

## Minutes

<b>Board meeting</b>	Public session
<b>Date</b>	1 March 2022
<b>Venue</b>	Held via Microsoft Teams
<b>Time</b>	9.15am

<b>Attendance</b>		
<b>Board of Directors</b>	<b>Watercare staff</b>	<b>Guests</b>
Margaret Devlin (Chair) Brendon Green Hinerangi Raumati-Tu'ua Graham Darlow Dave Chambers Frances Valintine Nicola Crauford Julian Smith Wi Pere Mita (Board intern)	Jon Lamonte (CE) Jamie Sinclair (Chief Corporate Services Officer, from the beginning till the end except for items 6 and 7) Mark Bourne (Chief Operations Officer, from the beginning until the end of item 8) Steve Webster (Chief Infrastructure Officer, for items 8 and 9) Nigel Toms (Acting GM – Finance, for items 7 to 9) Richie Waiwai (Poutiaki Tikanga Māori, Principal Advisor, for items 6 to 10) Bronwyn Struthers (Head of Health, Safety and Wellbeing, from the beginning until the end of item 6) Harsha Mistry (Internal Audit Manager, for item 7) Stuart Bird (Head of Supply Chain, for item 9) Kuarangi Paki (Te Kaiurungi, Senior Lead & Strategic Māori Advisor for item 10) Otene Reweti (Pou Hononga, Executive, for items 6 to 10) Nikora Wharerau (Matanga-Tikanga me Te Reo Mao Executive, for items 6 to 10) Jacky Simperingham (Co-Head of Governance) Pinaz Pithadia (Governance and Research Administrator)	Councillor Linda Cooper, Auckland Council Liaison Councillor (From the beginning until the end of item 6)  Claire Gomas, Principal Advisor, CCO Governance and External Partnership, Auckland Council

1.	<p><b>Opening karakia</b></p> <p>The Board opened the meeting with a karakia.</p>
2.	<p><b>Apologies</b></p> <p>There were no apologies.</p>
3.	<p><b>Quorum</b></p> <p>All Directors were present at the meeting and therefore a quorum was established.</p>
4.	<p><b>Minutes of the previous meeting</b></p> <p><i>The Board <b>resolved</b> that the minutes of the public session of the Board meeting held on 8 February 2022 be confirmed as true and correct with the following correction:</i></p> <ul style="list-style-type: none"> <li>• <i>the word ‘Fire Services’ at item 1’s fourth paragraph is to be changed to ‘Fire and Emergency’.</i></li> </ul>
5.	<p><b>Public deputations</b></p> <p>There were no public deputations.</p>
6.	<p><b>Chief Executive’s report</b></p> <p>Jon Lamonte took the paper as read.</p> <p>Jon highlighted the following topics in his report:</p> <ul style="list-style-type: none"> <li>• <b>Covid-19:</b> Jon updated the Board on the current position explaining that: <ul style="list-style-type: none"> <li>○ Watercare has approximately 40 cases across various sites including the Lab, Māngere and Newmarket.</li> <li>○ Watercare’s infrastructure contractors have declared approximately 40 cases, however, this is likely to be understated.</li> <li>○ Central Interceptor: Tunnelling had to stop on Saturday, 26 February 2022 due to the number of positive cases, or close contacts. The Mayor’s office has been advised.</li> <li>○ The in-house saliva testing capability has enabled us to identify cases early. Although not accredited by the Ministry of Health, we have been able to identify cases a day or so earlier than using a RAT, and then conduct a PCR test if required.</li> <li>○ RATs are now being used to supplement in-house saliva testing.</li> <li>○ We are now focused on managing the absenteeism due to Omicron.</li> </ul> </li> </ul>

- Although our infrastructure contractors have a larger pool of resource, it is likely that some construction sites may have to close.
- Jon is working closely with Jim Stabback at Auckland Council and discussing these issues at the fortnightly CEs update.

- **Three waters reform:** Jon explained that Watercare continues to support the DIA as needed. Marlon Bridge's secondment has been extended for six months. Watercare is receiving a large volume of information requests, which are taking up considerable time. Jon is working jointly with Jim Stabback to request further funding from the DIA for the Auckland Council Transition Office, Watercare, Healthy Waters and the Northern water group (whether that comes via Watercare or not) to assist with the additional costs of preparing for transition.
- **Cyclone Dovi:** this mainly caused power outages and teams worked quickly to ensure generators were operational.
- **Board of Inquiry:** Jon noted the appeal lodged by Waikato-Tainui. Watercare's intent to be heard has been filed. There is a case conference on 15 March 2022 which will outline the next steps.
- **SOI measures:** Jon highlighted that meeting certain SOI measures is challenging and will continue to be. The Board and Management discussed the importance of keeping Council advised on a 'no surprises' basis. Management confirmed that our plants continue to operate in 'island' mode with a limited number of people working in split shifts. At smaller sites, including Waitākere and Onehunga, if staffing becomes an issue, closure could occur without any impact to customers.
- **Capital programme costs and delivery improvements (page 13 of Boardbooks):** Jon explained that the table sets out the programme of activity that is being undertaken to address several issues that have arisen. He noted that the Watercare Capital Oversight Panel (COP) is meeting this week and their purpose is to review and manage the AMP. The Board and Management discussed the work that WICS is undertaking, and how that will assist with delivery, efficiency and discipline. An update on the WICS work will be provided at the 5 April 2022 Board meeting.

Management then responded to various questions from the Board:

- During Cyclone Dovi, power outages were widespread at 170 locations. A server went down and we could not gain access to WDC offices. Work is being undertaken to relocate the server.
- In relation to capital programme planning, it was noted that it is important to understand whether the overall envelope that has been provided for is being met. Management explained that when reporting on projects in the future, we will: detail the number of projects that are going over; and explain what stage the project is at. The WICS discipline will assist with this. The Board acknowledged the work being undertaken to develop and implement a revised estimating manual, and the introduction of P90 through to P50 estimates. The Board suggested that it would be useful for Management to provide information about whether each project is P50, P90 or somewhere on spectrum.
- The Board asked that Management pass on their best wishes to Claudia Forycki for her 50 years at Watercare.
- Watercare run two paid graduate programmes, one in-house and one with GHD/Fulton Hogan.
- Auckland Council has acknowledged receipt of our response to the abatement notice against the Helensville WTP, and we are waiting for Council's response. Councillor Cooper explained that the regulatory compliance department is currently overloaded.

	<ul style="list-style-type: none"> <li>• Jon provided an update in relation to the replacement Huia water treatment plant. The next step is mediation with the appellants, likely to be April/May/June, but Covid-19 dependent. If mediation is not successful, which seems possible given the difference in views, the appeal will be heard in the Environment Court around September/October 2022, with a decision out around Christmas 2022.</li> </ul> <p><b>Healthy, Safety and Wellbeing (page 35 of Boardbooks)</b></p> <p>Bronwyn Struthers spoke to the report and noted:</p> <ul style="list-style-type: none"> <li>• Covid-19 continues to dominate and will do for another month or so. Then hopefully we can move to a “new normal”.</li> <li>• “Working with or near live services” and “mobile plant”, remain our two most concerning critical risks. Bronwyn explained the approach to have proper systems in place and use railings where there are not accurate drawings.</li> <li>• The work being undertaken to improve reporting and focus on lead indicators.</li> </ul> <p>The Board and Management discussed the following:</p> <ul style="list-style-type: none"> <li>• Watercare’s connection with the national body in relation to digging underground, along with WorkSafe and other groups. However, there has not been momentum in the last 18 months, therefore Watercare want to take active steps to progress this.</li> <li>• Whether we can earth the machines, and work is being done to have definitive advice as to what operators need to do.</li> <li>• The sharing of accurate drawings with other utilities was discussed. Bronwyn explained the current situation and how there needs to be a discussion to find a better solution.</li> <li>• Mental Health will be added as Watercare’s 14<sup>th</sup> critical risk.</li> <li>• The high leave balances of some staff. It was noted that work is currently underway to work on those with a large amount of leave owing, including buying out leave for the top 35.</li> <li>• In relation to dog bites, Bronwyn explained this is a common injury. The standard practice is to update the records for the property to note there is a dog at site, and to contact owners to arrange for the dog to be tied up for the next reading.</li> <li>• Now Omicron is in the community, there is a mix of responses from staff including the relief that we are dealing with it now, and a heightened sense of anxiety as it spreads. Our focus is on looking after our people.</li> </ul> <p>The Board thanked Bronwyn for the report and the work undertaken.</p> <p><i>The Board <b>noted</b> the report.</i></p>
7.	<p><b>Sensitive expenditure policy</b></p> <p>The Chair of the Audit and Risk Committee noted that this policy was prepared following internal audit work with an aim to significantly change the culture around expenditure.</p>

	<p>Harsha Mistry spoke to the report and noted the key changes.</p> <p>The Board requested that the policy be updated to ensure that costs for events paid for personally <b>must</b> be paid by the most senior staff.</p> <p>The Board and Management discussed whether employees record when a supplier pays for something, e.g. lunch. Management will report back on this.</p> <p><i>The Board <b>accepted</b> the Audit and Risk Committee’s recommendation to approve the updated Sensitive expenditure policy subject to the following amendment:</i></p> <p><i>“Costs for events paid personally and included in an expense claim <del>should</del> <b>must</b> be paid by the most senior staff member present”.</i></p>
<p><b>8.</b></p>	<p><b>Scanning the Horizon</b></p> <p>Steve Webster spoke to the ‘Emerging trends in infrastructure’ section of the report.</p> <p>Steve noted that the trends came from a report prepared by KPMG. The Board and Management discussed that the report sets out high level macro trends, and whether a more localised report would be more useful. The Board noted that the Scanning the Horizon report does not set out Watercare’s response to these trends. Jon said he would consider the best way to report back to the Board.</p> <p>The Board acknowledged the partnership with Fletchers and the low carbon homes pilot.</p> <p>The Board thanked Rebecca van Son and the team for the report.</p> <p><i>The Board <b>noted</b> the report.</i></p>
<p><b>9.</b></p>	<p><b>Construction supply chain risk review</b></p> <p>Stuart Bird spoke to the report.</p> <p>He noted that the paper sets out the impact of the supply chain risk and where Watercare will see cost inflation. Cost inflation is likely to be 8-10% in the next financial year, and then it is forecast to drop.</p> <p>Stuart explained that there are no signs of shipping constraints going away which puts more pressure on the New Zealand economy.</p> <p>He explained that Watercare has engaged cost consultants to review specific examples. The key is the mitigation strategies, including free issue of more plant and equipment to our construction partners, which allows us to procure earlier.</p>

	<p>In response to questions from the Board, Stuart explained:</p> <ul style="list-style-type: none"> <li>• NZ Steel’s materials are suitable for our purposes and is sustainable (iron ore black sand from west coast beaches, processed in Onehunga).</li> <li>• That we will work closely with our cost consultants.</li> <li>• In relation to the chemical supply risk, the risk is predominantly a shipping risk, and the latest risk is the absenteeism of truck drivers. The consequence is likely to be tweaking the processes, rather than shutting down a site. However, this is likely to cause pressure on team already under pressure</li> <li>• We would support other organisations if they requested our assistance in relation to supply.</li> </ul> <p>The Board discussed considering the definitions of risk consequences, including what ‘very high’ and ‘high’ is defined as (as set out at Attachment 1 of the report), at the Audit and Risk Committee.</p> <p><i>The Board noted the report.</i></p>
<p><b>10.</b></p>	<p><b>Strategic focus: Te Ao Māori is embedded throughout our organisation – achieving Māori outcomes</b></p> <p>Richie Waiwai began the agenda item with a karakia and introduced his team.</p> <p>Nicki Crauford introduced the agenda item, and the presentation (attached as Attachment 1). She explained that she met with the team and discussed “what good looks like” in terms of embedding Māori values at Watercare. She noted that there is an impression that there is a huge willingness at the Board level to see Te Ao Māori embedded throughout the company. However, we are often unsure about what that means in practice.</p> <p>Richie spoke to the presentation and noted the importance of Te Reo Māori and pronunciation. To enable this, it is important that we have a safe cultural environment that allows everyone in the whole company to ask any question about Te Ao Māori and the Māori world view. Richie acknowledged that we need to be mindful and inclusive of everyone’s tribal whakapapa.</p> <p>Kuiarangi Paki spoke to the next slide of the presentation. She acknowledged the support from Nicki and Wi Pere Mita. Kui referenced the aspirations in Watercare’s plan, including embracing and developing Māori identity and culture. She noted that we will not know if we are succeeding until: we can see and feel that Te Reo Māori is part of everyday business; Te Reo is heard throughout the company; and staff are confident about the Māori worldview. It is also important that this is modelled by the Board, Executive, staff, stakeholders and our customers.</p> <p>Kui explained that we need to recognise Te Tiriti o Waitangi and the significance of Te Mana o te Wai. We should make no assumption that our staff know the historical context. Therefore, we may need to consider specialised training. Richie noted some progress has been made, including Te Reo training and development of treaty knowledge by business units.</p>

	<p>Kui spoke to the final slide and “what would good look like” if iwi and mana whenua are active partners, decision-makers and participants with Watercare. Kui explained that this would involve both staff and the Board establishing relationships with iwi and mana whenua that extends beyond Watercare.</p> <p>Richie asked for feedback from Directors as to what happens on their other boards.</p> <p>Otene Reweti discussed the importance of connecting with people to build relationships properly.</p> <p>Nicki thanked Richie, Kui, Otene and Nikora, and invited korero. She noted that the Board needed to discuss how to put a plan together.</p> <p>Wi Pere acknowledged the team for their mahi. He noted that it is important to understand and acknowledge that people are on different ends of the spectrum. Wi Pere commented that we need to make a safe space for everyone and this work is the foundation of a bigger longer journey.</p> <p>The Board discussed the journey that we are on and that the Board needs to take steps to demonstrate how we are progressing. The Board development day should be used to progress this.</p> <p>The Board acknowledged the progress made is positive and the establishment of Te Rua Whetū is a big step.</p> <p>The Board discussed ensuring that the Board meets in person and get to know each other.</p> <p>Nikora Wharerau noted that Watercare is not very different compared to other organisations regarding learning Te Reo. A good starting point is understanding the creation of the world and universe and working on correct pronunciation. She noted that we need to be clever with the resources we have at hand.</p> <p>Nicki discussed the next steps which include helping the Board members with pronunciation and the understanding of the significance of Te Mana o te Wai. Nicki suggested this would be covered off at the Board development day. Nicki and Richie will work on the development day plan.</p> <p>Richie closed the agenda item.</p> <p>The Board thanked the team and noted that we are on a long journey.</p>
<p><b>11.</b></p>	<p><b>Board planner</b></p> <p><i>The Board <b>noted</b> the Board planner.</i></p>

12.	<p><b>Directors' appointment terms and committee memberships and meeting attendances</b></p> <p>The report sets out the changes discussed last month being the disestablishment of three of the Committees. The Chair noted that she will be attending Auckland Council's Appointments and Performance Review Committee this afternoon.</p> <p><i>The Board <b>noted</b> the report.</i></p>
13.	<p><b>Disclosure of Directors' and Executives' interests</b></p> <p>The Chair asked the Board to let the Governance Team know if there are any changes to their interests.</p> <p><i>The Board <b>noted</b> the report.</i></p>
14.	<p><b>General business</b></p> <p>Claire Gomas noted the comments made in relation to the performance against the SOI. She noted that the Q2 reports are going to the Committee shortly, and that several CCOs are facing similar challenges. Claire appreciated the conversation around te mana o te wai and encouraged the Board to consider how this fits in to water reform.</p> <p>The Board discussed the water sources, noting the usage per person is going in the right direction and how the water strategy feeds into water resources.</p> <p>The meeting closed at 11:34am.</p>

CERTIFIED AS A TRUE AND CORRECT RECORD

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Margaret Devlin, Chair



# Te Mahere a Watercare

## Watercare Company Plan 2022

*Aronga Rautaki Matua*  
*Strategic Priority:*

*Te Ao Māori values are embedded  
throughout our organisation*



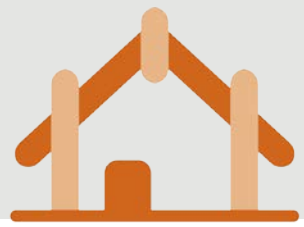
# Ka noho tūturu ngā uara Māori i Watercare

Te Ao Māori values embedded throughout Watercare

## Ō tātou tūmanako

Our Aspirations

- We value Te Ao Māori and understand the cultural importance of water
- We embrace and develop our own Māori identity and culture competencies
- We recognise Te Tiriti o Waitangi and the significance of Te Mana o te Wai
- Iwi and mana whenua are active partners, decision-makers and participants with Watercare



# Ka whai uara te ao Māori i Watercare

We value te ao Māori and understand the cultural importance of water

## He aha te tohu o te pai?

If we are successful, what *would* 'good' look like?

- We feel safe to ask questions if we don't know or understand
- We commit to a journey of learning and continue to evolve our understanding with new questions
- We explore all aspects of water and start to weave it into our stories
- We have a workforce that feels confident in their understanding of water, its value and different aspects



# Ka whai tātou kia mārama

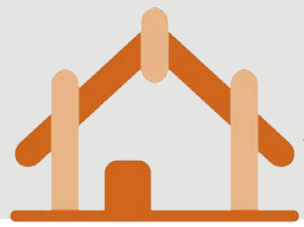
We embrace and develop our Māori identity and culture competencies

## Me pēhea te ine momoho?

If we are successful, what *would* 'good' look like?

- We openly practice Māori customs and protocols as part of our everyday business
- We normalise te reo Māori. It's seen and heard throughout the organisation correctly
- We are confidently able to connect different parts of the Māori worldview into the organisation
- We demonstrate leadership from our board > executive leaders > staff > stakeholders and customers.

*Ko te amorangi ki mua, ko te hāpai ō ki muri*



# E mārama ana ka whai panga te Tiriti o Waitangi

We recognise Te Tiriti o Waitangi and the significance of Te Mana o te Wai

## Mā te Māori e kī, kua tae atu tātou ki te pae?

If we are successful, what *would* 'good' look like?

- We increase our knowledge and understanding of Te Tiriti o Waitangi and its principles in both historical and modern contexts
- We are able to demonstrate the ways in which we give effect to Te Mana o te Wai
  - What does Te Mana o te Wai mean to our mana whenua partners?
  - What does Te Mana o te Wai mean to Watercare?
  - Where are the alignments and gaps in our understanding?



# Kei te tēpu whakatau te Māori

Iwi and mana whenua are active partners, decision-makers and participants with Watercare

## Ka tau tō tātou noho i roto i ngā whakawhitinga kōrero me te Māori

If we are successful, what *would* 'good' look like?

- We have relationships with iwi and mana whenua across all levels of Watercare
- We accept our differences, are open to compromise and always look for solutions and outcomes that move us forward
- Our leaders feel confident to form relationships with Māori communities outside of their roles and responsibilities of Watercare

# Ngā manaakitanga

Pātai - any questions?