

Minutes

Board meeting	Public session
Date	30 September 2021
Venue	Held via Microsoft Teams due to Covid-19 Alert Level 3 restrictions
Time	9.15am

Attendance		
Board of Directors	Watercare staff	Guests
Margaret Devlin (Chair) Brendon Green Nicola Crauford Hinerangi Raumati-Tu'ua Graham Darlow Dave Chambers Frances Valintine	Jon Lamonte (CE) Rob Fisher (Company Secretary and Acting Chief Officer Support Services) Andrew Chin (Executive Director Special Projects, from item 6) Amanda Singleton (Chief Customer Officer, for item 8.4) Shayne Cunis (Executive Programme Director CI, for item 8.1) Mark Bourne (Chief Operations Manager, for item 8.2) David Moore (Manager of Improvements Programme, for item 9.2) Bronwyn Struthers (Head of Health, Safety and Wellbeing, for item 7) Jenny Wigley (Customer Insight Specialist, for item 8.4) Priya Thuraisundaram (Head of Customer Insight, for item 8.4) Jacky Simperingham (Head of Governance) Jodie Atkin (Governance Coordinator) Pinaz Pithadia (Governance and Research Administrator)	Councillor Cooper Claire Gomas, Principal Advisor, CCO Governance and External Partnership, Auckland Council

1.	<p>Opening karakia</p> <p>The Chair opened the meeting with a karakia.</p>
2.	<p>Meeting administration</p> <p>2.1 Quorum</p> <p>The Chair confirmed that quorum was established.</p> <p>The Chair also acknowledged:</p> <ul style="list-style-type: none"> • The rules of engagement for a seamless virtual meeting that were circulated before the meeting. • Jon Lamonte (CE) and his team for the great work during lockdown and the challenging weather conditions.
3.	<p>Apologies</p> <p>No apologies were received.</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 30 August 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 Lamonte spoke to this report. He noted:</p> <ul style="list-style-type: none"> • In relation to Covid-19, all projects are now progressing in Alert Level 3. He noted the challenges at the laboratory due to split shifts and the fact that the workload has not reduced as testing was still required. • The impacts from the extreme weather event including one dam being out of service for a number of weeks and the turbidity levels. He noted that the weather event will have a long-term effect. Jon acknowledged the huge effort from both the water and wastewater teams. • 84% of Watercare staff have had at least one Covid-19 vaccination. There are now more staff that have had both vaccinations than have had one. • The formation of Te Rua Whetū – Māori Outcomes & Relationships Unit which is a big step forward.

- The potential regulatory change in relation to hydrogen sulphide. Management is currently considering the consequences of the potential change.
- The change in approach to the Redoubt Reservoir expansion project, which will result in a better outcome.
- The work undertaken and set out at Attachment 1 which provides further details around the activities undertaken to progress the various recommendations.

The Board suggested Management to connect with the geothermal/energy sector in relation to the potential hydrogen sulphide regulatory changes.

The Board acknowledged:

- The trial of text messages to keep customers informed.
- The approach to the Redoubt Reservoir expansion project seems more optimal than a sequential approach.
- The formation of Te Rua Whetū – Māori Outcomes & Relationships Unit.
- The progress made in relation to the recommendations as set out in Attachment 1 and requested that the report be rationalised so it indicates the work that is still in progress.

In response to a question, Management confirmed that there is no further update on the Huia resource consent and noted that the appeal hearing is likely to be by the middle of 2022.

The increased scrutiny of the regulator in relation to wastewater discharge consents was discussed. Management advised that Watercare continues to work with the regulator.

The Board acknowledged the Information Hub for Councillors.

The Helensville Wastewater Treatment Plant and the work that is being done to achieve compliance was discussed, which may include a series of short-term fixes.

The Board noted that the performance against the Statement of Intent measures was good. Jon advised that there is likely to be a change in the results for September as a result of Covid-19 impacts.

Councillor Cooper acknowledged Jon and his staff for the work undertaken in relation to the flooding, including the communications about the dams and the turbidity levels.

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

<p>7.</p>	<p>Health, safety and wellbeing report for August 2021</p> <p>Bronwyn Struthers (Head of Health, Safety and Wellbeing) spoke to this report which she took as read.</p> <p>She drew the Board’s attention to:</p> <ul style="list-style-type: none"> • Covid-19 impacts, as this had consumed the team since the middle of August. • The discussions at the CCO CEO forum regarding appropriate lead indicators for tracking the engagement of Health, Safety and Wellbeing, and the inconsistency in the definitions of the types of meetings. A workshop will be held to agree the lead indicators of engagement across the Auckland Council Group. <p>The Board acknowledged Watercare for raising this at the CCO CEO forum. The Board noted the proactive approach towards health and safety has been shown to have a big impact on contractor performance.</p> <p>The Board discussed the critical risk review of working alone or isolated. Management was asked to consider using personal alarms rather than relying on an app on a phone.</p> <p>In relation to the excavator tip-over, the Board discussed the need to focus on operator competency. Bronwyn explained that the proposed training centre layout includes an area of plant and equipment training. The Board discussed the use of simulators by contractors as an effective tool for training.</p> <p>A discussion about fatigue, including industry and Covid-19 fatigue, was had. Bronwyn explained the work being undertaken to uplift the teams.</p> <p>The Board acknowledged the improvement of the report, and the reporting of metrics. In relation to the number of cases longer than three months in iCare, a discussion was had that this number seemed high. Due to work being undertaken, Bronwyn advised that this number should be significantly reduced by the beginning of 2022.</p> <p><i>The Board noted the report.</i></p>
<p>8.</p>	<p>For discussion</p> <p>8.1 Central Interceptor report for August 2021</p> <p>Shayne Cunis (Executive Programme Director CI) spoke to the report which he took as read.</p> <p>Shayne noted the exemption that the project received. Wilson Precast was also granted an exemption to manufacture and deliver segments for the project.</p>

In response to a query from the Board following the recent floods, Shayne explained that the shafts had been designed with barriers for flooding.

In response to a query from the Board about Keith Hay Park, Shayne explained that they were able to cut the pipe free from the chamber. Geotechnical investigations are ongoing as to why the pipe had sunk by 150mm.

The Board acknowledged the project obtaining an exemption and Wilson Precast's exemption too.

The Board asked Management to review the reporting up to the AMP and Major Capex Committee and to the Board, in relation to the performance against the plan for the project.

The Board and Management discussed the impact on Covid-19, the mood of the CI team and the importance of monitoring the wellbeing of the CI team.

Brendon Green left meeting at this point to attend a scheduled call.

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

8.2 Water resources report

Mark Bourne (Chief Operations Officer) introduced David Moore (Manager of Improvements Programme), who is on secondment covering Anin Nama.

David spoke to the report and noted that demand continues to be low, possibly suppressed by Covid-19.

David noted that storage is increasing and dam levels are where we need them.

David noted that the rainfall has been in both the Waitākere and southern catchments.

He provided an update on the augmentation projects noting that the impacts of delays following lockdown are yet to be known.

Following a query from the Board, David noted that the contractors have been flexible during lockdown by deploying staff to other areas. This results in Watercare not incurring the full delay costs.

A discussion about the cumulative rainfall and storage leading into summer was had. Mark noted that Watercare is currently updating the forecast for the coming months based on current storage.

The Board and Management discussed leak detection at Anglian Water and noted that as the cost of water increases, the activity undertaken to ensure the network is efficient will fluctuate.

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

8.3 CCO review recommendation

Rob Fisher (Company Secretary and Acting Chief Officer Support Services) spoke to this report which he took as read.

Rob noted that Management have been reporting every second month to the Board by exception. Management will provide the detail on all 64 recommendations at the November Board meeting.

Rob noted:

- Watercare is working with Auckland Council on the three waters strategy.
- AMP has been completed and Watercare is contributing to a Community of Practice to share best practice and collaborate across the Council Group.
- Watercare is continuing to contribute to resolving consent processing delays.
- The shared services review is underway. Nigel Toms is leading it from Watercare's perspective, with Stuart Bird assisting from an operational perspective. The CCO Boards will be final decision makers. The review is planned to take four to five months.

The Board discussed the importance of the design of the shared services to ensure it is not to the detriment of individual parts of the Group. The Board encouraged data sharing across the Group to ensure well designed.

Following a question from the Board in relation to the status of the three waters strategy, Jon noted that the focus had been on reform. He noted that the three waters strategy was due to be completed by the end of this calendar year. The Chair asked for the momentum to continue.

Councillor Cooper noted that work is being undertaken between Watercare staff and Auckland Council staff and it is moving forward. She also noted that in relation to shared services, the Councillors are well aware that one size does not fit all.

Claire Gomas (Principal Advisor, CCO Governance and External Partnership, Auckland Council) noted that the three waters strategy is being progressed. She thanked Watercare for the support in relation to reform. Claire noted that the CCO Review is still a focus as there are a lot of benefits of this review, and the CCOs working together. She noted that Watercare will receive a Letter of Expectation and that Council is currently considering the best way to organise a conversation between the Board and Councillors.

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

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

Amanda Singleton (Chief Customer Officer) introduced Jenny Wigley (Customer Insights Specialist).

Jenny spoke to the presentation attached to the report which set out the details of both the residential customer study and the commercial customer study. Jenny explained that the studies discovered:

- Residential customers want our investment decisions to reflect fairness to the future.
- Residential customers want to pay it forward.
- Commercial customers have a nearer view of the future.
- Some Aucklanders still find it difficult to believe there is a drought.
- Customers do not understand terms we regularly use, e.g. wastewater.
- The majority of residential customers believe they are saving water, but other people are not doing enough.
- Residential customers felt that commercial customers should be more efficient and commercial customers felt that residential customers should be the ones to restrict use as they use the most.

Jenny noted that the research uncovered key differences between our customers, which we can feed into water efficiency communications.

She explained that residential customers want Watercare to make decisions that balance fairness in customer outcomes. Commercial customers are looking to strengthen their partnerships with Watercare.

Jenny explained that Watercare's customers have a mixed understanding of Watercare's responsibilities.

The Board discussed the presentation and noted:

- The insights are interesting, and this is the beginning of understanding Watercare's customers.
- The difficulty with the definition of 'fairness'.
- Importance to take learnings from overseas. Amanda noted that Watercare is constantly looking overseas to take learnings from organisations like Anglian Water.

In response to a query, Amanda noted that the research has been shared with Auckland Council, along with sharing the deliberative democracy learnings.

Following questions from the Board, the Board and Management discussed the fact there are different demographic groups within Watercare's customer base. Jenny explained that the research company, Read Research, ask the right questions to obtain the necessary data.

Councillor Cooper noted that the research is very insightful and helpful for the three waters strategy.

Brendon Green re-joined the meeting during this agenda item.

*The Board **noted** the report and presentation.*

<p>9.</p>	<p>Governance</p> <p>9.1 Board committee updates</p> <p>Brendon Green, Chair of the Committee for Climate Action (CCA), reported that the meeting of the CCA was held on 13 September 2021 and noted the following:</p> <ul style="list-style-type: none"> • The CCA received a presentation on the IPCC report in relation to climate change. • A report on wastewater process emissions was discussed. • Three strategic priorities of the CCA were agreed, as follows: <ul style="list-style-type: none"> - Roadmap for decarbonisation - Leadership - Adaptation. <p>9.2 Board planner</p> <p>The Board noted the Board planner, which is now a 12-month rolling calendar.</p> <p>9.3 Directors' appointment terms and committee memberships and meeting attendances</p> <p>The Board noted the report.</p> <p>The Chair noted that the recruitment of an additional Director to the Board will be finalised by the end of the year.</p> <p>9.4 Disclosure of Directors' and Executives' interests</p> <p>The Board noted the report.</p>
<p>10.</p>	<p>General business</p> <p>The Chair noted that the Board met with the Water Governance Board of Waikato District Council on 21 September 2021. She noted:</p> <ul style="list-style-type: none"> • It was a successful meeting. • The Water Governance Board is pleased with Watercare's performance on the contract.

	<ul style="list-style-type: none">• The delay in the capital programme was acknowledged, along with the action plan that has been put in place to address this. <p>The meeting closed at 11.00am.</p>
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CERTIFIED AS A TRUE AND CORRECT RECORD

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Margaret Devlin, Chair