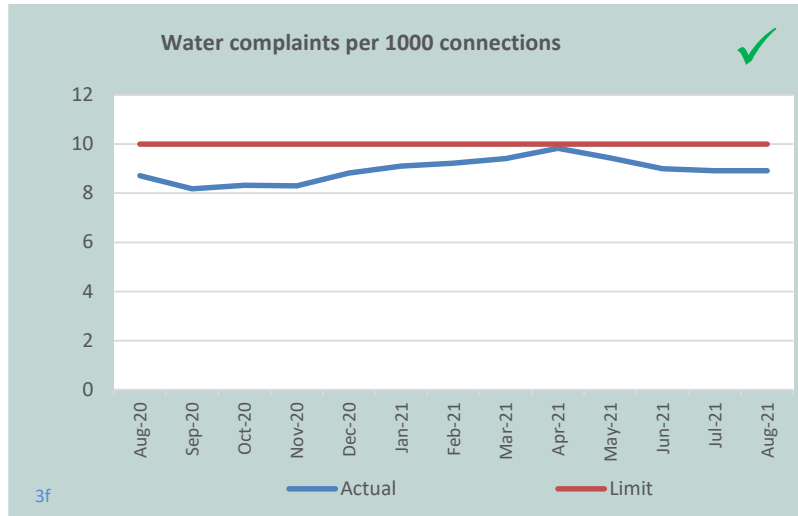
SOI Measures – Community and Stakeholder Relationships



SOI Measures – Community and Stakeholder Relationships



SOI Measures – Community and Stakeholder Relationships



Watercare performance measures (unaudited)

No.	Measure	Target	Actual			Commentary
			August	July	June	
1.	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents	≤2 ≤2 ≤2 0	0 0 0 0	0 0 0 0	0 0 0 0	
2.	The average consumption of drinking water per day per resident (gross PCC) (12-month rolling average)	>260	244.4	244.85	245.63	
3.	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	100%	100%	100%	
4.	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	100%	100%	100%	
5.	Median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site.	≤ 60 mins	57	63	61	
6.	Median response time for resolution of urgent calls-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	≤ 5 hours	3.20	3.20	3.10	
7.	Median response time for attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site	≤ 5 days	0.91	0.91	1.12	
8.	Median response time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	≤ 6 days	1.1	1.1	1.8	

No.	Measure	Target	Actual			Commentary
			August	July	June	
9.	The total number of complaints received by the local authority about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system (12-month rolling average)	≤ 10	8.91	8.91	9.00	
10.	Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance - from the time that the territorial authority receives notification to the time that service personnel reach the site	≤ 60 mins	65	88	79	The figure has improved from July 2021. However, the number is still higher than the target as one of our service providers lost around 50% of the crew from self-isolation/testing due to contact tracing in the first couple of weeks of Level 4 lockdown. They also had an issues around vehicle hand over procedure – cleaning and disinfecting trucks prior to handling to oncoming shifts, this took longer than expected to adapt to.
11.	Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution - from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault	≤ 5 hours	4.4	4.4	3.8	

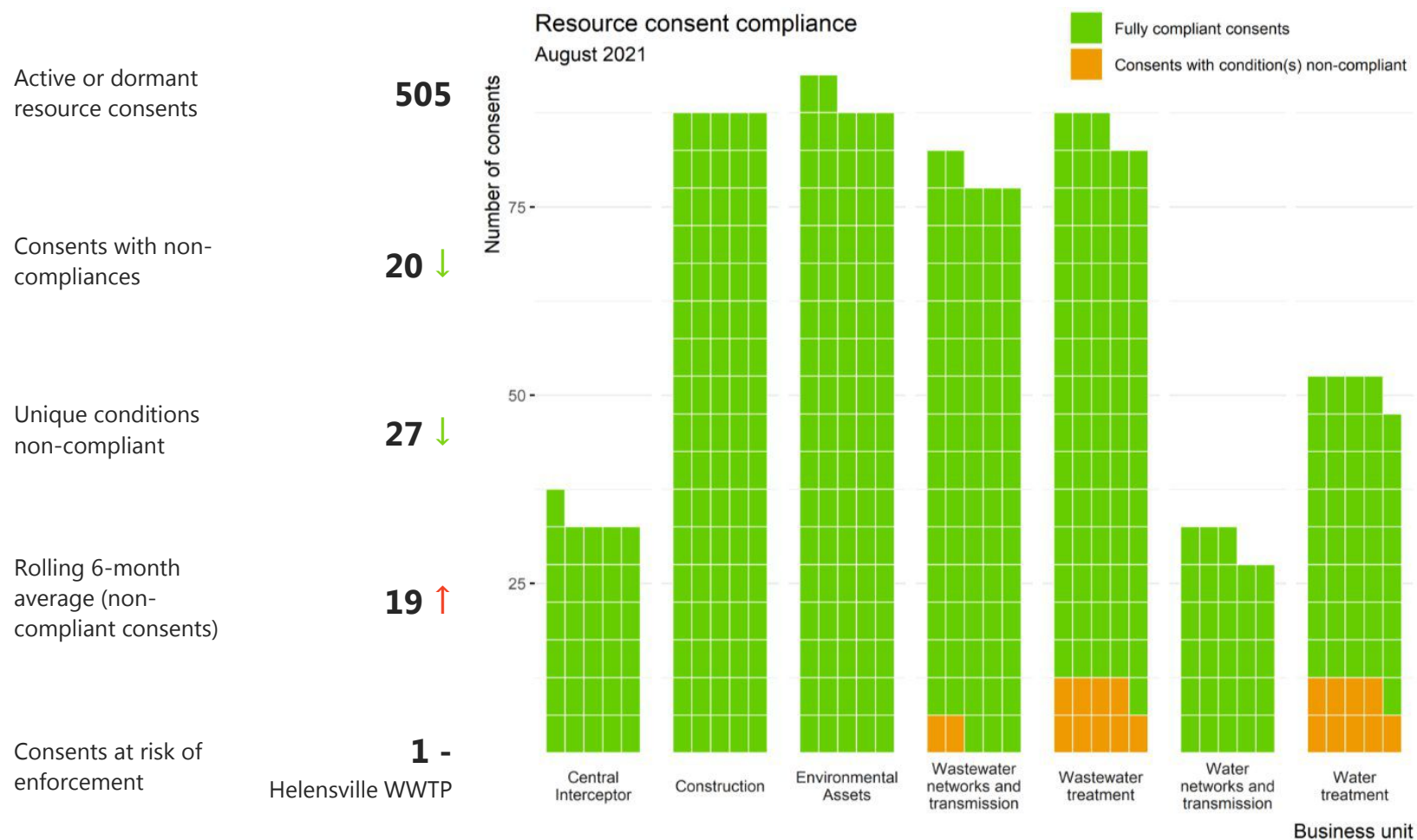
No.	Measure	Target	Actual			Commentary
			August	July	June	
12.	The total number of complaints received by the territorial authority about any of the following: a) sewerage odour b) sewerage system faults c) sewerage system blockages d) the territorial authority's response to issues with its sewerage system expressed per 1000 connections to the territorial authority's sewerage system (12-month rolling average)	≤ 50	29.41	29.41	29.5	
13.	The percentage of real water loss from the local authority's networked reticulation system (12-month rolling average)	≤13	-	-	-	Latest refresh of data caused 1% difference in historical values. Investigation is underway to determine cause of data change.
14.	The number of dry weather overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system (12-month rolling average)	≤ 5	0.1	0.1	0.15	
15.	Average number of wet weather overflows per discharge location (transmission system) (12-month rolling average)	≤ 2 overflows per year	0.58	0.58	0.51	
16.	Employee net promoter score (eNPS)	≥20	35	35	-	No change as next survey not due until October.
17.	Gender workforce ratio	Improve on prior year	2%	-	-	2.0% increase on gender workforce ratio for women. (36%) compared to baseline from FY20/21 (34.0%)
18.	Total recordable injury frequency rate per million hours worked (12-month rolling average)	<20	16.41	15.99	16.07	
19.	DUEs (domestic unit equivalent) measured through IGCs	TBD	2370	2304	1690	

No.	Measure	Target	Actual			Commentary
			August	July	June	
20.	Average asset age	Reduce on prior year	New measure	New measure	New measure	This figure is not currently available. This is a long-term measure and will be reported every six months to give an indication of how this is tracking.
21.	Debt to revenue ratio	3.54	-	-	2.89	Debt Headroom is based on Forecasted Debt and Revenue. Forecasting is only done from September.
22.	Percentage of household expenditure on water supply services relative to average household income	≤ 1.5%	0.86%	0.92%	0.82%	
23.	Formal engagement with mana whenua of Tāmaki Makaurau	100%	New measure	New measure	New measure	While we continue to meet with many iwi entities on a one-on one basis, our performance against this measure is also heavily influenced by iwi priorities and their varying levels of interest in meeting with us. Our main focus is on working together as partners to develop meaningful measures for Māori outcomes rather than merely achieving a target for meetings.
24.	Ratio of procurement sourced through Māori owned businesses	1%	0.5%	0.37%	New measure	August figures is only direct spend as yet not reporting indirect spend.
25.	Percentage of customer complaints resolved within ten days of notification	≥95%	98.4%	98.2%	98.3%	
26.	Net promoter score (NPS)	≥40	48	47	46	
27.	Community trust score	≥55%	52%	52%	51%	

Attachment – 3 Resource consent compliance

Resource consent compliance – Watercare (Auckland populace)

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



Non-compliances for August 2021

Facility/Asset	Consent	Condition(s)	Issue(s)	Actions	Potential consequence
Army Bay WWTP	DIS60331146	6	Loss of pumps during storm on 31 August led to bypass of UV treatment and discharge of partially treated wastewater. In restoring pumps, discharge volume limit exceeded to get levels down in storage ponds.	One-off event. Review of control systems to determine what automatic fail-safes can be added.	Moderate: Auckland Council advised, but yet to receive a response. Risk of adverse environmental effects very low.
Auckland wastewater network comprehensive discharge consent	R/REG/2013/3743 R/REG/2013/3755	48	Not all inflow and infiltration remedial works completed within two years of identification	Cannot be addressed at COVID level 4 There is a backlog because workload outstrips resourced capacity.	Moderate: Technical and resourcing issues. Auckland Council has increased focus on these consents
Hamilton Road bores (Snells-Algies)	37953	21	Late reporting and reviews. No forecast demands for regional water takes	Action underway. Currently approximating forecast demand to complete reports	Minor: Aim to resolve by end of October.
	37993	21,22,23			

Facility/Asset	Consent	Condition(s)	Issue(s)	Actions	Potential consequence
Helensville WWTP	22225	17	Ongoing issue. High ammoniacal nitrogen in the discharge (above consented limit). Historical high E. coli and total suspended solids	Actions are underway. Ammoniacal nitrogen concentrations have decreased, but not enough to meet compliance. Workshops underway to investigate remedial options.	High: Risk of enforcement if actions are not successful.
Huia WTP	26979	03 (i)	Ongoing high aluminium in the lagoon	Actions paused. Investigation into the aluminium source cannot progress under COVID Level 4.	Minor: Technical issue due to natural circumstances
Kingseat WWTP	24255	21	Historical issue. High <i>E. coli</i> and ammoniacal nitrogen in September 2020.	No actions are required. The compliance issue is the annual percentile calculation due to a toxic-shock event in September 2020. Plant running as well as possible.	Moderate: Repeat annual non-compliance. The ultimate solution (Southwest) is four-five years away.
Māngere WWTP	30962 (groundwater)	11	Flowmeter for a groundwater take requires replacement	Action underway. Flowmeter replacement and system upgrade currently underway by Central Interceptor project team	Minor: Procedural issue
	33167 (closed landfill)	37,39,40	Results for monitoring of the former Pond 2 landfill monitoring have not been reported since at least 2017	Action paused at Level 4. The reporting requires a data backfill from the laboratory and a survey of relative levels for all monitoring wells.	Moderate: Potentially had non-compliances not sent to Council.

Facility/Asset	Consent	Condition(s)	Issue(s)	Actions	Potential consequence
Māngere WWTP	41392	19b, 19c	Odour scout walkovers not possible at Level 4 COVID-19 response.	None. COVID-19 related	Minor: Caused by COVID-19 restrictions.
Omaha WWTP	DIS60050490	24	Applied UV dose rate not approved. A minimum treatment dose requires approval by an independent expert.	Action underway. External review by independent microbiologist has commenced	Minor: Procedural issue
	DIS60050606				
Waikato WTP	AUTH120246.01.01	4	Discharge volume exceeded twice in August.	Capital works issue – planning underway. There is increased maintenance and associated discharges with the plant at capacity.	Moderate: Waikato Council could raise non-compliances during Board of Inquiry Hearing.
	AUTH141825.01.01	11,12,15	Raw and discharge flows calculated not measured so cannot be telemetered	Action underway. We are reviewing alternative ways to meet consent reporting requirements.	Moderate: Waikato Council could raise non-compliances during Board of Inquiry Hearing.
	AUTH142090.01.01	14,18			
Waiuku (Victoria bore)	WAT60071034	21	Water strategy and demand forecast overdue. Similar problems as Hamilton Bores	Action underway. Currently approximating forecast demand to complete reports	Minor: Aim to resolve by end of October.

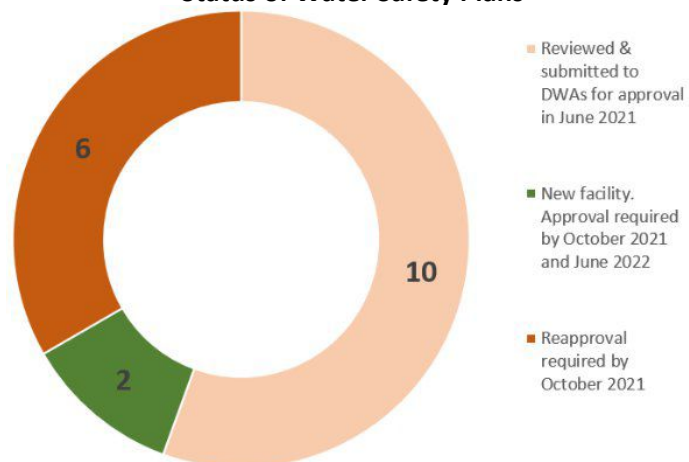
Facility/Asset	Consent	Condition(s)	Issue(s)	Actions	Potential consequence
Waiuku WWTP	DIS60334129	14	Routinely high historical inorganic nitrogen concentrations in discharge during winter/spring.	Capital works issue. Winter/spring issue – a lack of light and low temperatures limit treatment efficacy. A known problem of aging treatment technology. Plant upgrade required ultimate solution (Southwest) is four-five years away.	Moderate: Repeat annual non-compliance.
Wellsford WTP	36246	15,16	Overdue monitoring report requires demand forecast. Similar problems as Hamilton and Waiuku Bores	Action underway. Currently approximating forecast demand to complete reports	Minor: Aim to resolve by end of October.
	38424	A	Uncontrolled discharge of off-spec water.	One-off issue. Auckland Council advised.	Minor: Very low risk of adverse environmental effects

Attachment 4 – Water quality report August 2021

Water Quality Report - August 2021

Scorecard

Status of Water Safety Plans



The Health Act require **all** WSPs to be **approved** and **implemented**.

Compliance Summary

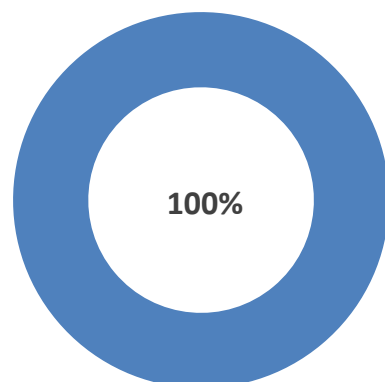
WTPs (17 total)

Microbiological	100%
Protozoal	100%
Chemical	100%
Cyanobacterial	100%
Radiological	100%

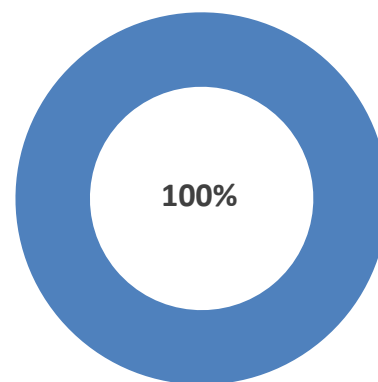
Distribution Zones (40 total)

Microbiological	100%
Chemical	100%

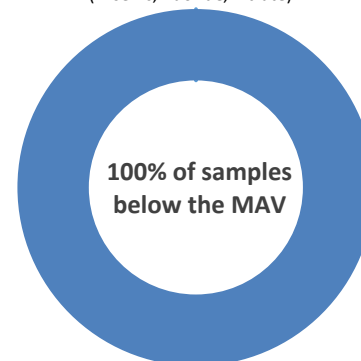
WTPs: *E.coli** in treated water

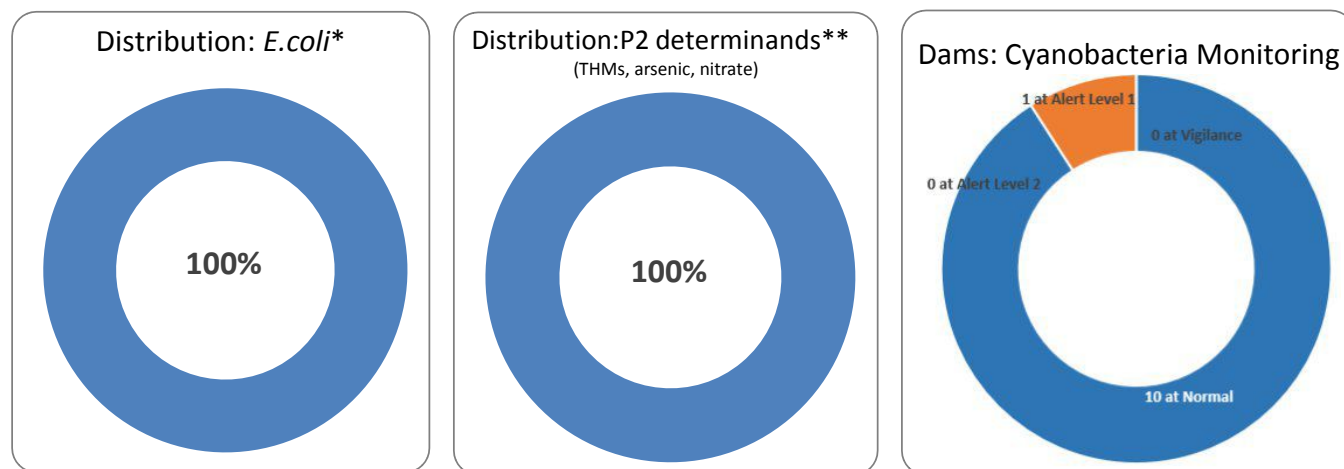


WTPs: Protozoal Compliance



WTPs: P2 determinands** (Arsenic, fluoride, nitrate)





**E.coli – an indicator organism to demonstrate bacterial compliance. E.coli is monitored to indicate the probable presence of bacterial contamination of water supply.*

*** P2 determinands - one of three classes of determinands defined in the DWSNZ. Priority classes are ranked according to the potential impact on public health if present in excess of its Maximum Acceptable Value (MAV) in drinking-water. Priority 2 (P2) are chemical determinands.*

6.4

Spotlight On: Annual Compliance Assessment

The Annual compliance report has been received. Full compliance with the requirements of the Drinking Water Standards for New Zealand 2005 (revised 2018) and duties under the Health Act 1956 have been achieved for the compliance period 1 July 2020 – 30 June 2021. Ten of our Water Safety Plans that have been submitted to Wai Comply in June 2021 have been noted as “Drafts” in the report. The Health Act require WSPs to be approved and implemented.

Spotlight On: Water Safety Plan (WSPs)

Wai Comply acknowledged receipt of ten Watercare’s WSPs that were submitted in June 2021. Wai Comply will complete their assessments by September 2021. The Water Quality Science Team in partnership with the Learning and Development team has created a training module on Immerse to assist everyone at Watercare with better understanding of WSPs. Other initiatives for WSP internal promotion have been planned.

Spotlight On: Internal Audit Report to the Audit and Risk Committee

High-risk non-conformances require further work to reduce/mitigate some significant risks, including improving document management, training and competency record keeping. Watercare remains exposed until these risks are closed.

A progress report was provided at the Audit and Risk Committee on 9 August 2021. Request made from the Committee for the Senior Leadership Team to come up with a plan to address non-conformances.

Spotlight On: Water Quality

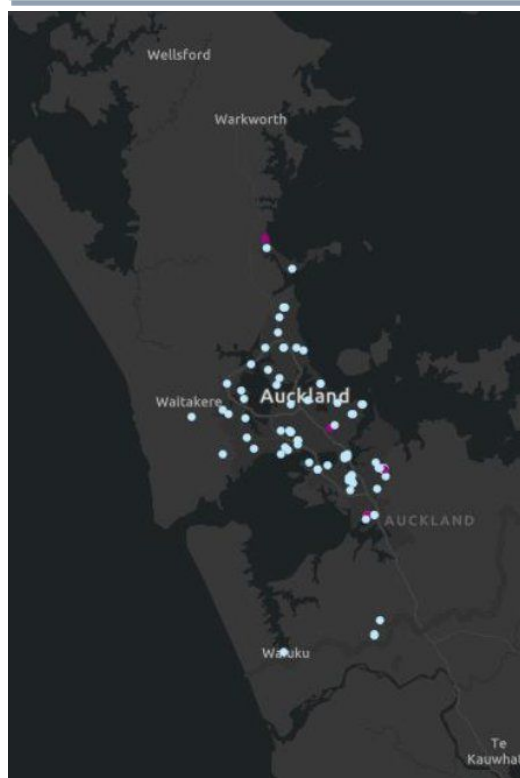
Total Coliforms Investigation – Good trending continues for reduced total coliforms across Watercare's water supply operations following the delivery of several improvements at the laboratory and across the wider water supply system. These will continue to be monitored with the upcoming warmer months a greater risk for total coliforms growth.

Disinfection By-products (Trihalomethanes (THMs)) Investigation – Whilst THM formation potential is higher in the summer months, the region wide monitoring programme has returned several results over 50% of the MAV during winter. Initial results indicate that a strategy will be required to reduce THM formation. A broader THM management strategy is being developed in conjunction with this data gathering exercise and will require organisational wide input.

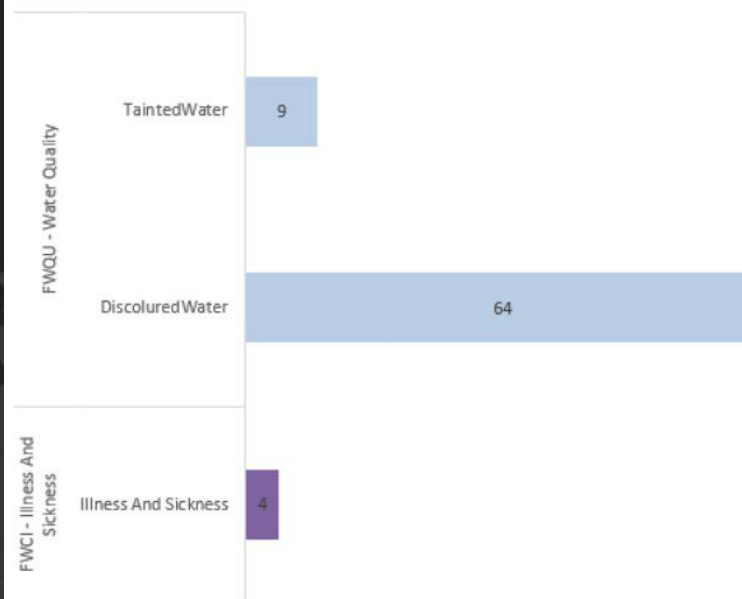
Investigations into Emerging Contaminants – Microplastics, PFAS, nematodes, nitrates, viruses including Covid-19 – new research highlights new areas for investigation will be required. The Water Quality Science team looking into options for future projects and research.

6.4

Customer Complaints



Number of Water Quality Jobs



Actions Taken

Illness Complaints*: Network flush and sampling Main cause: Private plumbing issue / lack of customer education.

Tainted Water: Network Flush
Main cause: chlorine complaint.

Discoloured Water: Network flush
Main cause: mineral build up.

*Illness complaint – an illness complaint arises when a member of the public has an illness that they think is related to water quality. All such complaints are investigated and in all cases our drinking water has been found to be compliant. Persons with an illness complaint are always referred to their medical professional.

Attachment 5 – Hydrogen Sulphide

Watercare have been in contact with both WaterNZ and Worksafe NZ and have been informed that we will be included in the consultation process. To ensure we are fully informed and prepared, Watercare has joined the Water Services Association Australia (WSAA) working group. We have assigned a technical lead and are working on validating the impact for Auckland. Specifically, we need to better understand what is being proposed. For example:

- What locations are the limits relevant too - confined space or otherwise?
- Could we vent all work areas and confined spaces to meet the proposed limits or do we need new investment?
- How does this proposal compare with background levels in Rotorua and other geothermal areas of NZ?
- Can we meet the requirements by doing a confined space entry or would this be restricted (it would be notifiable works)?
- What can we do to limit H₂S generation – shorter retention times, pre-treatment, changes to trade waste control etc?

Once we have a clear understanding of the impacts and costs, we will update the board. In the meantime, and to ensure we are reporting on a no surprises basis, below is a summary of the expected impacts to the Australian water industry.

Safe Work Australia undertook a review of the Workplace Exposure Standards (WES) for airborne contaminants. The current limits are 10ppm TWA and 15ppm STEL. The draft proposal is to reduce the limits to 1ppm TWA and 5ppm STEL.

WSAA contacted Safe Work Australia highlighting that the water businesses are extremely concerned by the proposed reduction of Hydrogen Sulphide exposure standards. This concern is on three fronts;

- *the scientific justification utilised to propose the reduction,*
- *the direct and indirect cost of compliance,*
- *The process followed for consultation.*

The impact to the industry in terms of cost is expected to be extraordinary and untenable. One of WSAA's largest members has preliminarily estimated the following impacts:

- *costs of rectification works required for their network - asset upgrades and modifications totalling at least \$3 billion will be necessary at their treatment plants, pumping stations and sewer assets.*
- *Personal Protective Equipment (PPE) required before rectification works are complete at this member's facilities is estimated to be approximately \$10 million.*
- *They have indicated that they are not confident that they can achieve the works required to comply with the proposed standard within the decade. This is due to inherent engineering challenges, funding arrangements, competing major infrastructure projects across the country, and the need to undertake water security projects.*

There were similar concerns from other members of the sector and the cost to implement engineering controls for the industry is estimated to be in the tens of billions of dollars across the Australian Water Sector. They highlighted that it would require a complete re-assessment of work practices in areas with potential exposure to H₂S across most operational teams (treatment plants, field, maintenance, contractors). The main issues raised were:

- *Ability to accept trade waste within our network and treatment plants*
- *Significant increase in personal gas monitoring and breathing apparatus usage across most operational teams with a need for training and ongoing competency assessment in these areas.*
- *Significant budgetary impacts (upgrade of infrastructure, new monitoring equipment, PPE and ongoing training).*
- *Re-assessment of regulatory targets (in some circumstances).*

Safe Work Australia responded to WSAA noting that they had engaged external experts in occupational hygiene and toxicology to develop a list of health-based recommendations for WES for hazardous chemicals used in Australian workplaces. These health-based recommendations were also peer reviewed by an independent internationally renowned toxicologist and hazardous chemical expert. Safework noted that the resulting health-based WES levels for hydrogen sulfide are intended to ensure appropriate protection for Australian workers, with the eight-hour time weighted average (TWA) of 1 ppm and short term exposure limit (STEL) of 5 ppm both protective of irritation effects and central nervous system impairment in exposed workers.

Safe Work Australia informed WSAA that they had already agreed the recommended limits for hydrogen sulfide at their meeting of 19 August 2021. The next step in the process is for WHS ministers to agree the level, which is expected to occur by early 2022. Once WHS ministers have agreed a limit for hydrogen sulfide, the new level must be implemented by a jurisdiction to have an effect. From that time, WHS ministers have agreed a three-year transitional period. This means Safe Work Australia expect that compliance with the new level for hydrogen sulfide would likely be required early-mid 2025.

Board meeting | 30 September 2021
Public session

Health, safety and wellbeing report for August 2021

Te pou whenua tuhinga / Document ownership

Prepared by

Bronwyn Struthers
Head of Health Safety and Wellbeing

Recommended by

Rob Fisher
Acting Chief Officer Support Services

Submitted by

Jon Lamonte
Chief Executive Officer

7

This month

What we've seen

August started with the **Back to Basics** launch. This campaign is a collaboration with our construction contractors and puts a focus on a critical risk each month. The intent of the campaign is to learn and share improvements in management of critical risks across the sector. Back to Basics is a 12-month campaign and will be re-launched when construction projects are back to work.

Covid-19 and keeping our team safe during lockdown was the focus for the second half of the month. The HSW team form part of the Welfare team which monitors and supports workers on site and at home. The lockdown response was enacted smoothly with minor adjustments to procedures and documents in place to account for Delta variant requirements. In general, team members are resigned to the lockdown. There is less interest in group, interactive activities from team members but teams are conducting regular check-ins to ensure everyone is okay. Workers are being encouraged and supported to get vaccinated.

Current Activities

During **lockdown**, staff working in the field do not always have convenient access to food and this can add to stress. We have been making a weekly delivery of a range of snacks and food to sites which have been extremely well received:

I'd just like to send a huge 'Thank You!' to your team for the food supply drops at the lab. I know our essential workers in the sampling logistics team, really appreciate Watercare for helping us out with these snacks and drinks, and making our work just that much enjoyable!

Our HSW system, **iCare**, was enhanced this month to split out some of the data fields. We are currently ironing out glitches that occurred during the upgrade but are confident that we will be able to provide improvements in detail and trend data in coming months.

Work has started on the **upgrade of the Safety Management System** (SMS) from 4801 to 45001. The first stage of the project is to confirm format, Te Reo protocols and plain language guides and to link to other business systems.

Looking ahead

Given that **return to construction work** following Level 4 lockdown in 2020 led to a spike in incidents across the country, we are working closely with the Infrastructure team to ensure all project return-to-work plans are of a high standard. Effort is also going into planning effective safe-to-start programmes with a focus on managing programme pressures in conjunction with contractors.

Watercare is leading work to improve **mobile plant use** with all our contractors. A workshop for operators has been developed and will be delivered on sites. The first of those workshops was successfully run with 25 operators on the day prior to lockdown with very good engagement and key learnings:

- In most cases, incidents occurred when operators were tracking backwards with limited view of the surface they were moving onto
- Spotters were absent or lacked robust training

Further workshops will be run once site teams are back at work with learning shared and improvements implemented.

In the last Board meeting, there was a discussion about ensuring worker participation in HSW conversations. The Board asked how we can track worker conversations. Current reporting of safety conversations is inconsistent. Watercare has had input to the CHASNZ working paper on Lead Indicators and we are using this to develop measures that can be applied across the business, including indicators regarding worker engagement.



Critical Risk Review – Working Alone or Isolated

Working Alone or Isolated:

A lone worker is someone who is isolated from help, either due to location, time or the nature of their work.

Hazards include:

- Conflict situations
- Personal security threats
- Available help in an emergency
- Sudden illness or incapacity
- Extreme weather events
- Mental demands of the work

Watercare examples include:

- Water sampling
- Driving
- Working at night
- Working at a remote location
- Working on water
- Working in access corridors on plants
- Working in pump stations

What it looks like for Watercare

Many of our workers work alone every day. Our operations, maintenance and laboratory teams regularly work alone. Despite this level of exposure, serious injuries and medical events are uncommon.

More common are incidents involving safety threats to our workers from members of the public, and conflict situations while driving and undertaking maintenance activities on properties.



Controls currently in place

Training & Competency

Personal safety and security training and refresher programs:

- Situational awareness and safety
- Use of de-escalation discussions
- Use of tactical withdrawal

Incidents show Watercare workers have effectively used these techniques in incidents over the last twelve months.

Operating Procedures – Risk Review

Risk reviews have led to some work being prohibited to be undertaken alone. For example, confined space entry and undertaking work at night.

Monitoring and Reporting

Get Home Safe

The monitoring of lone workers is being improved through the trial and implementation of the *Get Home Safe* lone worker cell phone application.

The application is loaded onto a mobile phone and allows workers to record the task, location and duration of the activity. This information allows supervisors to monitor safety and view check-ins in real time. If a planned check-in is missed, an alerting sequence is activated to the supervisor or the Nerve Centre.

The Get Home Safe application has been trialled with field-based teams and is in the process of being implemented across the business.

Additional alarms and monitoring via: E-Road system, duress alarms at public-facing counters and radio telephones with manual checks.

HSW Metrics August 2021

No. employees & contractors	Total Hours worked	No. days overtime	Leave Liability
1455	367,706	1064 days (4.1%)	199 hours
Employees 1231	(16% decrease on previous month)	Customer 505 days (6.2%)	on average per employee
Contractors 224	WC 47%	Operations 533 days (5.5%)	
	Contractor 53%		

The information above is provided for context

Average days to incident completion – iCare	Current no. of open cases longer than 3 months in iCare	Comments
66 days ----- Average time between event and reporting 3.5 days	408 in iCare (3% decrease on previous month)	<ul style="list-style-type: none"> Incident close out continues to improve iCare enhancement provides improved visibility of close-out actions

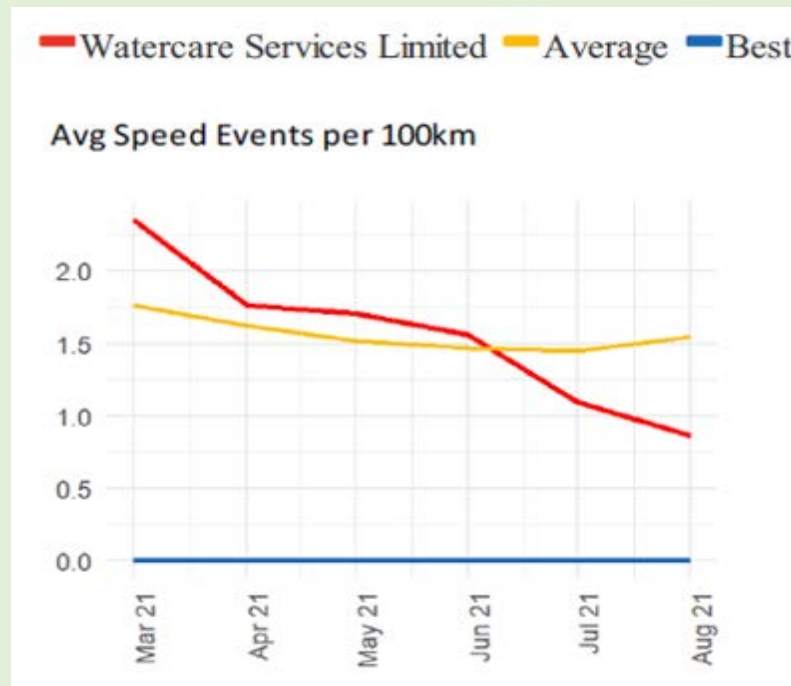
H&S Representative Numbers	Senior Leadership Site Visits													
<div>37</div> <div><ul style="list-style-type: none">Review of HSW committee effectiveness at sites with refresh as required50% of meetings completed in August due to COVID-19 disruption. Virtual meetings to be held in September</div>	<div>11 (Tier 1&2)</div> <div>(6 more than last Month as recorded in iCare)</div> <div><ul style="list-style-type: none">Jon Lamonte7Mark Bourne3Nigel Toms1</div>	<div>Leadership Site Feedback - August 2021</div> <div><table><thead><tr><th>Category</th><th>Visits</th></tr></thead><tbody><tr><td>Finance</td><td>1</td></tr><tr><td>Executive</td><td>7</td></tr><tr><td>Operations</td><td>8</td></tr><tr><td>Infrastructure</td><td>31</td></tr><tr><td>Central Interceptor</td><td>25</td></tr></tbody></table></div>	Category	Visits	Finance	1	Executive	7	Operations	8	Infrastructure	31	Central Interceptor	25
Category	Visits													
Finance	1													
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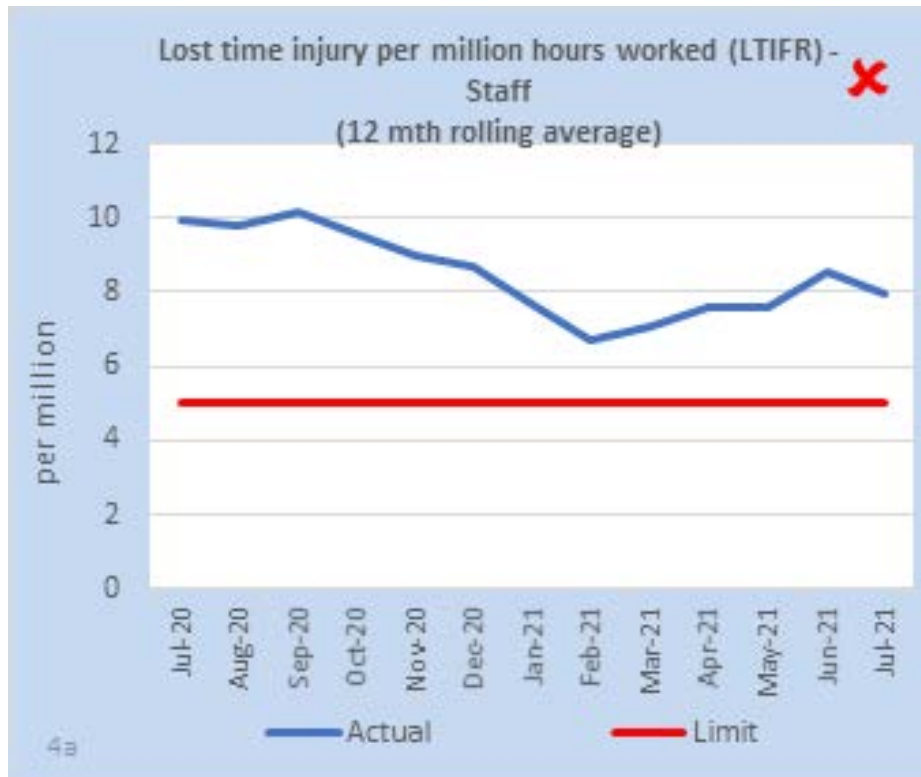
<div>Number of people hurt</div> <div>4</div> <div>Two Watercare injuries/illnesses: One musculoskeletal and one illness from biological exposure</div> <div>Two contractor injuries: One musculoskeletal and one cut to hand</div>	<div>Comments</div> <div>There was one high-potential incident in August which involved an excavator tipping. Detail provided below.</div>	<div>Critical risk exposure</div> <div>13</div> <div>From 68 events recorded in iCare</div> <div>There are fewer critical risk exposure events this month and it is attributed to fewer hours on site this month by contractors who do most of our high-risk work.</div> <div>An upgrade in the iCare reporting system means we will be able to provide monthly trend data of this breakdown in future reports.</div>	<div>Comments</div> <div><div>Critical Risk</div><table><tr><td>Working at Height</td><td>1</td></tr><tr><td>Using Vehicles</td><td>1</td></tr><tr><td>Suspended Loads</td><td>4</td></tr><tr><td>Hazardous Substances</td><td>3</td></tr><tr><td>Energy</td><td>2</td></tr><tr><td>Mobile Plant</td><td>2</td></tr></table></div> <div>In addition to the critical risk exposures, there were fourteen events related to manual handling and ten incidents related to minor vehicle damage from low-speed events.</div>	Working at Height	1	Using Vehicles	1	Suspended Loads	4	Hazardous Substances	3	Energy	2	Mobile Plant	2
Working at Height	1														
Using Vehicles	1														
Suspended Loads	4														
Hazardous Substances	3														
Energy	2														
Mobile Plant	2														

Driving – Overspeeds

These data provided by E-Road shows Watercare drivers in comparison to six similar organisations.

It's very pleasing to see the significant reduction in speed events by Watercare staff. Managers are being provided with monthly reporting and are working with drivers to continue improvements.





Close Call: Excavator Tip-Over

Contractor: Fletcher Construction

Infrastructure – Northern Interceptor: Rosedale Park

iCare number – HSW0001109

Critical Risk – Working with Mobile Plant



What happened:

The excavator operator was pulling excess materials onto the stockpile and as the excavator tracked back, it slid over the side on a steep slope and was on the verge of starting to tip over.

The operator quickly swung the machine and landed the boom on the ground to prevent the machine from tipping, before exiting the machine.














The operator was wearing their seatbelt and was unharmed.

Actions

- The contractor stopped work and completed an investigation
- The excavator was retrieved safely
- The investigation found the operator was reversing without a spotter and the surface was unstable
- The site team implemented opportunities to improve site planning and execution
- Learnings were shared

Our Learnings

Watercare will run a workshop as part of the with operators on site following return to work.

Attachment One – Watercare Critical Risks					
		Review Date			Review Date
	Working in confined spaces	May 2021		Working with fixed plant and equipment	February 2022
	Working with mobile plant	June 2021		Working in or near live traffic (includes road corridors, construction and operational sites)	March 2022
	Driving / using vehicles	July 2021		Working at Height	April 2022
	Working alone or isolated	August 2021		Working around waterbodies	May 2022
	Working with hazardous materials	September 2021		Digging and working in excavations (includes tunnelling)	June 2022
	Working with suspended loads	October 2021		Working with flammables or in explosive/flammable areas	July 2022
	Working with or near live energy (electrical, mechanical, pneumatic, hydraulic, etc)	January 2022			

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Central Interceptor Report for August 2021

For discussion

Te pou whenua tuhinga / Document ownership

Prepared by

Michael Webster
Contract Manager

Recommended by

Shayne Cunis
Executive Programme Director CI

Submitted by

Jon Lamonte
Chief Executive Officer

1. Te tūhonga / Recommendation

We recommend that the Board notes the report.

2. Take matua / Key points

The key points are:

- The current Covid-19 Alert Level 4 Lockdown continues to disrupt the project. The lockdown is expected to further delay the completion of Section 1 and 2 and completion of the overall contract completion is now expected to be in the first quarter of 2026 due to the impact on elements on the critical path.
- Watercare was granted an exemption under the Public Health Order to continue both tunnelling operations, albeit at a level that is reasonably necessary to support operations. This was to avoid the risk of the micro-tunnel boring machine (mTBM) getting stuck and needing a rescue shaft, and due to potential safety and environmental consequences with the tunnel boring machine (TBM) needing work to finalise assembly, and also being under the Western Interceptor
- Wilson Precast was also granted an exemption to manufacture and deliver segments for our project.
- All other sites have been closed.
- The lease at the May Road site with May Road Properties has been finalised and signed following many months of negotiation.

3. Ngā tuinga ō mua / Previous deliberations

Date	Report Title	Key Outcomes
30 August 2021	Central Interceptor Report for July 2021	The update of the project for July 2021 was noted and discussed.

4. Whāinga / Purpose and context

The report is the update of the project for August 2021.

5. Kōrero pitopito / The details

Project Progress

5.1 Health, Safety & Wellbeing

The Covid-19 Management Plans had been revised prior to lockdown. With the advent of the Delta strain and Alert Level 4 lockdown, the Management Plans were further revised to incorporate new safe work procedures and issued to all Central Interceptor staff. Spot checks have been conducted by Central Interceptor Health and Safety team at the two operational sites to confirm compliance with Covid-19 controls. No issues have been identified.

The Covid-19 Alert Level 3 operating plans have been reviewed and are ready to be issued in anticipation of a lowering of restrictions.

The Ghella Abergeldie Joint Venture (GAJV) has promoted a Covid-19 vaccination drive for project staff (including the client), their families and bubble members which has been well received with high levels of uptake. Preparation for a second drive is now underway.

A new Health and Safety Manager has now been recruited by the GAJV. This resource is coming from offshore and is due to arrive before the end of the year.

5.2 Delivery

Due to delays, primarily resulting from Covid-19, there has been an agreed extension of time of 100 days to the completion of Section 1 (MPS operational – now 30 April 2024) and Section 2 (Southern system fully operational – now 12 October 2024). The current Covid-19 Alert Level 4 Lockdown will further delay the completion of Section 1 and Section 2 and the completion of the overall contract completion will now be in the first quarter of 2026, subject to the duration of these restrictions.

5.2.1 Main Tunnel



Main Tunnel – First three rings installed

- TBM launched. The first three concrete segment rings now installed.
- Main tunnel south (MPS to May Rd) completed to date: 0.06%.
- TBM assembly, commissioning and Site Acceptance Testing ongoing and will continue until the full 190m of the TBM is assembled in the tunnel.

5.2.2 Māngere Pump Station

- Shaft dewatering continues at a constant a flowrate and with no evidence of environmental impact or to nearby infrastructure.
- Rising main construction continuing. Haul road made available for operational use and odour bed reinstatement has commenced.
- Construction of the Wastewater Reuse plant was to commence in August but is now delayed until we go into Alert Level 3.
- Confluence chamber design activities continuing.



Rising Main – Haul Road reinstated

5.2.2 May Road

- mTBM tunnelling has now progressed 418m on the first drive from May Road to Haycock Ave (970m), with 119m achieved in August. Due to the nature of pipejacking, if the pipe string does not move essentially every day, there is a risk that it will become stuck. If this were to occur, a rescue shaft would have to be installed above the position of the mTBM, which would have significant safety, environmental, financial and time impacts to the project.
- Shaft B shaft excavation has continued and has reached a depth of 7m below ground level, prior to Alert Level 4.



May Road – Hydraulic rams pushing jacking pipe for Link Sewer C drive to Haycock Ave

5.2.3 Other Sites

- Keith Hay Park – Construction of the Branch 9B diversion chamber was suspended due to observed settlement. To avoid damage to the Branch 9 pipe which was cast into the walls of the diversion chamber, this has been decoupled from the diversion chamber walls. Investigations as to the cause and remedial works required will be finalised after lockdown.
- Haycock Avenue – The concrete encased section of the Lynfield branch sewer has been replaced to allow the construction works for the new diversion chamber.
- Dundale Avenue – The thrust wall and eye launch eye for the mTBM have been constructed at the base of the shaft.
- Miranda Reserve – Construction of the MH01 wastewater chamber has been completed.
- Pump Station 23 – Site establishment works are ongoing.
- Walmsley Park – No works on site. Site to re-establish in September 2021.



Haycock – Replaced section of Lynfield Branch Sewer



8.1

May Road – Shaft B excavation

6. Ngā ūpoko / The capitals



6.1 Natural Environment including Climate Change

- The Central Interceptor Project will improve the health of our waterways by reducing overflows into our streams and harbours by 80%.
- The Central Interceptor Project is the first Watercare project to seek an Infrastructure Sustainability Council of Australia (ISCA) rating in New Zealand, achieving a 'leading' rating on retrospective design. ISCA is an independent tool to guide and assess best-practice sustainability outcomes on infrastructure projects.



6.2 People and Culture

- The project aims to provide job opportunities for a wide range of individuals across many different positions while paying every employee above living wage.
- The Central Interceptor Project has become a foundation partner with Mates in Construction NZ, funding a full-time field officer to deliver a programme of suicide prevention and mental health awareness in the construction industry



6.3 Customer and Stakeholder Relationships, including Māori Outcomes

- The project currently employs six small Māori businesses to provide a variety of services. We aim to increase this statistic over the life of the project through innovative and awareness programmes, such as engaging with Makaurau Marae Maori Trust to set up and run the project laundry facility.
- The Central Interceptor Project engages regularly with the 16 primary and intermediate schools along the route of the tunnel and a 'Wastewater Education' course for Year 5–8 children has been developed in conjunction with Watercare's education advisor, featuring the Discovery Centre to educate pupils about wastewater infrastructure.



6.4 Asset and Infrastructure

- The project will enable Watercare to take critical infrastructure out of service for maintenance without impacting level of service.



6.5 Intellectual Capital

- In order to minimise the consumption of potable water as part of our tunnelling and future operating activities at Māngere Pump Station, a pilot Wastewater Re-use plant is to be constructed at the site. This will be a first for Watercare and New Zealand and is anticipated to encourage further initiatives in the water reuse space. The contract has been awarded and construction is now underway.

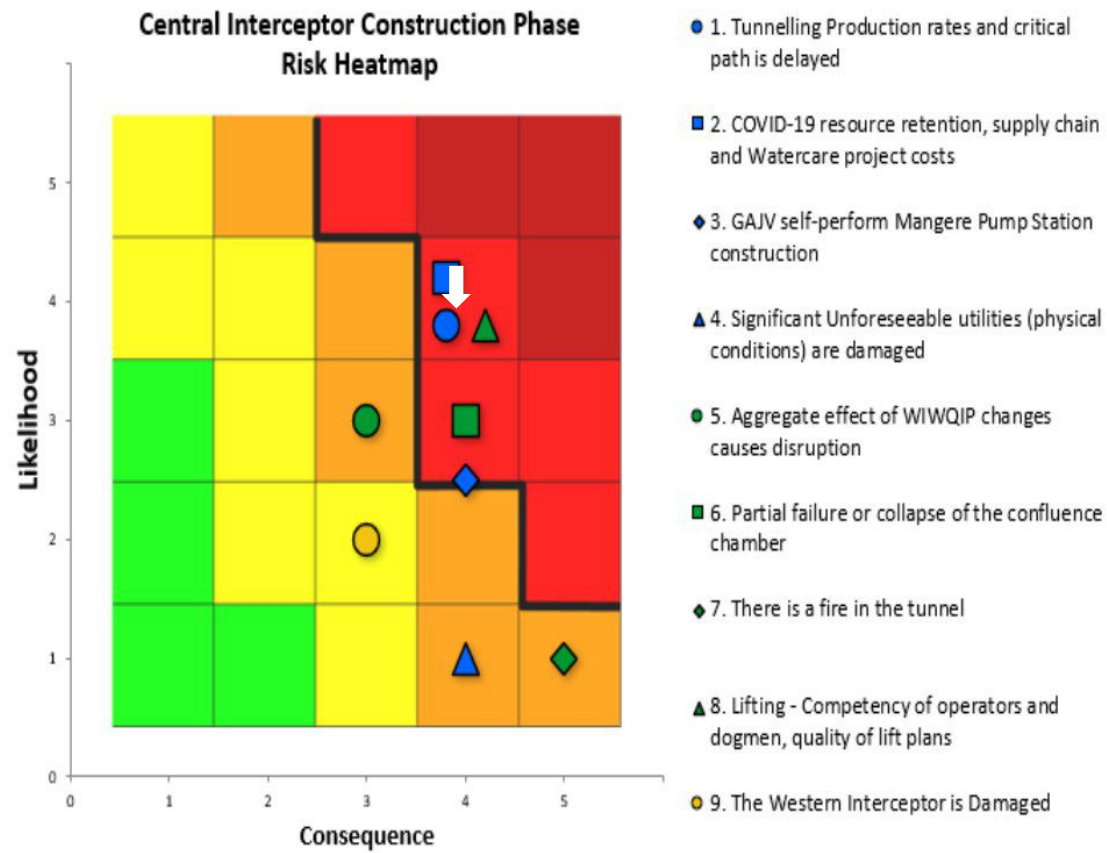


6.6 Financial Capital and Resources

- Financials associated with the project now included in the Finance Report.

7. Ngā tūraru matua / Key risks and mitigations

- There has been no significant movement in risks this month.
- Covid-19 Alert Level 4 Lockdown has had an aggravating effect on other risks.
- The risk associated with tunnelling production rates was forecast to reduce over this and coming months, however due to the lockdown this remains a high risk although the GAJV continues to display strong competency around tunnelling activities.
- The TBM launch has commenced however this is the period where risk of settlement damage to the Western Interceptor is highest. Reduced TBM progress rates due to lockdowns increase the duration the TBM will be under the Western Interceptor. Additional monitoring has been instructed to ensure early detection if settlement does occur.



Risk Description	Risk Reduction Actions
Tunnelling production rates and critical path is delayed Ground conditions are more adverse than baselined in the Geotechnical Baseline Report (GBR) resulting in delays to programme and additional costs.	Additional probe drilling for specific ground conditions. We will actively monitor ground conditions and tunnelling rates during operation. TBM has facility for real-time monitoring.
COVID-19 impact on resource retention, supply chain and Watercare project costs Sourcing and retention of critical staff for the GAJV is becoming more challenging and now presents a critical risk to the project. This is also impacting Watercare & Jacobs labour costs on the project due to Covid-19 delays and construction labour market influences.	Engagement with GAJV for critical resourcing requirements from overseas. GAJV have recruited a number of local resources for critical roles. Close monitoring of supply chain impacts due to Covid-19 including engagement with suppliers. Regular revision of Watercare construction management and design support service resourcing for the project and timely demobilisation of resources. Application of liquidated damages where appropriate.
GAJV self-perform Māngere Pump Station construction GAJV proposing to self-perform delivery of Māngere Pump Station works. Quality and/or commissioning issues arising from insufficient capability within the GAJV to successfully deliver works.	Interim approval to self-perform MPS has been granted following in-depth review of the GAJV capabilities. Engagement of appropriate sub-consultants where required.
Significant utilities (unforeseeable physical conditions) are damaged Utilities not shown on drawings or with visible evidence on site. Inadequate investigations.	Ensure services investigations are undertaken by the GAJV Review the GAJV method statements and risk assessments for utility location.
Aggregate effect of WIWQIP changes causes disruption Sum of WIWQIP changes impacts GAJV scheme procurement activities.	Change management process in place. Considering all viable options for delivery of WIWQIP work, and impact of timeframe for delivery of works without impacting CI performance.
There is a fire in the tunnel Construction with pre-installed liner, some incident e.g., electrical fire causes the lining to catch fire. Fire in the tunnel impedes evacuation and rescue operations.	Tunnel management controls around ignition sources. Electric locomotive to reduce flammable risk. Detection and suppression systems. PHMPs being agreed with WorkSafe. Early engagement with mines rescue. AME system – real-time personnel tracking. Limiting visitor and personnel access to essential only.
Partial failure or collapse of the confluence chamber A lack of understanding/underestimation/inaccurate assessment of the existing asset condition The GAJV's methodology is unsuitable, or a deviation from the approved approach.	Provisional sum removes cost pressure for condition survey and investigation to provide the most appropriate solution. Work will proceed on least risk option. Shutdown works to be programmed for dry season/periods of low flow. Workshop between the GAJV, designers, and treatment plant to identify the most appropriate solution.
Lifting Suspended loads pose a risk of being dropped and causing injuries to staff.	Competent operators and dogmen, operating with high quality lift plans. Establishment of critical rules, with a specific rule to eliminate workers under suspended loads.
The Western Interceptor is Damaged Ground settlement due to tunnelling in proximity to WI. Tunnelling process being established.	Close monitoring of tunnelling conditions. Increased ground settlement monitoring. Contingency planning to limit service disruptions.

8. When is the Central Interceptor being built?



Board meeting | 30 September 2021
Public session



Water resources report

For discussion

Te pou whenua tuhinga / Document ownership

Prepared by

David Moore
Manager of Improvements Programme

Recommended by

Mark Bourne
Chief Operations Officer

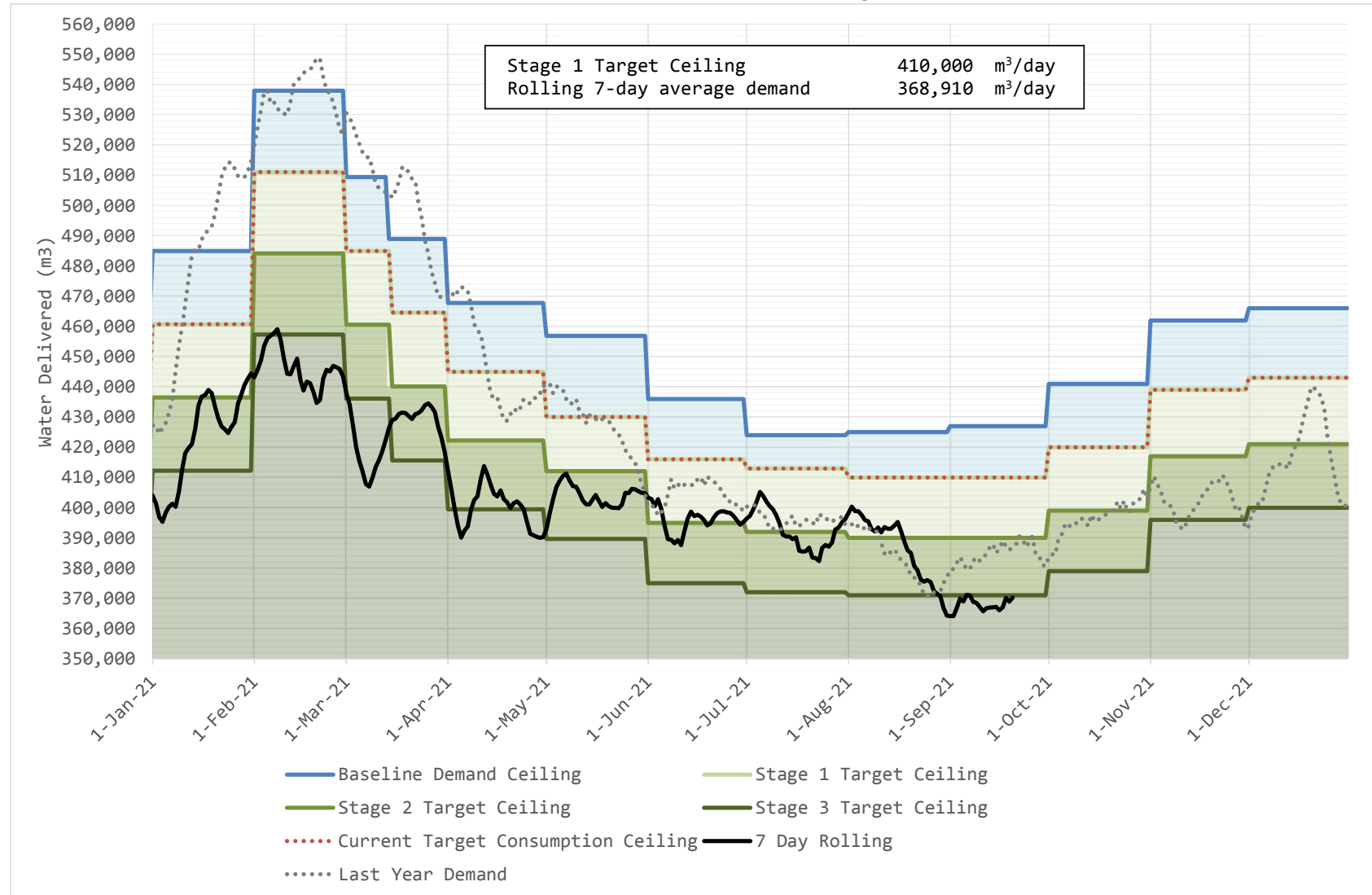
Submitted by

Jon Lamonte
Chief Executive Officer

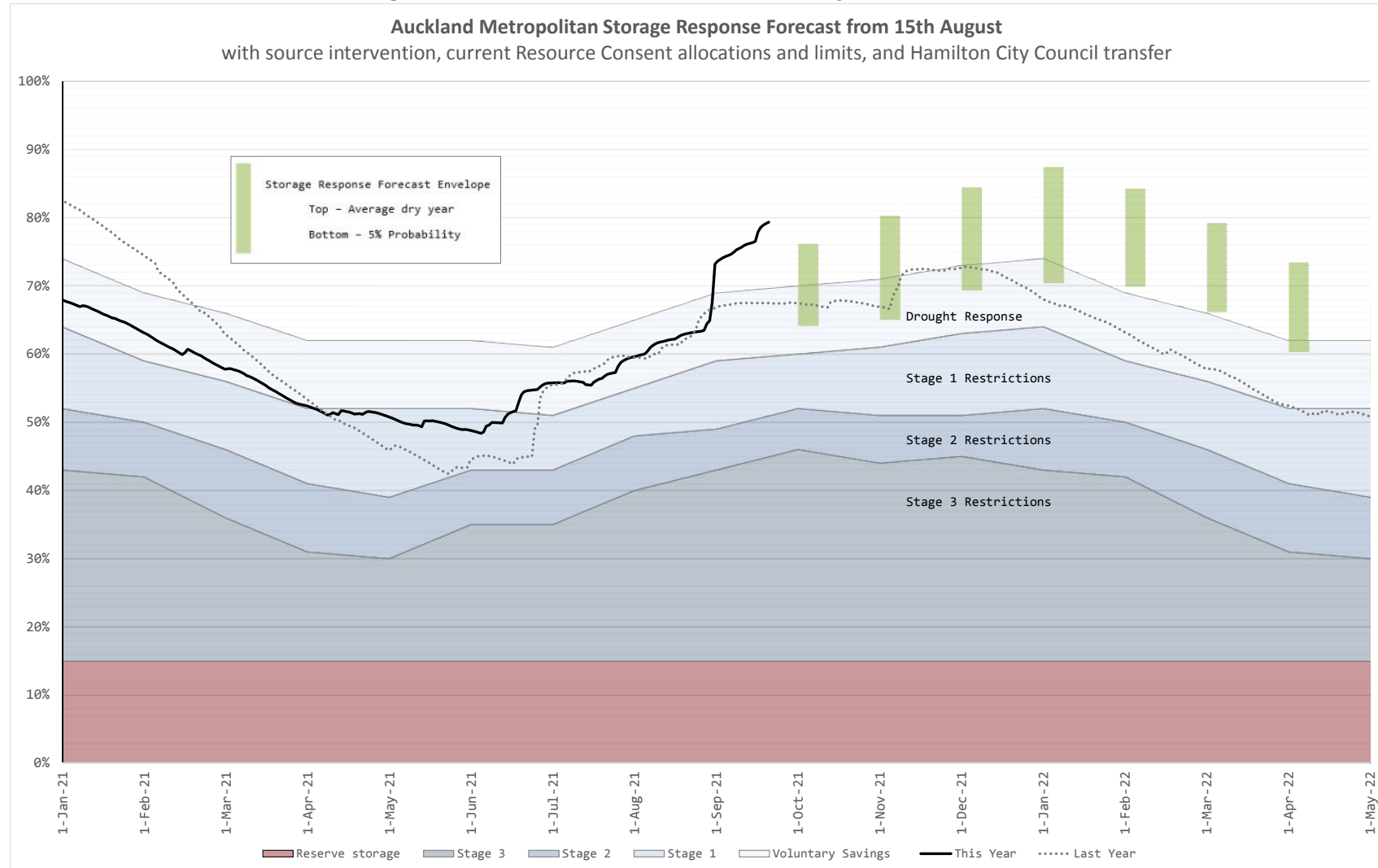
Take Matua / Key points

- Demand of 369MLD for the week was well below the target ceiling of 410MLD.
- Stage 1 restrictions remain in place.
- Hamilton City Council has granted consent to Watercare to take 25MLD from the Waikato River between 1 October 2021 and 30 April 2022.
- A new website focused on Watercare's Water Efficiency Plan 2021-2025, which marks the final stage of our commitment to the Auckland Three Waters Strategic Plan (2008) <https://waterefficiencyplan.watercare.co.nz/>

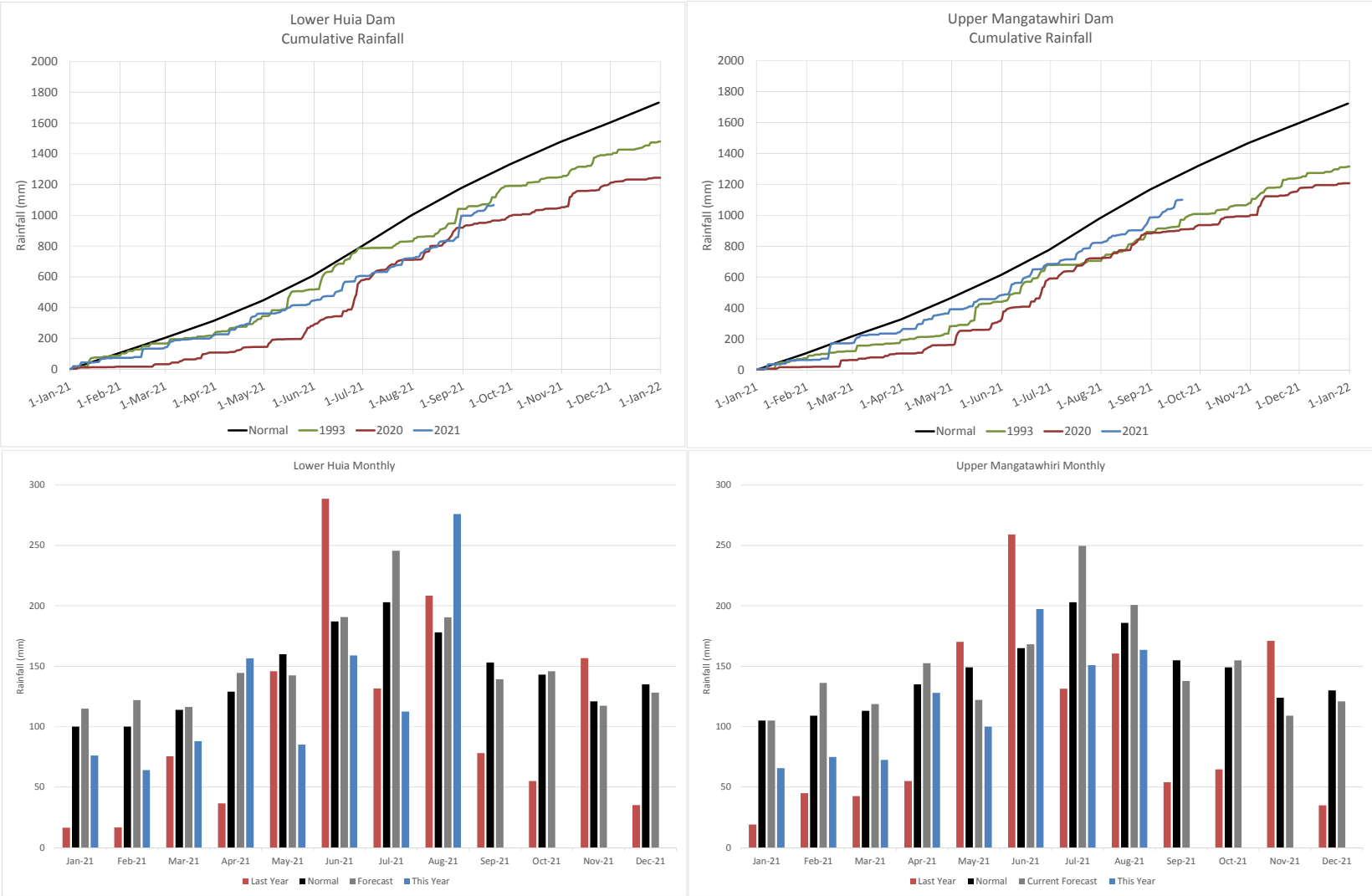
Auckland Metropolitan Total Water Demand – week ended Sunday 19 September



Auckland Metropolitan Storage Response – week ended Sunday 19 September



Rainfall Summary



AUGMENTATION STATUS UPDATE

Location	Pukekohe Bore	Hays Creek dam in Papakura	Waitākere Water Treatment Plant
On track			
Update	The Pukekohe WTP is operating reliably at a production output of 5.5MLD.	<p>Stage 1 = 5MLD out of service Stage 2 = 12MLD Commissioning is now due by March 2022 due to Covid-19 Alert level 4 restrictions</p> <p>Following the commissioning of the Waikato 50 WTP, the temporary Papakura WTP was shutdown to allow the development of the new permanent 12MLD Papakura WTP.</p>	8MLD increase in service by November 2021. The current Covid-19 Alert level 4 restrictions have disrupted the project delivery programme at Waitākere.

Location	Waikato Water Treatment Plant (existing plant)	Ardmore Water Treatment Plant	Onehunga Water Treatment Plant
On track			
Action	Capacity increased by 25MLD	Low flow operation reconfigured to 80MLD – 250MLD	The Onehunga WTP is operating reliably at a production output of 23MLD.

Location	Waikato 50
On track	
Action	<p>Waikato 50 plant in supply since 14 July 2021 and 225MLD supply from the Waikato River tested successfully and is now available.</p> <p>Waikato No.1 water main boost pump station is in service and operational.</p>

NON-REVENUE WATER STATUS UPDATE

Activity	Creating smaller District Metered Areas and pressure management
On track	
Action	<p>Target is to develop district meter areas with less than 10,000 connections for 65% of the city</p> <ul style="list-style-type: none"> Stage 1 Waitākere – rezoned from 6 DMAs to 24 DMAs, 95% complete Stage 2 Maungakiekie – Complete rezone from 1 DMA to 4 DMAs. Completion scheduled for end of October (Former completion was end of August. Delays due to Covid-19)

Activity	Leakage management
On track	Work stopped due to Covid-19 Alert level 4 restrictions
Action	<ul style="list-style-type: none"> • Increase ground surveying of leak detection to 6,000kms a year • Total since start of programme <ul style="list-style-type: none"> ○ 5900kms surveyed to date ○ 4422 leaks found ○ 9.76MLD saved • Total since July 2021 (Works have been suspended due to Covid-19 Alert level 4 restrictions) <ul style="list-style-type: none"> ○ 500kms surveyed to date ○ 240 leaks fixed ○ 0.62MLD saved • 93% of leaks are responded to within KPI and fixed all moderate to major leaks detected within five days.

Activity	Meter replacements
On track	
Action	<p>Improve accuracy of customer meters</p> <ul style="list-style-type: none"> • 32,600 domestic meters replaced YTD, target 30,000 • 1,530 commercial customer smart meter loggers installed to date, target 2000 completed in August 2021. This is now delayed due to Covid-19 Alert level 4 restrictions.

Activity	Non-potable and reuse
On track	
Action	<ul style="list-style-type: none"> • Currently there are three non-potable sites with a total of 161 commercial customers. • Both Lake Pupuke and Western Springs are closed during Covid-19 Alert level 4 restrictions. Auckland Council who manages and provides resource for these two sites has asked for these sites to remain closed during Alert level 3 restrictions – this is currently under discussion. • The Hugo Johnson Drive non-potable site remains open during business hours. • The Lake Pupuke non-potable site will be permanently closed from the 29 October due to complaints received from users of the lake. After completing a review of all the sites, it has been decided to extend the Halls Farm potable site to allow for non-potable access as well. The non-potable and potable stations at Halls Farm will be clearly separated.

Board meeting | 30 September 2021
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CCO Review Recommendations

For discussion

Te pou whenua tuhinga / Document ownership

Prepared by

Mark Bailey
 Programme Lead

Recommended by

Rob Fisher
 Acting Chief Officer Support Services

Submitted by

Jon Lamonte
 Chief Executive Officer

1. Te tūhunga / Recommendation

We recommend that the Board notes this report.

2. Take matua / Key points

- Updates are provided every two months to keep the Board apprised regarding the implementation of CCO review recommendations.
- Ongoing engagement with the CCO Monitoring Group to scope and action recommendations as required and in alignment with other CCOs.

3. Ngā tuhinga ō mua / Previous deliberations

Date	Report Title	Key Outcomes
29 July 2021	CCO Review Recommendations	Update on progress implementing CCO review recommendations

4. Whāinga / Purpose and context

- The purpose of this report is to update the Board on Watercare's contribution and progress regarding the implementation of the CCO review recommendations.
- Updates are provided by exception, where notable progress has been achieved or where progress is slower than expected.
- At the November 2021 Board meeting, a status report will be provided on all 64 of the CCO review panel recommendations.

5. Kōrero pitopito / The details

Recommendations that can be actioned now are:

2 of 24 are specific to Watercare.

- **The Council formulates a three waters strategy – requested update (R-15).** Focus has been on internal activities that contribute to the Water Strategy, whilst also keeping abreast of developments across all relevant council work streams through regular working group meetings. Work on the economic level of leakage will be included in the Water Strategy, along with updated measurement targets. Council continues to focus on integrating Te Mana o te Wai principles to ensure a deeper engagement with Mana Whenua and an audit to benchmark Auckland against key criteria for Water Sensitive Cities, using subject matter experts in Watercare to contribute as required.
- **Watercare (and AT) submit their AMPs and detailed supporting information (R-16).** Completed and approved by the Board. The AMP has been published on the Watercare website with media releases and interviews undertaken. Watercare are contributing to a Community of Practice to share best practice and collaborate across the Council Group.

Non-Watercare specific.

- **Council reviews the way it requires CCOs to monitor and report on risks and risk mitigation measures (R-19).** A working group with representatives from all CCOs has been established, work is continuing.
- **The Council establishes a small team to draw up detailed, implementable strategies that give CCOs more strategic direction, starting with strategies on water, economic development and stadiums (R-20).** Strategy team held an initial workshop on 30 August, discussion centred on a proposed framework for CCO strategy approval. This has been subsequently refined with the agreed next step of providing a greater level of detail around already identified strategic gaps within each CCO. Ongoing with intent to meet on a regular basis.
- **The governing body spends half a day each year visiting each CCO to better understand its business and culture and to informally build relationships (R-27).** Council Governing Body representatives attended Watercare Māngere WWTP on 10 August. Guided tours were conducted for of the wastewater treatment plant and Puketutu Island, with accompanying presentations on the Water Services Bill, Water Safety Plans and purified recycled water.
- **The Council updates and clarifies its no surprises policy (R-31).** Scoping has started and will incorporate protocols governing information requests between the Governing body and CCOs (R-32).
- **CCOs and local boards reset how they engage with one another (R-34).** Twenty-one Local Board workshops with CCO and management attendance have been completed and the plans have now been approved by the Local Boards. Engagement plans are to be jointly signed by CCO CEs and Local Board Chairs in October. An information hub (the portal) has been created on Watercare's website to improve information sharing and visibility.
- **New council and CCO staff receive instruction during their induction on the need for CCOs to operate at arm's-length but also to be accountable to the council (R-50).** Council are developing learning modules. Staff will be able to complete as standalone modules, or as part of a governance fundamentals programme from end of September 2021 onwards.

- **CCO chief and senior executives' job descriptions include requirements about collaborating with the council, following council directions and meeting council expectations (R-51).** Completed, no further action.

Recommendations that require CCOs and Council to work together:

2 of 18 are specific to Watercare.

Pending

- **Resolve consent processing delays (R-17) and clear measurable minimum performance levels when reviewing consent applications and formal mechanism for objections (R-18).** As a multi-faceted project that must align to the customer consenting journey, the project will be integrated into the Horizon 2 initiatives in Council's Regulatory Services' Kokiri Whakamua strategy. Forecast completion is the end of 2022, with co-governance from Council, AT and Watercare.

Non-Watercare specific.

- **The Council and CCOs review the quality of the service their call centres provide, including by ensuring an up-to-date, group-wide phone directory is on hand containing job descriptions and contact details of all staff (R-41).** Watercare employee contact information is available to Council. Next step is for council to provide consolidated CCO contact information.
- **Council updates its brand guidelines to ensure clear and consistent use (R-57).** Updated brand guidelines have been approved, no further action.
- **The Council and CCOs work together to draw up group policies on shared services, the development of leadership talent and remuneration (R-61).**
 - o **Shared Services.** The proposed scope of the review has been developed and includes the following functions across CCOs: digital, finance, procurement, P&C, HS&W, legal, corporate property, communications, other corporate services, EPMO, corporate strategy, risk and assurance and rates, valuations and data management. The assessment phase is estimated to take 4–5 months with final approval of recommendations by the CCO Boards. An update will be provided at the CCO Chairs and CE meeting on 7 October 2021.

Recommendations that require further work.

Non-Watercare specific.

- **The Council makes compliance with the procurement policy mandatory on all CCOs to reduce costs and minimise duplication (R-64).** To be approved by the CCO CFOs in September.

6. Ngā ūpoko / The capitals



6.1 Natural Environment including Climate Change

One of the CCO recommendations (R-15) relates to completion of a Water Strategy, led by Council. Watercare's contribution takes into account the impacts of climate change.



6.2 People and Culture

Several recommendations require the CCOs and councils to become aligned and more connected, for example, increasing overall awareness of relationships and closer sharing of information. Overall, Watercare is gaining a further appreciation and insight into how our wider colleagues operate.



6.3 Customer and Stakeholder Relationships, including Māori Outcomes

Several recommendations relate to becoming more transparent and informative in the way we interact with customers and Local Boards.



6.4 Asset and Infrastructure

Not relevant in this instance.



6.5 Intellectual Capital

Organisational capability is enhanced and is improving as a result of regular dialogue and interaction with the CCO Monitoring Group.



6.6 Financial Capital and Resources

Not relevant in this instance.

7. Ngā tūraru matua / Key risks and mitigations

Key risk	Mitigation
Approach to shared services and procurement, while benefiting the Council Group, do not benefit Watercare.	CCO Board have right of final approval on Shared Services

8. Ā muri ake nei / Next steps

A status report will be provided on all 64 of the CCO review panel recommendations at the November 2021 Board meeting.



Board meeting | 30 September 2021
Public session



Fairness, partnership and a more resilient future: what our customers want from Watercare

For discussion

Te pou whenua tuinga / Document ownership

Prepared by
Jenny Wigley
Customer Insights Specialist

Recommended by
Amanda Singleton
Chief Customer Officer

Submitted by
Jon Lamonte
Chief Executive Officer

1. Te tūhonga / Recommendation

We recommend that the Board notes and discusses key insights from two significant pieces of research on residential and commercial customers' attitudes and preferences about Watercare's pricing, investment and service decisions carried out in 2020 and 2021.

This report provides useful guidance around how customers perceive Watercare's services and our role in Auckland and will inform strategic decisions where appropriate.

2. Take matua / Key points

We will speak to the presentation at Attachment 1 which sets out the key points of this report.

The key points are:

- **Fairness** is the most important principle for residential customers. They believe that our pricing, investment and service decisions should be considered through a fairness lens. A key part of this principle is acting in a way that is fair to future generations, and as such, residential customers take a long-term view when they evaluate our investment decisions.
- **Water knowledge is incomplete and uneven.** The research shows that our residential and commercial customers have highly variable levels of knowledge about water services and a mixed view of what they believe Watercare is responsible for. Only the largest commercial customers who were interviewed had a good working knowledge of the water system.
- **Investing for the future is supported** but understood differently by our different customers. Our commercial customers want us to invest to provide the certainty of supply that will enable growth in the short and medium term, and are less happy to 'pay it forward'. Residential customers are more in favour of paying off assets over a shorter term than the life of the asset.

- **Promoting water efficiency successfully will require different approaches for different types of customers.** Differences between our customer groups were laid out in this research, including how we might best approach encouraging water efficiency from commercial customers in the context of low return on investment (ROI) for every dollar spent saving water.

3. Whāinga / Purpose and context

We have done two significant pieces of customer research, the findings and implications of which we would like to share with the Board. We use these findings to inform:

- Our servicing model for commercial customers
- Nuanced execution of our water efficiency plan
- Our communication with customers and the language we use to explain key issues, such as investment decisions.

4. Kōrero pitopito / The details

The purpose of the research was to gauge the level of each of these two core customer segments' knowledge and their attitudes towards water. Ultimately, we want to come to a deeper understanding about how customers think about Watercare, our services, and Auckland's water future.

The research was a combination of quantitative and qualitative insights. The residential part of the research involved 18 1-hour long qualitative interviews with customers followed by a quantitative study with 1,000 respondents. This was completed in July 2020. The commercial customer piece took place from March to June 2021 and involved in-depth interviews with a cross section of commercial customer segments, followed by eight focus group discussions in peer-groups across key, strategic, major, and our smaller commercial customers. In all of the qualitative phases, customers were presented with fictional future water scenarios (investments, outcomes, and price changes with various trade-offs) and questioned on their reactions to those.

The analysis from both pieces of research provides us with a framework for understanding what customers believe about our investments, our pricing and our services, and the value of trade-offs between these three factors. We also uncovered other useful information about how we might promote water efficiency and trust through better understanding and articulating the outcomes which matter most to each customer segment. Most importantly, our commercial customers told us that they appreciated us providing a forum in which they could not only learn more about water and the challenges faced by their peers and other industries, but also feel good about making a real contribution to the discourse.

5. Ngā ūpoko / The capitals



5.1 Natural Environment including Climate Change

This research explored customers' views of the role that Watercare should play in terms of preparing for and mitigating the impacts of climate change. Though it was not the primary focus of the research, we found that for the most part, residential customers felt it was fair to pay for assets which would allow future generations to enjoy a healthy environment, both in terms of adapting to environmental impacts (swimmable beaches and ensuring that they had an adequate supply of water) and mitigating them (reducing our investments in carbon). This is consistent with the Water Services Association of Australia's (WSAA) findings that three quarters of New Zealanders and Australians believe climate change is a serious threat (see WSAA 2021, National Customer Perceptions Study 2021, p8).

Commercial customers were not as favourable in terms of 'paying it forward' to benefit future generations but they did accept that Watercare needed to act in the context of climate change. They framed up environmental challenges in more pragmatic terms: 'if it needs to be done, Watercare should just do it'.

It became apparent, however, that prior to these conversations most customers had not considered water supply from the perspective of *mitigating* climate change. They had generally only considered Watercare's investment decisions as being about adapting (enhancing) supply so that Aucklanders would have enough water to survive the foreseen and unforeseen changes. Once they considered sustainable investment (in this case in an invented future scenario which included a heavy-carbon investment), they were supportive of Watercare investing sustainably and considered us having 'little excuse' not to do so (in our monopoly provider position with a strong connection to the environment). It is fair to say, however, that customers do not necessarily get to this stance on their own; the general lack of knowledge (of all but the largest key and strategic customers) precludes them from having an informed position on sustainable investment in utility assets. Hence, this research goes some way to providing evidence, if any was needed, that our customers are willing to pay more than they currently are to reduce Watercare's negative impact on the environment as well as our collective exposure to droughts and floods.



5.2 People and Culture

Watercare staff have always known that we are not talking about a single type of person when we use the word 'customer' at Watercare. But they typically think of customers in terms of our service to them, and prioritise actions in which we quietly and invisibly get on with the task at hand. From this perspective, our staff generally prioritise making transactions fast and easy, keeping disruption to a minimum, fixing the leaks, keeping the price low. This research suggests that our customers want us to do more than this. Our commercial customers in particular, appreciated the opportunity to contribute to the investment conversation and felt consulted by the invitation to share their views. The findings from this research give us a deeper understanding of our customers' views and levels of knowledge beyond service provision, and into our investment decisions. Both residential and commercial customers gave us advice about the future Auckland that they want to see, which is one with more resilient and environmentally beneficial infrastructure than the Auckland in which we currently live. They want to engage more with us.

This project can be understood as part of a developing research and engagement framework in which we are increasing customers' emotional engagement with water. In this way, customers learn about the value of our services and the important roles that they can play in planning for Auckland's future. They are seeking partnership with us as we look into the future. For our workforce to articulate the customer benefit in the work they do, we need to provide some tangible insights for them to use. In this way, the socialisation of this kind of research (among other pieces of work) gives our staff a starting point to frame up their work through a shared understanding of what our customers know and how they value what we do. On the whole, knowing that the vast majority of our customers prioritise fairness in our decision-making (ie. investment, price and service decisions) will help us make better decisions and then be able to articulate them in a way that resonates with more people.



5.3 Customer and Stakeholder Relationships, including Māori Outcomes

The research supports customer outcomes by articulating what is valuable to different customers and why. They were accepting of scenarios with price rises when the customer outcomes were clearly articulated. This has, to some extent, been borne out by our recent (July) price rise which generated little customer angst due to the forewarning and customers understanding what their money was going towards.

Commercial respondents explained how important trusted advice and an open, communicative relationship is for their businesses, with good forewarning of change. They described how uncertainty about water impacts on their ability to plan for growth. Residential customers were looking to understand how the decisions that we are making are fair and protect Auckland's water future for their grandchildren. The findings support the ongoing improvement of Watercare's relationship with our residential customers.

Customers also did not have a clear view about what Watercare should be responsible for. When asked, commercial customers saw central and local government all having a role to play in deciding how Auckland's water future would develop, but the roles merged with responsibilities falling on everyone and nobody at the same time. Residential customers agreed that Aucklanders on lower incomes might need to be supported in paying their bills and that Aucklanders generally needed to understand more about water, but did not agree Watercare is responsible for this support and education.

Māori customers were consulted in terms of their participation as residential and commercial customers, though there was no second stream of mātauranga Māori research carried out in support of this project. The aim was to understand the breadth of Auckland's population in terms of their attitudes to water and Watercare.



5.4 Asset and Infrastructure

The residential research shows the relative value of our investments and pricing decisions from a customer point of view. Our customers were supportive of increased investment in assets and infrastructure when they satisfied the criteria of *fairness*. This means that the outcomes of investment are valuable to the people who will benefit from them and connected to or enjoyed by the people who pay the price for this investment.

Despite the research being carried out at the time our dams were at their lowest levels, the top-of-mind issue that our customers wanted Watercare to invest in was cleaner beaches (which they perceived to be polluted by sewage). This supports our investment in wastewater infrastructure and improved knowledge about why beaches are unswimmable after rain. In terms of water infrastructure, the findings of this research justify investment to future-proof supply sustainably.

Getting customer feedback allows us to plan and invest in assets that we might have thought our customers and communities were not ready for. The customers in this study placed desalination as a very last resort for a water supply option because of its perceived environmental impacts. We note that 74% of New Zealanders are open to purified recycled water as a future drinking water supply, as indicated in the recent WSAA customer study (quoted earlier).



5.5 Intellectual Capital

The research will enable us to prioritise services and investments in a way that is more aligned to the outcomes that customers want. As such it will help improve capability by providing some language and direction for how we understand the value of what we do.

Increasing our knowledge of customers and how to engage with them will help us advance thinking in the water industry towards outcomes that matter to customers now and in the future, rather than relying on lowest prices outcomes as the default best option. However, we are only at the beginning. This research showed how little customers know about their own water and wastewater services (for example, many did not understand the term wastewater and needed to have it explained by the researchers).



5.6 Financial Capital and Resources

This research challenges our objective of being a minimum cost provider, though does endorse the objective of being financially sustainable. Residential customers were concerned with scenarios with restrictions, partly because they do not want restrictions, but also because they want us to invest more in infrastructure and see this funding as coming from water bills. Some explained that this would lead to Watercare not accruing sufficient revenue to invest for the future and creating a cyclical problem of underinvestment in water. Customers do expect us to run our business efficiently, whilst enabling investment required to satisfy the customer outcomes for a secure future for Auckland.

Pricing was also examined with complex responses. Residential customers overwhelmingly said that they would be happy to pay more for water (which they recognised as their lowest utility bill) but they were not sure if others could afford this. While commercial customers were not necessarily happy for prices to continue increasing, they prioritise certainty of supply over the cost of supply.

6. Ngā tūraru matua / Key risks and mitigations

Key risk	Mitigation
Our ability to sustain the level of non-transactional engagement with a broad base of our customers.	Our plan for the next 24 months is geared to mitigate this risk.
Our ability to gain sufficient insights from a Tikanga Maori perspective.	Our plans to place more emphasis on this in coming research and collaborative engagements are designed to mitigate this risk.

7. Ā muri ake nei / Next steps

We will continue to use the insights from this research in deliberations and decision making throughout Watercare. We also seek to do more research examining customer attitudes and outcomes with a focus on empowering our customers with knowledge and the ability to have their say when it comes to our investment decisions.

8. Te whakapiringa / Attachment

Attachment number	Description
1.	Presentation: Fairness, partnership and a more resilient future



Attachment 1

8.4

Fairness, partnership and a more resilient future

2020 and 2021 Residential and Commercial
customer research: TRA

What did we do?

Residential customer study: April – July 2020

- Qualitative approach:
 - 18 1-hour long Zoom interviews
- Quantitative approach:
 - 10-minute survey
 - Sample size n=1,000, Aucklanders aged 18 years old and over

Commercial customer study: March – June 2021

- Phase 1: 12 qualitative interviews:
 - 30-minutes interviews with
 - 3 x key customers
 - 3 x strategic customers
 - 3 x major customers
 - 3 x SME customers
- Phase 2: 90 minutes peer group discussions:
 - 4 strategic customers
 - 5 key customers
 - 2 x major customer groups (n=4/group)
 - 2 x major customer groups (n=4/group)



8.4



What did we discover? The way our customers think about the future is key to how they think about our investments



Residential customers want our investment decisions to reflect fairness to the future:

- Fairness is the lens through which our residential customers believe our pricing, investment and service decisions should be made. Part of fairness is *acting in a way that is fair to future generations*.

Residential customers want to pay it forward:

- Residential customers gave us a clear endorsement to invest in infrastructure when the future outcomes and long-term customer benefits (eg water security and protection of the environment) are understood; residential customers felt it was fair to happy pay it forward for future generations.

Commercial customers have a nearer view of the future:

- Our commercial customers accept that we must invest but are thinking in terms of the next decade, not the next generation. Commercial customers want us to invest to provide the certainty of supply that will enable growth in the short and medium term.

8.4

Watercare may have a role to play in clearing up a variety of misunderstandings

Drought doesn't *really* happen here

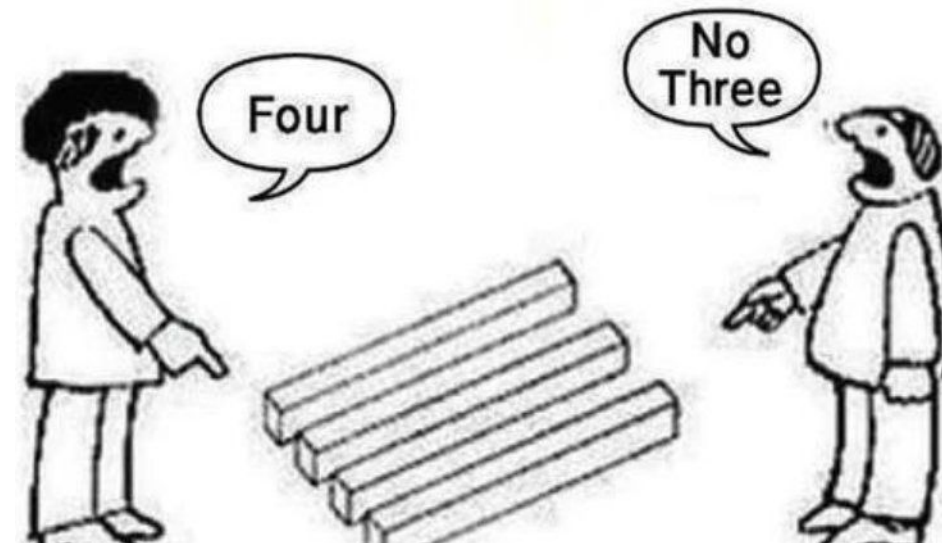
- Some Aucklanders still find it difficult to believe that Auckland has a water problem, because they associate Auckland (and New Zealand) to be a wet, water-rich place.

What are you talking about?

- Many customers don't understand terms we regularly use (e.g. wastewater) and don't understand how their bills work.

I'm doing all I can. But the other guys aren't (1)

- The majority of residential customers said that they were already doing all they could to save water, and more than half also believe other people were not doing enough.

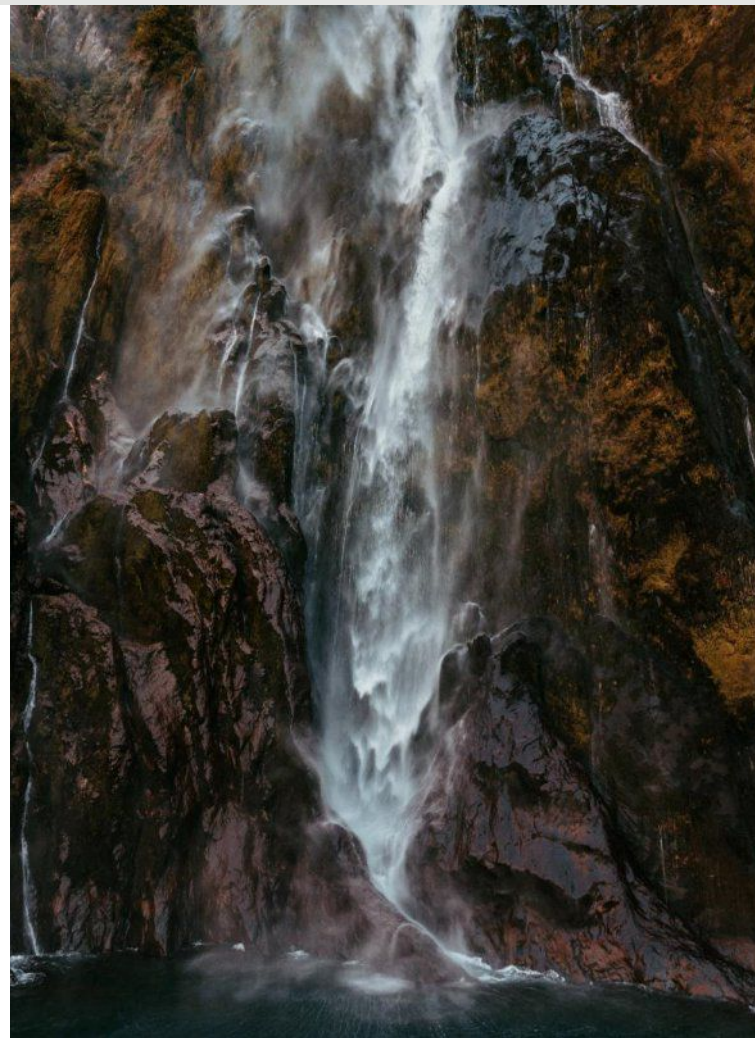


I'm doing all I can. But the other guys aren't (2)

- Residential customers had an inflated view of how much water is used by commercial customers and believed businesses should save more. But commercial customers believe residential customers should be the ones to restrict use because they use the most.

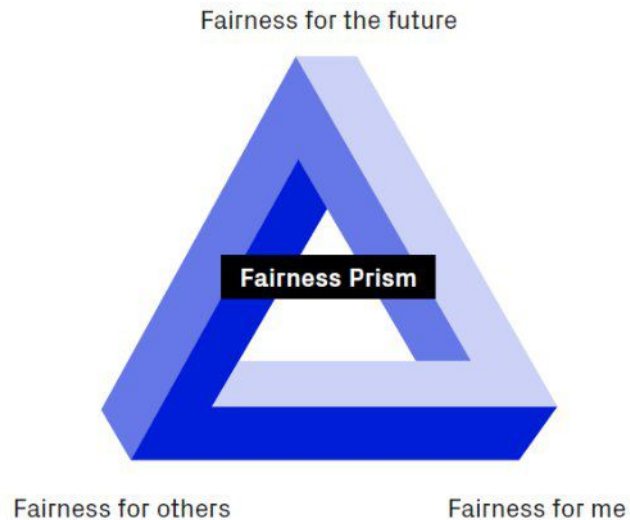
The research uncovered key differences between our customers

- For commercial customers there is low ROI to invest in equipment and processes for water efficiency, mostly because water is a relatively lower cost to them than other utilities but also because there is no ability to negotiate price
- The same is likely true for residential customers but as they are more motivated by fairness (and are mostly reactive bill-payers) they may still invest in water efficiency and rain tanks because not wasting water is a value
- So we need different approaches to water efficiency for business and residential customers (Commercial customers will be happy to partner with us and save water, but also will accept – though not enjoy – a price rise)
- Our larger commercial customers have a far greater understanding and ability to change their water use; SMEs think more like residential customers



8.4

Customers told us what they want from us: fairness for residential customers and trusted advice for businesses



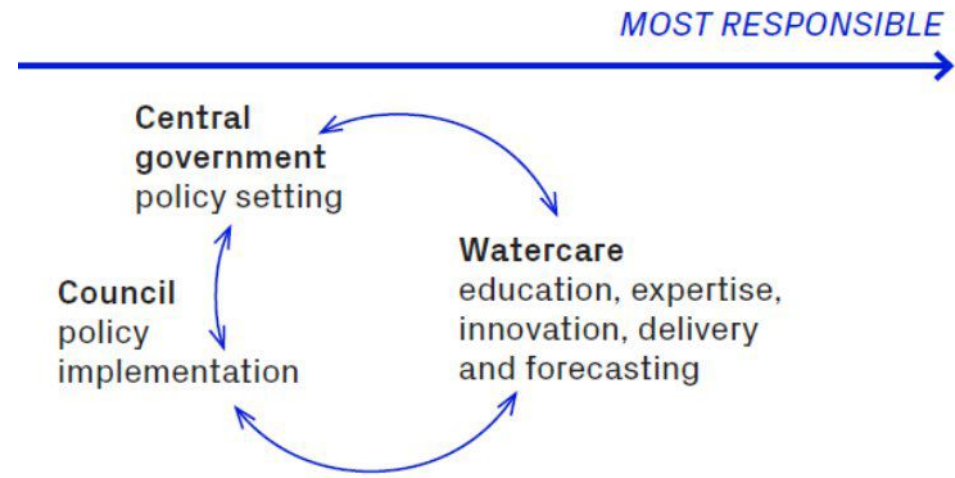
- **Residential customers** want us to make decisions that balance *fairness* in customer outcomes:
 - fair for me
 - fair for others and
 - fair for the future

- **Commercial customers** are looking to strengthen their partnerships with us:
 - they welcome the opportunity to save water, but the smaller businesses need help and advice
 - larger commercial customers are looking for partnership and consultation around big decisions
 - all sizes enjoyed networking with each other and found the opportunity to solve shared issues and problems together refreshing

8.4

Our customers have a mixed view of what Watercare is responsible for

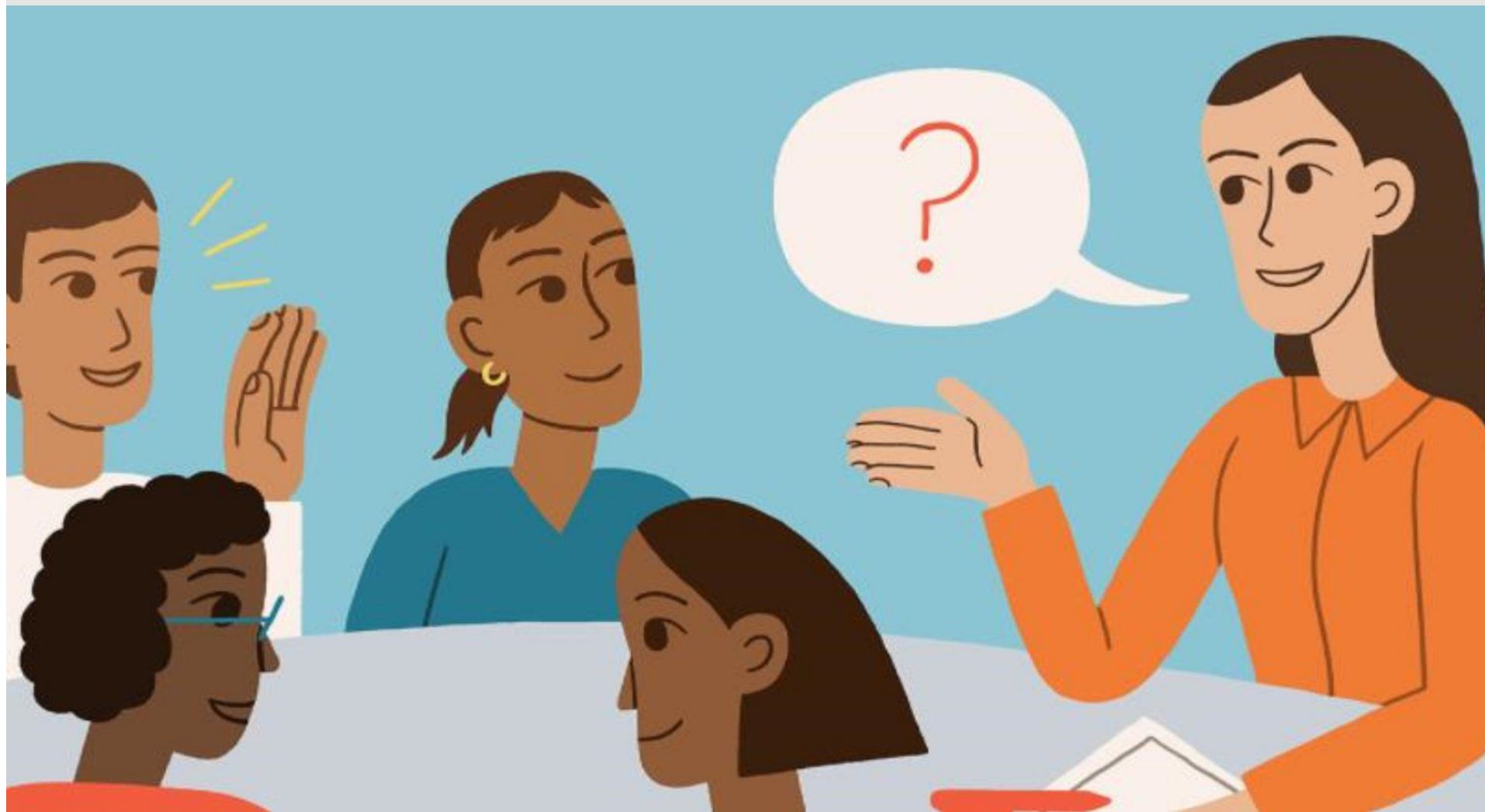
- Customers assigned accountability for Auckland's water future to different organisations, so responsibility lands on everyone and no one at the same time.
- Smaller commercial customers want a different kind of support from us, like incentives for investing in water saving infrastructure. They are looking to Watercare to play an advisory role.
- Our key and strategic commercial customers know the importance of their impact on Auckland's water future and expect to be consulted in decisions that we make (especially if those decisions are going to affect the bottom line).
- Residential customers see government (not us) as responsible for water literacy and education, and support of vulnerable customers.



Business communities expect the systems / organisations at the top to work together, however this model hinges success on multiple players in synchrony.

8.4

Any questions?



8.4

Board Planner 2021/22 - 12 months rolling

		Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Meetings	Board	30-Aug	30-Sep	28-Oct	30-Nov	14-Dec (Teleconference)		8-Feb	1-Mar	5-Apr	3-May	7-Jun
	Audit and risk committee	9-Aug 24-Aug		28-Oct				2-Feb			31-May	
	Te Tangata Komiti	19-Aug			24-Nov			3-Feb		20-Apr		
	AMP & Major Capex Committee	11-Aug			18-Nov				10-Mar		12-May	
	Committee for Climate Action		13-Sep			8-Dec			17-Mar			15-Jun
	CCO Oversight Committee meetings		21-Sep									
Events	Community and Stakeholder Relationships		TBC: Meet Diversity and Inclusion Committee									
Governance	Charter reviews	Corporate Governance charter						Committee for Climate Action Terms of Reference				
	Policy reviews											
	Risk report due to Council		Risk report (due to Council 13 September)		Risk report (due to Council mid-November)			Risk report due to Council			Risk report due to Council	
	Enterprise Risk report to Board		Report to Board		Report to Board			Report to Board			Report to Board	
	Compliance			Statutory compliance				Statutory compliance			Statutory compliance	
	Shareholder interaction	Q4 Report to Council due 30 August	TBC: Meet Diversity and Inclusion Committee					Q1 Report to Council			Q2 Report to Council	

Board Planner 2021/22 - 12 months rolling

		Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
	Site Visits		CI safety tour CANCELLED to be re-scheduled once Covid levels are lowered	CI safety tour CANCELLED to be re-scheduled once Covid levels are lowered								
Board Training	Board training & development			Mental Health & Wellbeing in the workplace	Board strategy day - 9 November							
Business strategy	Strategic planning & Deep Dives	Critical risk - deep dives on Driving/Using vehicles	Critical risk - deep dives on Working alone or isolated	Critical risk - deep dives on Working with hazardous materials	Critical risk - deep dives on Working with suspended loads			Critical risk - deep dives on Working with or near live energy (electrical, mechanical, pneumatic, hydraulic, etc)	Critical risk - deep dives on Working with fixed plant and equipment	Critical risk - deep dives on Working in or near live traffic (includes road corridors, construction and operational sites)	Critical risk - deep dives on Working at Height	Critical risk - deep dives on Working around waterbodies
Business planning	Key finance and business decisions	a) approve 2020/21 accounts, b) delegate final sign off of 2021/22 Annual Report c) Approve Auckland Council Reporting Pack				Auckland Council Draft Annual Plan - approve Watercare input		Approve half year accounts a) approve financials for Draft SOI including projected 22/23 price increases, b) approve long term financials for Auckland Council modelling			Present plan for Year end to A&R Approve Insurance Proposal Approval of 2022/23 Budget & updated SOI Financials (7 June Board meeting)	
	Statement of intent	Final 2021-2024 SOI adopted by Auckland Council		2020/2021 SOI Results to be presented to Board at Public Meeting. Public Deputations to be received.		2022/23 Letter of Expectations to be received		Draft 2022-2025 SOI for Board's review	Approval of Draft 2022-2025 SOI			
Lutra Limited	Performance report							Half-yearly performance report				
	Statement of intent	Final 2021-2024 SOI adopted by Auckland Council		2020/2021 SOI Results to be presented to Board at Public Meeting. Public Deputations to be received.		2022/23 Letter of Expectations to be received						

* Statutory public Board meeting - deputations invited

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

Board meeting | 30 September 2021
Public session

Directors' appointment terms, committee memberships, and meeting attendances

For information

Te pou whenua tuhinga / Document ownership

Prepared by

Jacky Simperingham
Head of Governance

Recommended by

Rob Fisher
Acting Chief Officer Support Services

Submitted by

Jon Lamonte
Chief Executive Officer

1. Te tūhunga / Recommendation

We recommend that the Board notes this report outlining directors' appointment terms, committee membership, and meeting attendances.

2. Take matua / Key points

The key points are:

- the tenure of the seven current directors of Watercare Services Limited
- details of the committees each director is a member of
- details of directors' attendance at Board and committee meetings over the calendar year.

3. Kōrero pitopito / The details

Table 1: We currently have seven directors

Our directors are appointed by Auckland Council.

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

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

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

Director	Audit and Risk	Te Tangata	AMP & Major Capex	Committee for Climate Action
Margaret Devlin (Chair)	*	✓	✓	
Dave Chambers		Committee Chair		✓
Nicola Crauford			Committee Chair	✓
Brendon Green	✓			Committee Chair
Hinerangi Raumati-Tu'ua	Committee Chair		✓	
Frances Valintine		✓		✓
Graham Darlow	✓		✓	

**Board Chair attends in ex-officio capacity*

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

Attended ✓ Did not attend ✕ Not on the committee ■ Not on the Board ☐	Attendance at Board meetings											Attendance at Audit and Risk Committee meetings					Attendance at AMP & Major Capex Committee meetings					Attendance at Te Tangata Komiti meetings				Attendance at Committee for Climate Action meetings					
Board members attendance 2021	Board 29 January 2021	Board 26 February 2021	Board 30 March 2021	Board 29 April 2021	Board 1 June 2021	Board 5 July 2021	Board 29 July 2021	Board 30 August 2021	Board 30 September 2021	Board 28 October 2021	Board 30 November 2021	A&R 3 February 2021	A&R 26 May 2021	A&R 9 August 2021	A&R 24 August 2021	A&R 28 October 2021	AMCC 18 February 2021	AMCC 16 April 2021	AMCC 20 May 2021	AMCC 11 August 2021	AMCC 18 November 2021	TTK 27 January 2021	TTK 28 April 2021	TTK 19 August 2021	TTK 24 November 2021	CCA 19 February 2021	CCA 24 May 2021	CCA 13 September 2021	CCA 8 December 2021		
Margaret Devlin	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓	✓	✓		✓	✕ ¹	✓	✓		✓	✓	✓				✓	✓	✓	
Nicki Crauford	✓	✓	✓	✓	✓	✓	✓	✓									✓	✓	✓	✓							✓	✓	✓		
Brendon Green	✕	✓	✓	✓	✓	✓	✓	✓				✓	✓	✓	✓												✓	✓	✓		
David Thomas	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Hinerangi Raumati-Tu'ua	✕	✕	✓	✓	✓	✓	✓	✓				✓	✓	✓	✓			✓	✓	✓			✓	✓	✓						
Dave Chambers	✓	✓	✓	✓	✓	✓	✓	✕												✓		✓	✓	✓			✓	✓	✓		
Frances Valintine	✓	✓	✓	✓	✓	✓	✓	✕									✕						✓	✓			✓	✓	✓		
Graham Darlow	✓	✓	✓	✓	✓	✓	✓	✓				✓	✕	✓			✓	✓	✓	✕		✓									

1. Margaret Devlin was absent from this meeting as she was required to attend another meeting as Chair of the Board.



Board meeting | 30 September 2021
Public session

Disclosure of Directors' and Executives' interests

For information

Te pou whenua tuinga / Document ownership

Prepared by

Jacky Simperingham
Head of Governance

Recommended by

Rob Fisher
Acting Chief Officer Support Services

Submitted by

Jon Lamonte
Chief Executive Officer

1. Te tūhanga / Recommendation

We recommend that the Board notes the directors' and executives' interests.

2. Take matua / Key points

Section 140 of the Companies Act 1993 requires all directors to keep an Interests Register, which must be disclosed to the Board of the company.

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, but also voluntarily maintains an Interests Register for our executives.

3. Kōrero pitopito / The details

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

DIRECTOR	INTEREST
Margaret Devlin	<ul style="list-style-type: none"> • Director and Chair, Lyttleton Port Company Limited • Director, Waikato Regional Airport • Director, Titanium Park (wholly owned subsidiary of Waikato Regional Airport) • Director, Waimea Water Limited • Director, Aurora Energy

DIRECTOR	INTEREST
	<ul style="list-style-type: none"> • Director, IT Partners Group • Councillor, Waikato University • Deputy Chair, WINTEC • Chair, Advisory Board Women in Infrastructure Network • Chair, Hospice Waikato • Chair, Infrastructure NZ • Chartered Fellow, Institute of Directors • Member, Institute of Directors, Waikato Branch Committee
Nicola Crauford	<ul style="list-style-type: none"> • Chair, GNS Science Limited • Chair, Electricity Authority • Director and Shareholder, Riposte Consulting Limited • Director, CentrePort Limited Group • Trustee, Wellington Regional Stadium Trust
Brendon Green	<ul style="list-style-type: none"> • Director, Kaitiaki Advisory Limited • Director, Tainui Kawhia Incorporation • Director, Hiringa Energy Limited • Director, Hiringa Refueling Investments Limited • Executive Director, Advanced Biotech NZ Limited • Management contract, Tainui Kawhia Minerals • Australia-NZ representative, Wattstock LLC (USA) • Representative of Waipapa Marae, Kawhia, Te Whakakitenga o Waikato Tainui • Runanga Manukau Institute of Technology, Te Whakakitenga o Waikato representative • Member, Waikato District Council – Infrastructure Committee • Advisor, Te Taumata Aronui – Ministry of Education • Adjunct Senior Fellow, University of Canterbury – Department of Chemical Engineering • Co-chair, Waikato Regional Skills Leadership Group • Member, Construction and Infrastructure Workforce Development Council
Hinerangi Raumati-Tu'ua	<ul style="list-style-type: none"> • Chair, Parininihi Ki Waitotara Incorporated • Chair, Te Rere O Kapuni Limited • Chair, Ngā Miro Trust

DIRECTOR	INTEREST
	<ul style="list-style-type: none"> • Chair, Nga Kai Tautoko Limited • Chair, Te Kiwai Maui o Ngaruahine Limited • Trustee, PKW Trust • Director, Taranaki Iwi Holdings Management Limited • Chair, Aotearoa Fisheries Limited • Director, Sealord Group Limited • Director, Port Nicholson Fisheries GP Limited • Director, Te Puia Tapapa GP Limited • Chair, Tainui Group Holdings Limited • Executive Member, Te Whakakitenga O Waikato
Dave Chambers	<ul style="list-style-type: none"> • Director, Paper Plus New Zealand Limited • Director, Living Clean NZ Limited • Director, Turners and Growers Fresh Limited
Frances Valentine	<ul style="list-style-type: none"> • Director and CEO, The Mind Lab Limited • Director and CEO, Tech Futures Lab Limited • Director, Harcourt Jasper Limited • Director, Pointed Tangram Limited • Director, Harper Lilley Limited • Director, On Being Bold Limited • Director, Sandell Trustees Limited • Selection Advisor, Edmund Hillary Fellowship • Trustee, Dilworth Trust Board
Graham Darlow	<ul style="list-style-type: none"> • Business Executive, Acciona Infrastructure NZ Limited • Director and Shareholder, Brockway Consulting Limited • Chair, Frequency NZ Limited • Director, Hick Bros. Civil Construction Limited • Director, Hick Bros. Infrastructure Limited • Chair, Holmes GP Structure Limited • Director, Tainui Auckland Airport Hotel GP (No.2) Limited • Director, Hick Bros. Heavy Haulage Limited

DIRECTOR	INTEREST
	<ul style="list-style-type: none"> • Director, Hick Bros. Holdings Limited

Watercare's Executives' Interests Register is set out below.

EXECUTIVES	INTEREST
Jon Lamonte	<ul style="list-style-type: none"> • Director, Water Services Association of Australia • Member, Water Workforce Development Strategy Steering Group
Marlon Bridge	<ul style="list-style-type: none"> • Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust • Director, WCS Limited
Rebecca Chenery	<ul style="list-style-type: none"> • Director, Lutra Limited
Shayne Cunis	<ul style="list-style-type: none"> • Director, The Water Research Foundation (USA) • Director, Lutra Limited
Rob Fisher	<ul style="list-style-type: none"> • Trustee, Watercare Harbour Clean Up Trust • Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust
Amanda Singleton	<ul style="list-style-type: none"> • Director, Die Weskusplek Pty Ltd (South Africa) • Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust
Nigel Toms	<ul style="list-style-type: none"> • Director, TRN Risk & Resilience Consulting
Steve Webster	<ul style="list-style-type: none"> • Director, Howick Swimgym Limited
Mark Bourne	<ul style="list-style-type: none"> • Trustee, Watercare Harbour Clean Up Trust • Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust

