

**Minutes**

<b>Board meeting</b>	Public session
<b>Date</b>	8 February 2022
<b>Venue</b>	Held via Microsoft Teams
<b>Time</b>	9.45am

<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) Mark Bourne (Chief Operations Officer) Bronwyn Struthers (Head of Health, Safety and Wellbeing, for items 6 and 7) Sarah Phillips (Acting GM – People and Capability, for item 7) Chris Thurston (Head of Sustainability, for item 7) Jacky Simperingham (Co-Head of Governance) Pinaz Pithadia (Governance and Research Administrator) Ben Halliwell (Elected Member Relationship Manager)	Edward Siddle (Acting Manager CCO Governance, Auckland Council)

1.	<p><b>Opening karakia and welcome new directors</b></p> <p>The Chair welcomed Julian Smith and Wi Pere Mita to the meeting. She also welcomed Edward Siddle who is attending in place of Claire Gomas from Auckland Council, and Ben Halliwell who has started working in Brent Evans’ team as the Elected Member Relationship Manager.</p> <p>The Chair acknowledged that the agenda and papers reflect the changes following the discussions at the end of 2021 for greater strategic insight and oversight.</p> <p>The Chair advised that the Directors were aware of the Board of Inquiry decision and the consent conditions. On behalf of the Board, the Chair thanked the Watercare team for all their work, in particular Jon Lamonte, Mark Bourne, Tanvir Bhamji, Rob Fisher and Richie Waiwai.</p> <p>The coverage in the media recently was acknowledged, including the recycled water innovation now being used by the Fire and Emergency. The Chair acknowledged that it was positive that the ‘<i>Water is Precious</i>’ campaign continued.</p> <p>Although this item of the agenda indicated that there would be a karakia, this was no longer necessary due to the powhiri and karakia that took place earlier in the morning to officially welcome Julian Smith and Wi Pere Mita.</p>
2.	<p><b>Apologies</b></p> <p>Apologies were received from Councillor Linda Cooper. The Chair noted that Cr Cooper has provided her feedback on the pack.</p>
3.	<p><b>Quorum</b></p> <p>All of the 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 30 November 2021 be confirmed as true and correct.</i></p>
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. He noted that the report is more comprehensive than normal due to the changes in the pack.</p> <p>Jon highlighted the following topics in his report:</p>

- **Covid-19:** Jon noted that the Government’s guidance for operating under Red in the traffic light system has recently changed. Therefore there are situations where it is appropriate for some people to work from the office. In response to a query, Jon explained that Watercare is looking at alternatives in the event Rapid Antigen Tests cannot be obtained shortly (including the possibility of establishing an in-house PCR testing capacity). The Chair encouraged Jon to engage with the Ports, including Lyttleton and Napier, who are facing similar issues.
- **Water resilience:** Management noted that the dam levels are approximately 91%, and demand is lower than anticipated for February. We are currently taking 140MLD of water supply from the Waikato River.
- In response to a query regarding the increase in faults during the dry period, Jon explained that the increase was proportionally higher than previous years. However, Management will investigate the situation further, and take on board the lessons learnt.
- **People:** Jon noted that although turnover has increased, turnover is generally lower than other organisations.
- **Community and stakeholder relationships:** In addition to this report, Jon explained that the responses to the Watercare and Auckland Council relationship survey have been received. Management will report the results of the survey, along with the action plan to the Board in due course.
- Taumata Arowai is seeking feedback on the new drinking water guidance documents. In response to a question as to whether Watercare is ready for the implementation of the new guidance, Mark Bourne provided an update on the key areas of change which include:
  - A change to the reporting period for deeming compliance from monthly to daily. Mark explained that this is administrative and it may identify outliers in the network that require intervention.
  - Any exceedance in a sample will be considered as non-compliance. Mark explained the remedies to this which include barrier treatment, training and interventions.
  - Change in the monitoring requirements for conductivity of raw water. Mark noted no issue for Watercare. This is a record keeping issue.
  - Change to systems and record keeping. Mark noted that we will need to record who has undertaken an activity, and their qualifications/training.
- Mark advised that submissions on Taumata Arowai’s guidance documents are due on 28 March 2022. Watercare is currently preparing its submission.
- In response to a query from the Board, Mark explained that it will be important that the regulator signals the changes ahead of time and allows time for the changes to be adopted.
- Jon explained that the Ministry of Health is likely to require fluoridation in the water.
- **Statement of Intent measures:** Jon referred to the Statement of Intent measures for December. He explained that we are not meeting the deadlines for the sewerage overflows. However, Management is on the right trajectory, and work is underway. Jon noted that other Statement of Intent measures were challenging to meet due to lockdowns or the volume of work being undertaken by the business.
- In response to a query regarding the upcoming local government elections, Jon noted that the issues that may be discussed could include pricing, three water reform and any non-compliances.

The Board observed that in relation to the cost/affordability Statement of Intent measure, the wealth gap is increasing. Given this, it may be more appropriate to use more than one measure.

The Board discussed the organisational plan (attachment 1 of the report, page 32 of Boardbooks). In response to a comment from the Board, Jon took note of the observation that the commitments to the community/stakeholder are potentially too light. In relation to iwi relationships, the Board commented that use of 'partnership' is more appropriate than 'engagement' (page 36 of Boardbooks) and queried the use of 'representation' on page 38. There was a discussion as to whether it is sufficiently clear that Te Reo is an item on its own accord. Jon acknowledged the feedback which will be taken on board.

The Board and Management discussed the consent compliance (attachment 6 of the report, page 73 of Boardbooks). Management noted that the non-compliances are constantly being monitored, and the solutions form part of the capital works programme.

The Board and Management discussed the percentage of real water loss Statement of Intent measure, and that the new economic level of leakage measure will be included in the upcoming draft Statement of Intent. Jon explained that Management has a comprehensive plan in place to drive this down.

***Health, safety and wellbeing metrics for December 2021 – Attachment 5 – page 65 of Boardbooks***

Bronwyn Struthers spoke to the update at page 65 of Boardbooks. She referred to the critical risk review (working with or near live energy) and noted that it is an area we need to work on. Bronwyn explained that there has been a significant reduction in the number of open iCare cases over six months old.

The Chair noted that the Board is considering how to engage whilst in Covid-19 Traffic Light Level Red, and by March there may be greater clarity.

Graham Darlow advised that he had attended a number of meetings with Bronwyn, and explained that the level of conversations are encouraging, constructive and appropriate.

In response to a query about Watercare's wellbeing and mental health culture, Bronwyn acknowledged the pressure the workforce is under and that Management is very aware of that and having conversations about it. She noted the importance of maintaining a connection with employees. She explained that mental health is included on our Enterprise Model risk framework.

In relation to the critical risk, the Board queried whether we have fire risk areas mapped out given the dry weather. Management explained that fire risk areas are included in risk registers for site, and part of the risk assessment before work is undertaken.

*The Board noted the report.*

7.	<p><b>Scanning the Horizon</b></p> <p>Jon Lamonte spoke to the report.</p> <p>Jon took the report as read and asked the Board for any feedback on any topics that have not been included. The following was discussed:</p> <ul style="list-style-type: none"> <li>• The Board advised that Management should capture the increase in household outgoings following increase in inflation and the pressure on individual families.</li> <li>• In relation to talent, the recent OCD report was discussed which highlighted the lack of the development of talent. The Board encouraged Management to consider the skills that need to be developed internally across the whole of the business.</li> <li>• The Board noted that the sustainability priorities are largely climate and carbon related, and that management need to think broader.</li> <li>• It is increasingly difficult to engage with customers. Organisations require a highly engaged relationship with their customers and community to engage.</li> </ul> <p>The Board noted that the report was useful as it pulled several threads together. The Board thanked Rebecca van Son for this report.</p> <p><i>The Board <b>noted</b> the report.</i></p>
8.	<p><b>Board committee updates</b></p> <p>This item was deferred to the confidential session of the meeting.</p>
9.	<p><b>Disestablishment of Te Tangata Komiti, AMP and Major Capex Committee, and Committee for Climate Action</b></p> <p>The Chair spoke to the paper and explained the reason behind the disestablishment of the Committees is to bring these subject areas to the full Board for discussion. She noted that this approach will be monitored.</p> <p><i>The Board <b>resolved</b> to approve the disestablishment of Te Tangata Komiti (TTK), the AMP and Major Capex Committee (AMCC), and the Committee for Climate Action (CCA), and the Board agreed to undertake the functions of TTK, AMCC and CCA in its future full Board meetings.</i></p>
10.	<p><b>Board planner</b></p> <p>The Chair noted that the new Board planner reflects the previous discussions regarding the meetings. The Board development day will be held in May, and the Board planning day in October. The Board members will consider what they would like to see at the Board development day.</p> <p>In response to a question, Jon explained that every second month Richie Waiwai will provide an update including progress against the Māori Outcomes Plan. The Chair noted that engagement with iwi outside of Board meetings will continue too.</p>

	<p>Julian Smith suggested that once Covid-19 restrictions allow, it would be useful to schedule visits to the customer call centre to allow Directors to listen in on calls with customers.</p> <p>The Chair noted that she has written to the Mayor regarding Directors terms, and it is being tabled at a Council meeting on 1 March and she will speak to the paper.</p> <p><i>The Board <b>noted</b> the Board planner.</i></p>
<b>11.</b>	<p><b>Directors' appointment terms and committee memberships and meeting attendances</b></p> <p><i>The Board <b>noted</b> the report.</i></p>
<b>12.</b>	<p><b>Disclosure of Directors' and Executives' interests</b></p> <p>Hinerangi Raumati-Tu'ua noted that she has resigned from several her positions. It was discussed that the Directors will contact the Governance Team to advise of the changes that will apply to the next meeting.</p> <p>Jon Lamonte noted that as of 7 February 2022, he is the Chair of the Audit and Risk Committee of Water Services Association of Australia.</p> <p>Brendon Green noted that since last meeting, he has been appointed to the Crown Entity, New Zealand Forest Research Institute Ltd trading as Scion, and has resigned from Advanced Biotech New Zealand.</p> <p><i>The Board <b>noted</b> the report.</i></p>
<b>13.</b>	<p><b>General business</b></p> <p>There was no general business.</p> <p>The meeting closed at 11.04am.</p>

CERTIFIED AS A TRUE AND CORRECT RECORD

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Margaret Devlin, Chair