

Board meeting | 2 August 2022

Public session



Venue	Watercare Services, Level 3 Boardroom, 73 Remuera Rd, Remuera and via Microsoft Teams
Time	9.15am to 11am

Meeting administration		Spokesperson	Action sought	Supporting material
1	Opening Karakia	Graham Darlow	-	-
2	Apologies	Acting Chair	Record apologies	Verbal
3	Quorum	Acting Chair	Five directors required	Verbal
4	Minutes of the previous meeting	Acting Chair	Approval of minutes	Minutes: 5 July 2022 meeting
5	Public deputations	Acting Chair	For information	Verbal
Running the Business				
6	Chief Executive's report	Jon Lamonte	For discussion	Report
Deliver the Future				
7	Scanning the Horizon	Various	For discussion	Report
8	Strategic focus: We have a resilient water supply	Graham Darlow and Mark Bourne	For discussion	Presentation
Governance				
9	Board planner	Acting Chair	For information	Report
10	Directors' meeting attendances	Acting Chair	For information	Report
11	Disclosure of Directors' and Executives' interests	Acting Chair	For information	Report
12	General Business	Acting Chair	For discussion	Verbal update

Date of next meeting	Tuesday 6 September 2022
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Karakia Timatanga (To start a meeting)

1. Whakataka te hau ki te uru

Whakataka te hau ki te tonga

Kia mākinakina ki uta

Kia mātaratara ki tai

E hī ake ana te atakura

He tio, he huka, he hau hū

Tihei mauri ora!

*Cease the winds from the west
Cease the winds from the south
Let the breeze blow over the land
Let the breeze blow over the ocean
Let the red-tipped dawn come with a sharpened air.
A touch of frost, a promise of a glorious day.*



2. Tukua te wairua kia rere ki ngā taumata

Hai ārahi i ā tātou mahi

Me tā tātou whai i ngā tikanga a rātou mā

Kia mau kia ita

Kia kore ai e ngaro

Kia pupuri

Kia whakamaua

Kia tina! TINA! Hui e! TĀIKI E!

Allow one's spirit to exercise its potential

To guide us in our work as well as in our pursuit of our ancestral traditions

Take hold and preserve it

Ensure it is never lost

Hold fast.

Secure it.

Draw together! Affirm



Minutes

Board meeting	Public session
Date	5 July 2022
Venue	Watercare Services, Level 3 Boardroom, 73 Remuera Rd, Remuera and via Microsoft Teams
Time	9:47am

Attendance		
Board of Directors	Watercare staff	Guests
Margaret Devlin (Chair) Brendon Green Dave Chambers Nicola Crauford Julian Smith Graham Darlow	Jon Lamonte (CE) Jamie Sinclair (Chief Corporate Services Officer) Mark Bourne (Chief Operations Officer, for items 7 to 9) Amanda Singleton (Chief Customer Officer, for items 7 and 9) Bronwyn Struthers (Head of Health, Safety and Wellbeing, for items 7 to 9) Rebecca van Son (Head of Strategy, for item 6) Emma McBride (Co-Head of Governance) Laura Saunders (Legal and Governance Advisor) Via Microsoft Teams Richie Waiwai (Poutiaki Tikanga Māori, Principal Advisor) Sarah Phillips (Acting GM – People & Capability, for items 7 and 9) Nigel Toms (Acting GM – Finance, for items 8 to 13)	Stephen Toplis, Head of Research at BNZ (for item 6) Kylie Dunn, Partner, Russell McVeagh (for item 9) Via Microsoft Teams Trudi Fava, CCO Programme Lead, Auckland Council

1.	Opening karakia Brendon Green opened the meeting with a karakia.
2.	Apologies Apologies were received from Frances Valintine, Hinerangi Raumati-Tu'ua, Wi Pere Mita (Board intern), and Councillor Linda Cooper. The Chair advised that Hinerangi had provided feedback and questions on the papers.
3.	Quorum The Chair confirmed that a quorum was established.
4.	Minutes of the previous meeting <i>The Board resolved that the minutes of the public session of the Board meeting held on 7 June 2022 be confirmed as true and correct.</i>
5.	Public deputations There were no public deputations.
6.	Scanning the Horizon Rebecca van Son introduced Stephen Toplis, Head of Research at BNZ, to the Board. Stephen provided the Board with a presentation on the current worldwide and New Zealand economic climate. He also responded to various questions and discussion points from the Board, including in relation to inflation, supply chains, migration figures, productivity, and employment figures. The Chair thanked Stephen and noted that it was good to get an external perspective.
7.	Chief Executive's report The CE highlighted the following topics from the report: Current significant issues <ul style="list-style-type: none"> Voluntary turnover is now sitting at 14.6% and this needs to be monitored.

Key performance measures

- During May 2022:
 - Leakage rates showed a consistent downward movement.
 - There was significant effort in the Health, Safety and Wellbeing arena.
 - Musculoskeletal injuries continue to be a focus area for Watercare.

Matters for noting

- The Central Interceptor's micro-tunnel boring machine Domenica broke through at Haycock Avenue shaft almost one month ahead of schedule.
- A serious health and safety breach was reported by an engineer, after sixteen people (including supervisors) were lifted from the bottom of the MPS shaft in a ten-person cage. Whilst no injury occurred, it was a high-risk incident. Operations were immediately suspended whilst an investigation was undertaken. The Joint Venture partners also brought in safety experts from Italy to review the site.

Water resources update

- The Board and Management had a discussion around compliance with Taumata Arowai's (TA) new Drinking Water Standards, Aesthetic Values and Quality Assurance Rules, which are effective 14 November 2022.
- Mark Bourne noted that E.coli was detected on 30 May 2022 at Cornwall Road Water Treatment Plant in a treated water sample. Investigation confirmed it was an isolated event and not representative of the water supply.
- The current regulations allow for a small number of transgressions. However, the new standards will not allow any transgressions. Therefore, if the above scenario occurred post 14 November 2022, Watercare would be non-complaint for a 24-hour period in that zone only.
- Reporting against the new standards commences 1 January 2023. There is a degree of uncertainty with the new Drinking Water Standards on how compliance with the standards will be assessed when it relates to a response to transgressions. Watercare anticipates receiving confirmation on this in the coming weeks.
- Management will consider whether Watercare needs to brief Council on any changes to the TA new standards versus the existing standards (once confirmation of all the new standards have all been obtained from TA).
- The Board questioned the risk regarding the Mangakura Dam 1 (water supply dam for Helensville). While the absolute risk of a failure is low, the consequences of a failure are high.
- Mark confirmed that an investigation is almost complete about how the fault should be remedied. The repair methodology needs to be changed from what was originally planned.
- An update on the remediation plan for the Mangakura Dam 1 will be presented to the Board, via the CE's report, once the business case has been finalised and approved.

- The Board questioned whether the update to the National Hazards Model could impact Watercare's dams. Mark noted that the Building Regulations that impact our dams changed in March 2022, resulting in increased monitoring for some of our dams. Management and the Operations team will confirm whether the National Hazards Model could also impact Watercare's assets.

People

- The Board noted the discrepancy in the number of employees between the People and HSW updates. The Board encouraged Management to report people numbers in a consistent way.
- The Chair noted that it was good to see Watercare team members and projects receiving recognition and awards at the recent Water New Zealand Conference Awards.
- The Board also congratulated and wishes the team luck on their Diversity Works Award nomination for the Inclusive Workplace Award.

Legal action – Non-RMA related

- Jamie Sinclair will provide an update at the next Board meeting on the claim for \$1.2m for alleged damage to a residential property from a burst watermain.

Health, safety and wellbeing

Bronwyn Struthers took the report as read and responded to questioning from the Board.

- The Board noted that it was concerning that the contractor who sustained a broken hip returned to work the following day. Even if the worker said they felt well enough to work, the Board and Management agreed that they should have been made to take further time to recover before returning to work.
- Several directors have conducted Health and Safety site visits and advised Management that Watercare's safety standards look extremely good (ie inductions, PPE, safety barriers). The directors had met some very passionate staff and contractors on site.
- The Board noted that they remain concerned with the TRIFR rate, which is above the average for the industry.
- In response to this concern, Bronwyn noted that most of Watercare's iCare incidents are musculoskeletal related. Watercare has introduced a physio programme and are trialling this with MSN and Laboratories as most musculoskeletal injuries are sustained in those divisions.
- The Board noted that they had noticed that there had generally been an increase in personal safety issues within Auckland neighbourhoods and questioned whether this is a critical risk for Watercare's staff in the field. Bronwyn confirmed that personal safety is a focus area for Watercare and there is a good training programme related to de-escalation, which the Watercare teams are putting into practice.
- Amanda Singleton added that not only are staff in the field being verbally abused and threatened, but so too are customer service officers on the phones. These staff members have also received de-escalation training and are putting it into practice when necessary.

	<i>The Board noted the report.</i>
8.	<p>Watercare's final draft Statement of Intent (SOI) measures 2022-25</p> <p>Emma McBride presented the report.</p> <p><i>Subject to Hinerangi Raumati-Tu'ua reviewing the SOI financials before the final documentation is submitted, the Board approved:</i></p> <ul style="list-style-type: none"> • <i>the final draft SOI for submission to the Shareholder, Auckland Council, by 31 July 2022; and</i> • <i>the final draft cover letter to the Mayor, which will enclose the final SOI.</i>
9.	<p>Health, Safety and Wellbeing update</p> <p>Emma McBride introduced Kylie Dunn, Partner at Russell McVeagh. Kylie provided an update to the Board on Health, Safety and Wellbeing, including core duties of directors, due diligence requirements of directors, and overlapping duties (Attachment 1).</p> <p>The Chair thanked Kylie and noted that the presentation had been useful.</p>
10.	<p>Board planner</p> <p>The Chair requested that Management provide a condensed CE's report with financials for the months without a Board meeting (October 2022 and December 2022).</p> <p>The Chair and Nicki Crauford will be apologies for the August Board meeting.</p> <p>Dave Chambers will be the Acting Chair between 11 July 2022 and 1 September 2022.</p> <p><i>The Board noted the Board planner.</i></p>
11.	<p>Directors' appointment terms and committee memberships and meeting attendances</p> <p>Now that FY22 has ended, the Chair requested that future attendance reports focus on the current financial year.</p> <p><i>The Board noted the report.</i></p>
12.	<p>Disclosure of Directors' and Executives' interests</p> <ul style="list-style-type: none"> • Margaret Devlin advised that in April 2022 she stepped down as Chair of Women in Infrastructure. • Dave Chambers advised he is now a director of GB & DD's Outfit Limited.

	<ul style="list-style-type: none"> Graham Darlow advised he is no longer a Chair or Director of Holmes GP Structure Limited. He has been appointed a Director of Holmes Group Limited. <p><i>The Board noted the report.</i></p>
13.	<p>General business</p> <p>The Chair requested that Trudi Fava follow up the one outstanding reappointment letter for those directors that are being reappointed through to 30 June 2024.</p> <p>The meeting closed at 11:47am.</p>

CERTIFIED AS A TRUE AND CORRECT RECORD

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Margaret Devlin, Chair

Attachment 1

Russell
McAeagh

Health and safety update

Kylie Dunn
5 July 2022

4.1

Russell
McLeagh

Today's session

- Core duties
- Due diligence obligation
- Overlapping duties – case example

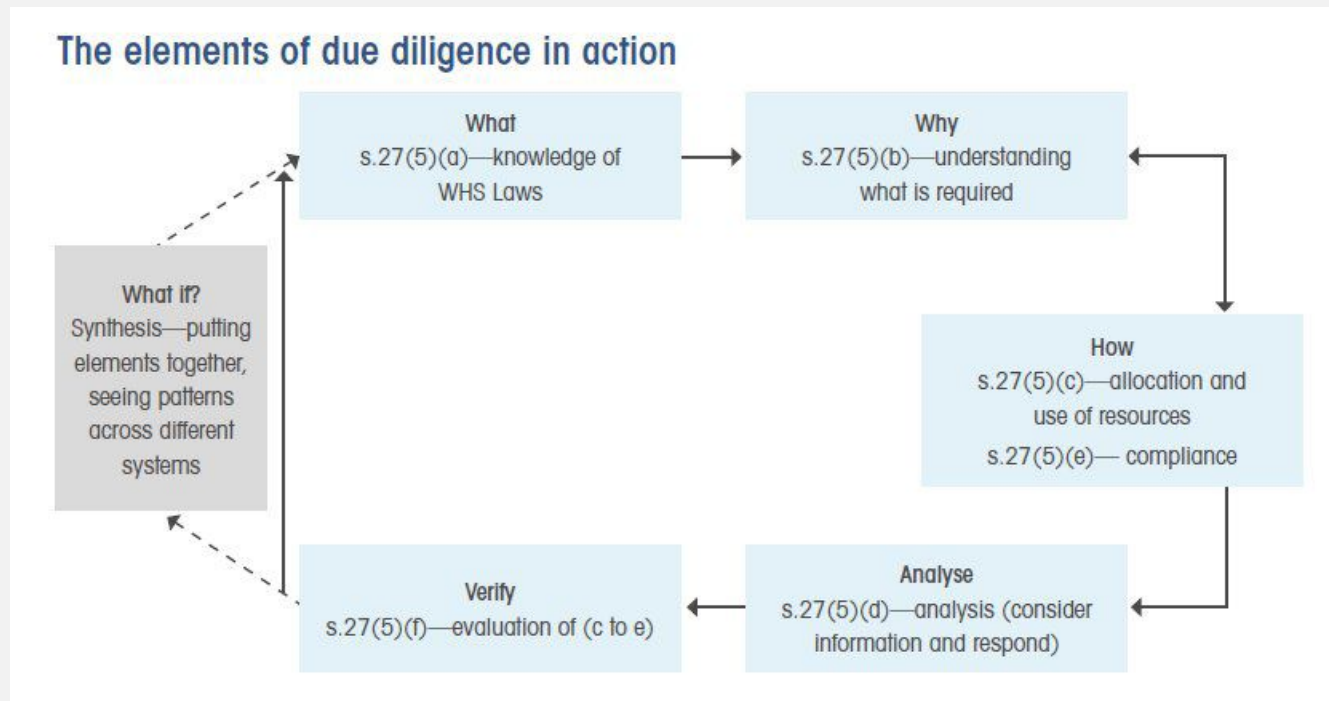
Core duties

- **PCBU** must ensure so far as is reasonably practicable the health and safety of:
 - Workers at work in the business or undertaking
 - Workers who are influenced or directed by PCBU
 - Other persons who could be affected by work of the PCBU
- **Officer** of a PCBU must exercise due diligence to ensure that the PCBU complies with that duty
- **Workers** must ensure own safety; safety of others

Due diligence obligation

- Section 44 of the Health and Safety at Work Act:
 - a) acquire, and keep up to date, knowledge of health and safety matters
 - b) understand nature of PCBU's operations and risks/hazards
 - c) ensure PCBU has available, and uses, appropriate resources/processes for eliminating/minimising risks
 - d) ensure PCBU has appropriate processes for receiving/considering information regarding hazards, risks and incidents, and responding
 - e) ensure PCBU has, and implements, processes for compliance
 - f) verification of (c) to (e) above

Due diligence obligation (SafeWork Aust)



Due diligence obligation

- Practical implications:
 - Duty requires taking an intelligent interest in information, understanding it and applying an inquiring mind.
 - Reactive receipt of information not sufficient – proactive consideration is required.
 - Can rely on expertise of others – but reliance must be reasonable.
 - Understand connections between health and safety and other business actions/priorities (especially financial).
 - Understand the impact you/your questions have.

Whakaari/White Island prosecution

- 22 deceased and a number of others with significant injuries
- 10 entities initially prosecuted
 - Whakaari Management Ltd
 - Institute of Geological and Nuclear Sciences
 - White Island Tours Ltd
 - Volcanic Air Safaris Ltd
 - Aerius Ltd
 - Kahu NZ
 - Tauranga Tourism Services Ltd
 - ID Tours Ltd
 - Inflight Charters (pleaded guilty - \$227,500 fine; \$40,000 prosecution costs)
 - National Emergency Management Agency (charges dismissed)

Whakaari/White Island prosecution

- 3 individuals: Andrew, James and Peter Buttle (directors of Whakaari Management Ltd)
 - Breach of due diligence obligations
 - Failed to acquire and keep updated knowledge
 - Failed to adequately understand hazards and risks associated with access to Whakaari
- Trial scheduled for July 2023

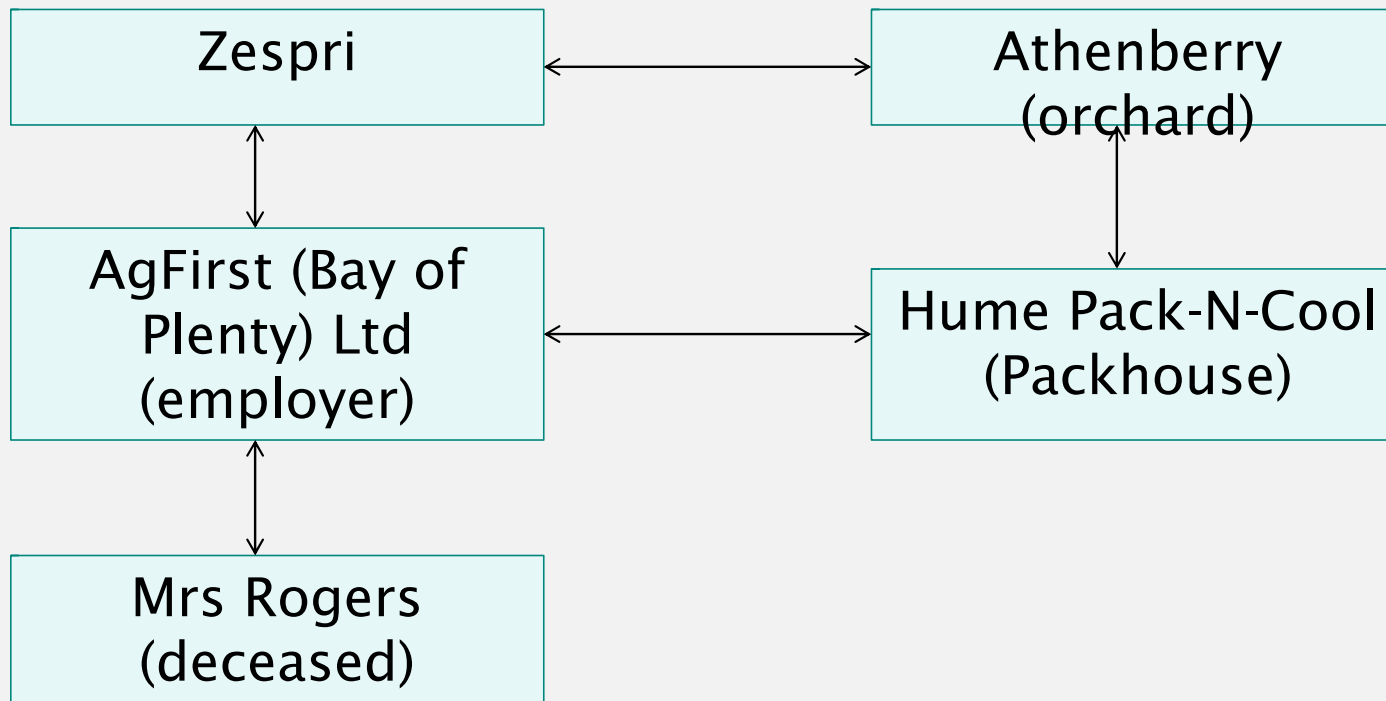
Other officer prosecution(s)?

- Media reports indicate Tony Gibson (former CEO of Ports of Auckland) has been charged as an officer in relation to an employee death
- What does this mean:
 - Enforcement of officers duties not hypothetical
 - Involvement in the facts irrelevant for the purposes of officer obligations

Overlapping duties

- Multiple PCBUs may have the same/overlapping duties:
 - Each duty holder must comply with own duties
 - Must discharge duties to the extent PCBU “has the **ability** to influence and control the matter”
 - Must “consult, co-operate with, and co-ordinate activities” with other PCBUs who have duties in relation to the same manner.
 - Retention of the ‘competent contractor’ defence?

WorkSafe v Athenberry Holdings Ltd



WorkSafe v Athenberry Holdings Ltd

- Quad bike rolled (supplied by employer)
 - Deceased left mown path and drove diagonally up a hill
 - Laden with kiwifruit samples – high centre of gravity
- Zespri system meant neither Athenberry nor Hume had any influence or control over work of sampler
 - No contractual relationship (with individual or her employer)
 - No control over practical carrying out of work
 - No provision of advice
 - No specification of matters affecting conduct or work methods
 - No reporting requirements
 - No oversight or supervision

WorkSafe v Athenberry Holdings Ltd

- Land owners entitled to assume contractors who come on their property:
 - are competent to operate the machinery they bring with them;
 - are competent to operate their vehicles with sufficient care and skill to avoid visually obvious hazards; and
 - will follow instructions
- Not required to identify “visually obvious hazards”, which includes obvious hazardously steep terrain, obvious open water and obvious open drains
- Required to identify hazards which are not obvious (hidden rabbit warrens; steep drops around blind corners)

Russell
McVeagh

Presenter



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5 July 2022

Health and safety update

14

Chief Executive's report – August 2022

Presented by: Jon Lamonte



1. Current significant issues

Recent heavy rains across the region have seen the storage in the Auckland dams increase dramatically. At the end of June, the dam levels were at 79.7% and at the time of writing, 25 July, they are now up to 94.53% indicating the huge volume of rainfall.

Extreme weather means a lot more pressure on our assets as well as our operations and customer-facing teams. I'd like to acknowledge the hard work of our frontline staff – our faults and customer liaison teams, our water and wastewater production and network teams and the lab staff – for their mahi over the last few weeks. Special recognition must go to our Waikato District Council-Watercare teams who had to deal with high flows and high turbidity from the Waikato River at many of the water treatment plants, resulting in a temporary 'conserve water' notice from Huntly to Ngaruawahia. The Ngaruawahia Water Treatment Plant had to be shut down on Saturday (9 July), with water supplied from Huntly. Our Auckland-based people pitched in to help the local teams and worked through the weekend. After significant process changes, the plant's operations were stabilised and it was put back into service on Sunday evening. It was great to see Waikato District Council also acknowledging our teams' efforts – well done to everyone involved.

The heavy rain also kept the stormwater teams busy with emergency and routine callouts. Most of the emergencies involved blockages in catchpits and road drains. The recent storm events have only served to illustrate the synergies between Watercare and Healthy Waters – closer working arrangements between us can only lead to better outcomes for customers.

On the topic of reform, the Department of Internal Affairs (DIA) released their proposed Staff Transition Guidelines for Three Waters Reform, inviting our people to provide feedback on the proposal. For Watercare, the proposed guidelines mean:

- Watercare, including all the support functions, would transfer to Entity A.
- Most of our staff will be covered by a **legislated job guarantee** meaning they will continue in the new entity with substantially similar duties and responsibilities and with core terms of employment that are no less favourable than they are now.
- Those who are senior managers (as defined by DIA) would be covered by an **offer guarantee** which means they would receive an offer for a position in the new entity that considers the staff member's current location, entitlements, skills and experience.
- Tier 1 and Tier 2 roles in the new Entities (Chief executive and their direct reports) will be contestable to enable competitiveness.

The Waikato Audit went well and the auditors will be recommending to ACC to extend the accreditation which is a good result. One challenge was the learning and development record-keeping.

Back in May, our people participated in a one-year check in pulse survey to find out how we are progressing on our culture journey. Overall, we achieved a 7% increase in constructive blue behaviours (our aspirational target was 5%). We re-measured two organisational causal factors: articulation of mission and customer service focus. This is good news as it is a sign that as an organisation, we are seeing a change in the right direction.

A community of practice forum will be established where culture coaches and people leaders can learn from each other, especially from teams that have recorded significant improvement.

Going forward, culture questions will become part of our eNPS survey to monitor our progress.

As I've said before, culture change is a long, ongoing journey so we are by no means done – there's a lot more we need to understand, appreciate and develop as an organisation and as teams and this is an encouraging start.

We had a significant up-tick in staff sick leave in June, up to around 4% due to the combined impact of winter flus, colds and the spike in Covid cases.

2. Key Performance Measures

From the Executive Monthly Performance Review hui, the following key strands emerged:

- Our customer trust index is still above target (57%). However, the Customer Net Satisfaction score is trending downwards, which is partly fault/volume related, and also related to the chat bot and the initial teething problems. Complaints are largely due to delayed meter reads, which Covid-19 has impacted.
- Two SOI measures were not met in June:
 - We did not achieve the attendance at sewerage overflows resulting from blockages or other faults. We have a target of 60 mins or less, but our median response time was 62 minutes in June. June was particularly challenging resource-wise across both Water and Wastewater. Water Reactive crews are currently understaffed, on top of this there are a high number of staff off sick with cold/flu and Covid-19. Weekends have been particularly challenging with skeleton crew available, and a number of lower priority jobs getting postponed to Mondays. The wastewater team has also been in a similar position.
 - We did not meet the target of 100% for formal engagement with mana whenua of Tamaki Makaurau. We achieved 95% by year end (i.e. 18/19 iwi on top of all of the various engagements with Waikato Tainui and river iwi), which overall is still a positive result.

[Attachment 1](#) sets out Watercare's performance against the current Statement of Intent measures for June 2022.

3. Organisational plan implementation

We will be focusing on the 'We have a resilient water supply' strategic pillar at item 8 on the public agenda for today's Board meeting.

We have implemented an initiative tracker to measure progress against the company plan. This tracker is updated monthly and any initiatives that are not on track are discussed as exceptions at the Executive team's monthly performance hui.

4. People

Current headcounts is 1,277 (includes fixed-terms and casuals, excludes contractors filling full time positions)¹.

[Attachment 2](#) is a workforce snapshot for June 2022. Overall employee numbers remain steady, new hires have dropped significantly compared with previous month, while open vacancies remained stable, recognising efforts to not increase headcount. Time to hire has decreased significantly from the previous quarter, down 12.2% and, Māori and Pacifica people accounted for 25% of all hires in the latest quarter recognising the continued work across diversity and inclusion to increase representation of our workforce.

Rolling sick leave has increased steadily across the last quarter, however, remains below same time last year. Voluntary turnover continues a gradual trend upwards month on month.

Annual performance and remuneration processes are underway within the business. 100% completion of performance reviews was achieved, and calibration sessions are in progress. Remuneration due to commence August and on track for completion end September in accordance with revised approach.

The communication of Human Synergistics results to all teams across the business continues.

5. Health, safety and wellbeing

The report attached as [Attachment 3](#) provides a comprehensive overview of Watercare's health, safety and wellbeing including the deep dive on one of Watercare's 14 critical risks (Working with flammables or in explosive/flammable areas).

6. Community and stakeholder relationships

Kia Ora Tāmaki Makaurau Mana Outcome: Kia Ora te Whānau (Whānau and Tamariki Wellbeing) and Kia Ora Te Rangatahi (Realising Rangatahi Potential)

Young people were a major focus in May, with the launch of a new engineering scholarship for Māori and Pacifica students, and the onboarding of three Māori engineering apprenticeships to the Central Interceptor and Infrastructure teams. Marihi Hohepa-Te Huia (Ngāti Maniapoto Ngātiwai, Ngāi

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

Tūwharetoa) is the first recipient of the inaugural Ara Tātaki Engineering Pathway Scholarship. He is a second-year engineering student at the University of Auckland and will join the Central Interceptor project on a three-year scholarship.

Kiritangi Heremaia-Flavell (Waikato, Ngā Puhi, Ngai Tūhoe), Rihaere Whare (Waikato) and Te Warana Ratima (Ngāti Whātua) have also joined Watercare on a four-year engineering apprenticeship programme. They will receive on-the-job training and undertake studies at Manukau Institute of Technology where they will each complete a New Zealand Diploma in Engineering (Civil) (Level 6) during the programme. Scoping of more employment and education pathways for Māori will continue into the new fiscal year.

Kia Ora Tāmaki Makaurau Mana Outcome: Kia Ora te Ahurea (Māori Identity and Culture) and Kia Ora te Reo (Te Reo Māori)

The official recognition in June of Matariki as a national holiday, created opportunity to showcase and increase the visibility of Te Ao Māori within Watercare. Te Pu-a-nga Maara, a collective of young Māori environmental leaders from Makaurau, Manurewa and Papatūānuku Kōkiri Marae, joined us to host workshops on Matariki (The Star Cluster), Whakapapa o te Wai (Genealogy of Water), and Te Maramataka Māori (The Māori Lunar Calendar). Mass hangi celebrations and presentations from renowned Matariki expert Professor Rangi Mataamua closed off activities. Hosting more Māori cultural events at other Watercare sites will be prioritised in future.

Kia Ora Tāmaki Makaurau Mana Outcome: Kia Ora te Hononga (Effective Māori Participation)

Over the last 12-months, Watercare have met with 18 of the 19 mana whenua of Tāmaki Makaurau. Although engagement with some mana whenua partners was more frequent than others, we were not able to meet with Ngāti Rehua Ngāti Wai ki Aotea.

Changes in personnel and capacity issues were among the challenges that limited the ability of all mana whenua to engage directly with Watercare or to participate in the mana whenua kaitiaki forum. However, we intend to re-engage through the water reforms and Entity A discussions. Hui with river iwi regarding Watercare's water take from the Waikato River are ongoing. Recent discussions with Ngāti Tahu-Ngāti Whāoa and Waikato-Tainui will also help inform renewed partnership opportunities with both iwi.

7. Water resources update

7.1 Water sources

The total dam storage level is close to 9% above the historical average for this time of the year. The long-range seasonal forecasts are indicating a slightly wetter-than-normal winter, so we expect our total dam storage to continue to rise.

In terms of non-revenue water updates:

- The leak management programme is progressing well. Since the start of the programme approximately 12,000kms have been surveyed to date with 7,173 leaks found.
- For Māngere and Konini zones, studies are being undertaken for future demand and growth including creating smaller district metered areas (DMAs) and pressure management areas. Pressure management is set to be implemented in six DMAs in the Maungakiekie area. PRV (Pressure Reducing Valve) controllers are currently in the process of being retrofitted and installed.

7.2 Water quality

Water quality was compliant with the Drinking Water Standards for New Zealand 2005 (revised 2018) for all sites in June 2022.

7.3 Taumata Arowai's new Drinking Water Standards, Aesthetic Values and Quality Assurance Rules – effective 14 November 2022

Taumata Arowai has published the Drinking Water Standards for New Zealand and Aesthetic Rules, which come into effect on 14 November 2022, with compliance required from 1 January 2023. The Drinking Water Quality Assurance Rules will be published at the end of July, also coming into effect on the same dates. A final gap analysis will be completed once the Assurance Rules are published.

All water safety plans (WSPs) have been prepared and previously approved by Ministry of Health. They will be updated and resubmitted by November 2022 to Taumata Arowai. The implementation of the WSPs is a companywide initiative that is ongoing, in particular around improvements to document management and training records, which are being addressed through current programmes.

7.4 Mangakura dam upgrade

As noted last month, Watercare recently received an Annual Summary of the Performance of Watercare's Dams (2021) from our external dam safety surveillance consultants Dam Safety Intelligence (DSI). The only risk identified is with the existing condition of Mangakura Dam 1 (water supply dam for Helensville). Progress on the upgrade includes the following:

A Business Case to progress condition related remedial works on Mangakura Dam 1, following confirmation of specific dam safety deficiencies, was approved during 2020. These works focused on the remediation of five key deficiencies associated with dam failure modes and non-compliance with the New Zealand Dam Safety Guidelines. Following the completion of geotechnical activities associated with this project, it was confirmed that the underlying geotechnical conditions associated with the spillway were worse than expected. As a result, significant additional structural concrete and soil anchors are required. This has resulted in an increase in cost and time to address the known deficiencies. A change request has been approved to progress the spillway works. These works are scheduled for completion by June 2023.

Further investigations are underway, associated with deficiencies associated with the lower section of this spillway. The advice provided indicates that a solution must be delivered within the next two years to address these issues. This is beyond the original scope of the existing project and a new project must be initiated to progress improvements to the lower spillway. A new Business Case is being developed and associated funding impact to be confirmed, prior to initiation of physical works.

7.5 The recent storm

Our wastewater network was significantly affected by the storm event experienced on 11 and 12 July 2022. The situation was monitored by the Nerve Centre with additional support operators called in to assist with the high volume of alarms. During the event 87 pump stations and monitored manholes were overflowed.

Continuity of supply was able to be maintained throughout the event within levels of service.

Such rain events put additional pressure on Watercare's wastewater treatment systems which largely handled the event. The significant exception was the Helensville wastewater treatment plant which discharged partially treated wastewater for a period to avoid the treatment ponds overtopping due to the increased flows. The plant upgrade that is currently underway will increase treatment capacity to mitigate such discharges. Details of the discharge will be sent to Auckland Council as required. Management will keep the Board updated about this discharge as appropriate.

8. Risk and compliance update

8.1 Enterprise risk management

Our new risk system has gone live at the end of June 2022 to further enhance our risk management capability across the organisation. This will provide a standardise tool to support our risk 'aware' culture.

External project risk management benchmarking is underway to support our Infrastructure teams project management practices and add further governance controls as required. A draft project risk management roadmap has been developed to support the uplift in capability.

8.2 Legal and compliance

LGOIMA requests

In June 2022, we received seven requests for information under the Local Government Official Information and Meetings Act 1987 (the Act). Two of these requests were forwarded to us from Auckland Council. Watercare responded to all requests within 20 working days (in accordance with the Act).

Legal action

- RMA related:
Huia Water Treatment Plant: The Environment Court (EC) was not willing to conduct face to face mediation under the Red light status. Since the changing of the status, the EC has sought to initiate mediation. However, the appellants have been unable to agree on a suitable date. The EC has now directed that the mediation begins in September 2022 and have set down two days for the initial discussions. Watercare has met on two occasions with the five immediate neighbours who have appealed the decision. At the last meeting, they presented a list of possible mitigation measures. These were general in nature so we have agreed to tailor them to be more specific to each of the properties. We anticipate meeting with them again in several weeks.
- Non-RMA related:
At the 5 July 2022 Board meeting, Management were asked to provide an update on the current claim for \$1.2m for alleged damage to a residential property from a burst watermain. By way of background, this case involves a property on Woodlands Park Road, where a watermain burst and flooded a private property. Considerable effort was made by Watercare staff to help the property owners, including finding temporary accommodation during the time the house was repaired. A claim was lodged nine months later and is now being handled by Kennedys, lawyers appointed by our insurance provider AON. Watercare has public liability insurance, and Watercare's excess on this policy is \$100k. Watercare has filed a statement of defence, and discovery has been completed. The Board will be kept up to date with major developments.

Whistleblowing

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

The new Protected Disclosures Act 2022 comes into force on 1 August 2022. The Internal Audit team is reviewing Watercare's Protected Disclosures ('Whistle-blower') Policy to ensure it complies with the new Act.

Non-compliance with resource consents

The number of consents non-compliant with their consent conditions continues to decrease. July will see continued improvement as we resolve some other long-standing issues.

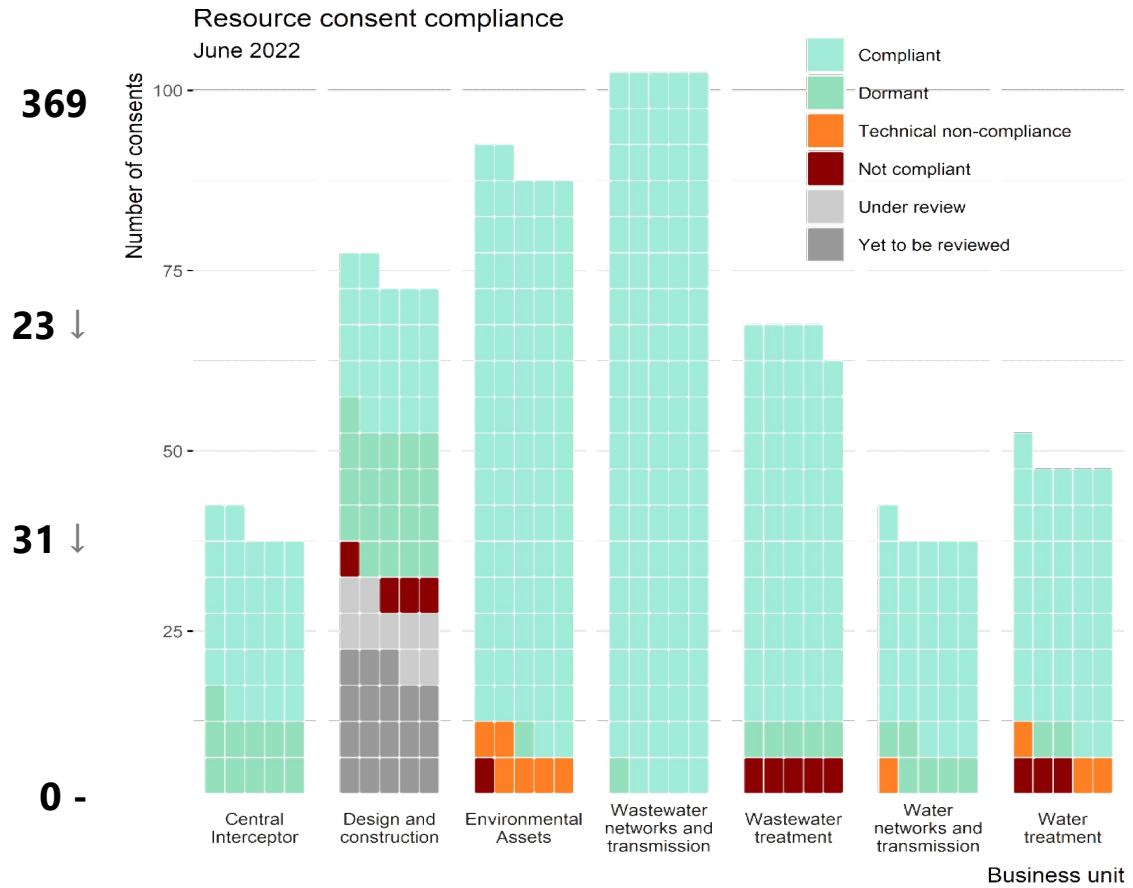
The following graph summarises Watercare's consent compliance in June 2022.

Active resource consents in June 2022

Consents with non-compliances in June 2022

Rolling 6-month average (non-compliant consents)

Consents under enforcement in June 2022



9. Update on business areas

Corporate Services

The Corporate Services team provides core support services for Watercare. Functions within the division include: Finance; People & Capability; Sustainability; Health, Safety & Wellbeing; Legal & Governance; Policy; Supply Chain; Risk & Resilience; Quality; and Internal Audit. The division was reorganised earlier in the year in order to:

- Improve alignment to organisational priorities
- Reorganise some portfolio responsibilities
- Broaden leadership group and depth
- Prepare for economic regulation.

The new structure has been bedded in and we are now reviewing individual functional areas to ensure they delivering effective and efficient support for the organisation. A review of Finance has recently been completed and has identified areas for improvement which are being implemented. There has also been a substantial restructure of this team which was necessary to improve efficiency and performance.

Across Corporate Services there are several important projects, which address organisation-wide priorities. These are summarised below:

People solution

- Implementation of new People system, replacing the existing myriad of imperfect systems and solutions necessary to support our people through their journey at Watercare. Will create one “source of the truth” for our people data, improve our insight and connection to staff, and enable us to effectively and efficiently manage their learning and development needs. This project directly addresses our strategic pillar – ‘we value our people’.
- The project is nearing solution selection, with core HR element of the system scheduled to be implemented by January 2023.

Training campus

- A Training Campus is being established at Ascot Road, Māngere. The intention of the campus is to create an experiential training facility for Watercare workers, our contractors, and personnel from other utilities. This project will improve the coordination and consistency of training and educational pathways for Watercare and the wider sector.
- The campus is nearing the end of the first phase, being: general site tidy-up and repairs to existing cottage, tidy-up of networks street zone, demolition of brown plywood building, construction of a multipurpose outdoor training facility. This will enable the training centre to reopen for training in a

limited capacity from August 2022. A business case is currently under consideration for building the classrooms and associated infrastructure necessary to make the campus fully operational.

Economic regulation and efficiency

- While the efficiency target and programme is organisation-wide, Corporate Services is coordinating the work associated with the design, validation and implementation of efficiency initiatives. This is connected to the response to pending economic regulation with a dedicated team being established under Corporate Services.

10. Matters for noting

10.1 Central Interceptor update

- Safety day held for Watercare Board in June. Along with a refresher on site safety protocols, Board members visited several CI sites during the course of the day and completed safety observations.
- Drive number 2 of Link Sewer C from Dundale to Haycock (722m) was completed on 27 June 2022.
- The Confluence Chamber work area was handed over to the Contractor during the month and site establishment and demolition works is now underway.
- PS23 shaft drilling began in June with the pilot hole completed. Shaft reaming is expected to be completed at the end of July.
- The Central Interceptor Project and Watercare were well represented at the Australian Water Association/International Water Association Young Water Professionals Conference in Sydney with presentations made on CI's Sustainability Journey, the expected Environmental Impacts from CI and Response to a record breaking drought: the Pukekohe WTP Reinstatement Project. Positive feedback and engagement was received for all.

10.2 Significant meetings

Te Rūnanga o Ngāti Whātua, Ngā Maunga Whakahī o Kaipara, Ngāti Te Ata, Ngāti Tamaoho, Ngāi Tai ki Tāmaki, Ngāti Manuhiri, Ngātiwai, Te Kawerau a Maki, Te Ahiwaru Makaurau Marae, Ngāti Maru, Te Patukirikiri, Te Ākitai Waiōhua, Ngāti Tahu-Ngāti Whāoa and Waikato-Tainui.

11.Delegated authority to Chief Executive

In accordance with the authority delegated to the Chief Executive by the Board for the month of June 2022:

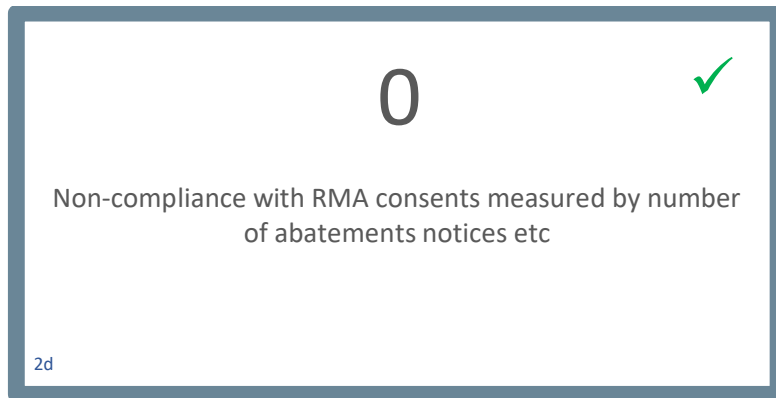
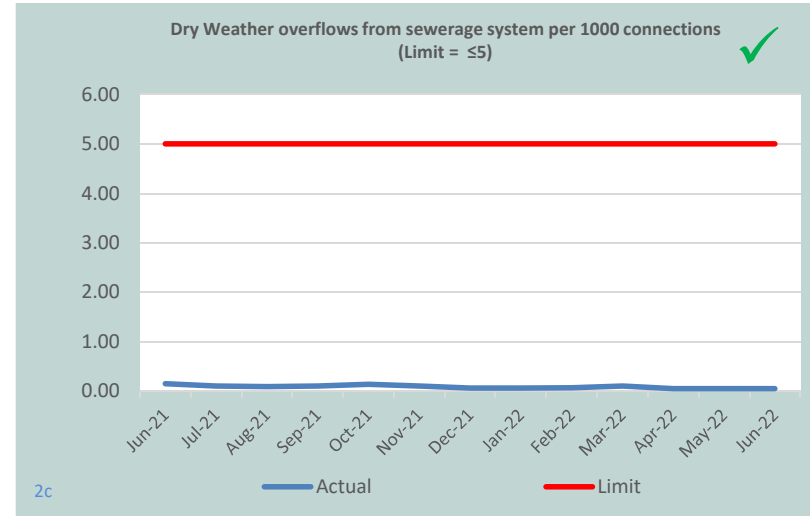
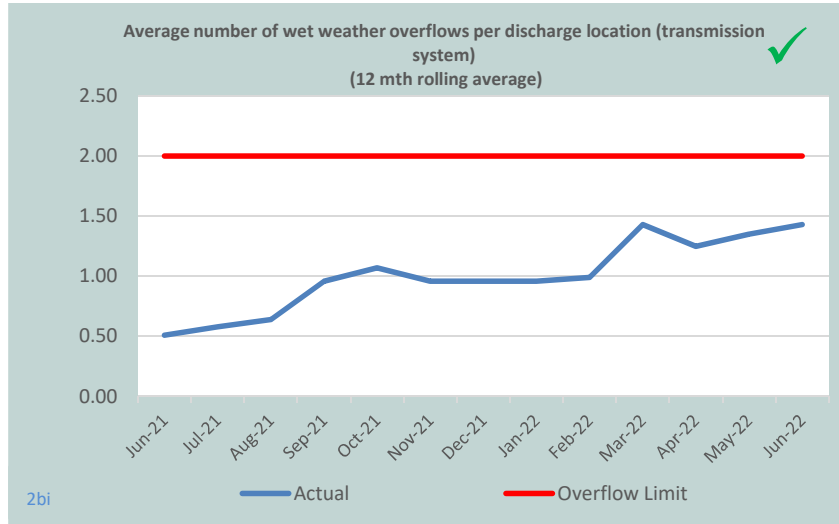
- there was one document required to be signed by Watercare's Chief Executive with the delegated authority provided to the Chief Executive by the Board in relation to deeds, instruments and other documents. There were no property documents required to be signed by members of the Watercare Board.
- there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



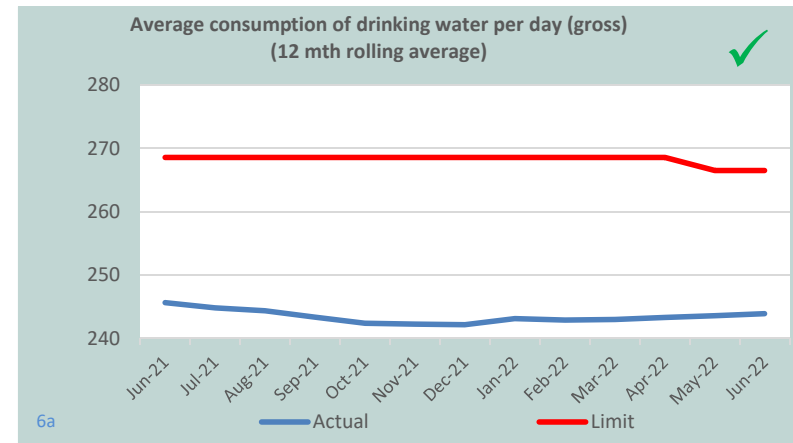
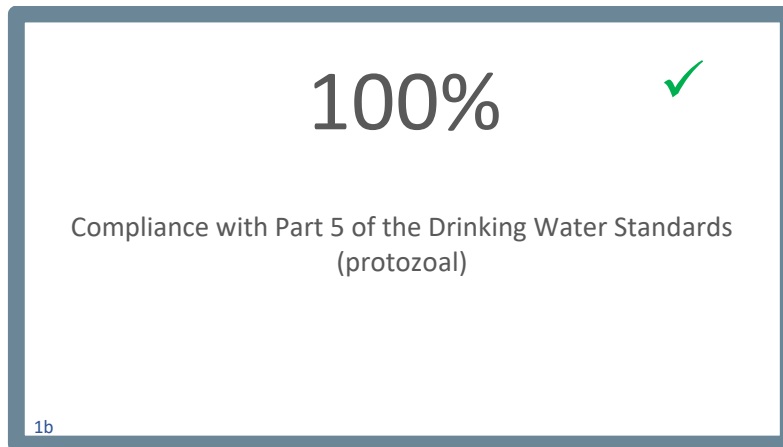
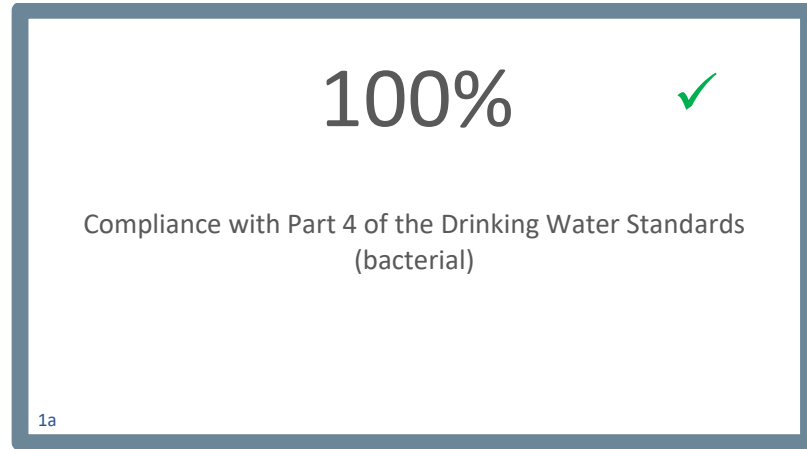
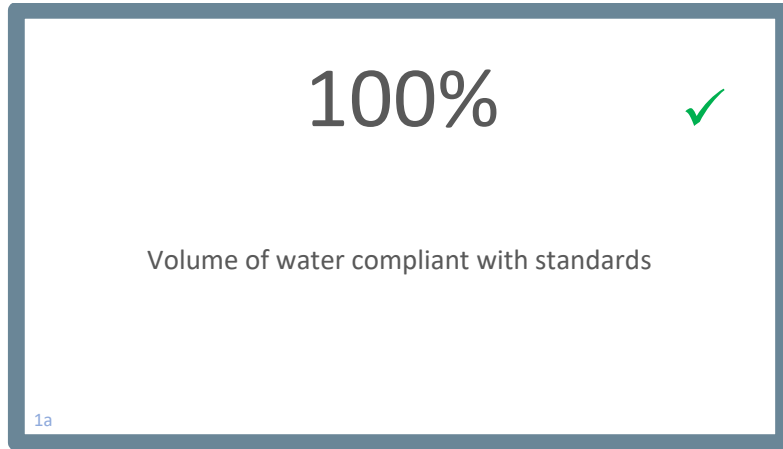
Jon Lamonte
Chief Executive

Attachment 1 – Performance against Statement of Intent measures

SOI Measures — Natural Environment

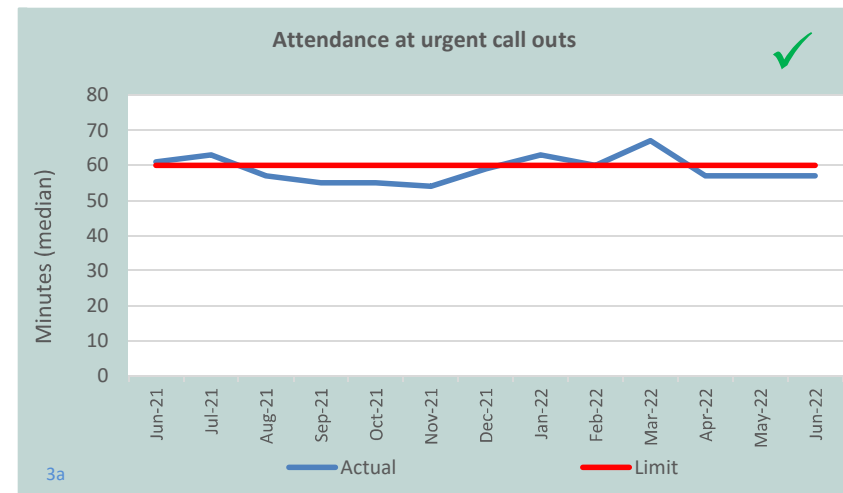
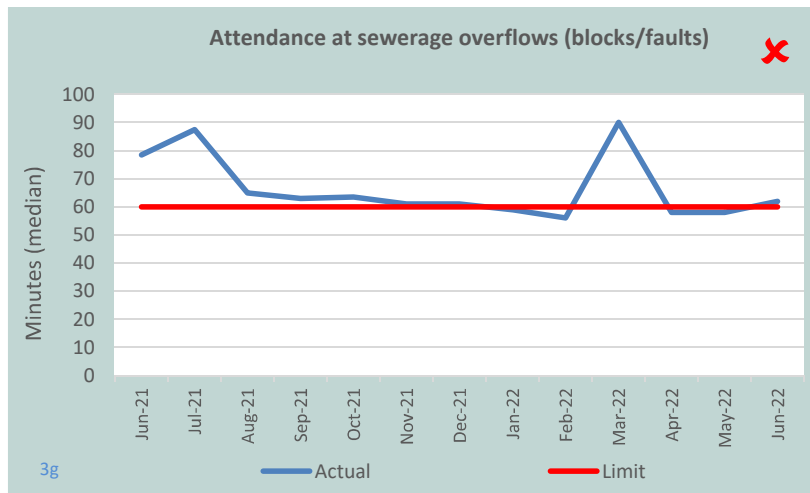
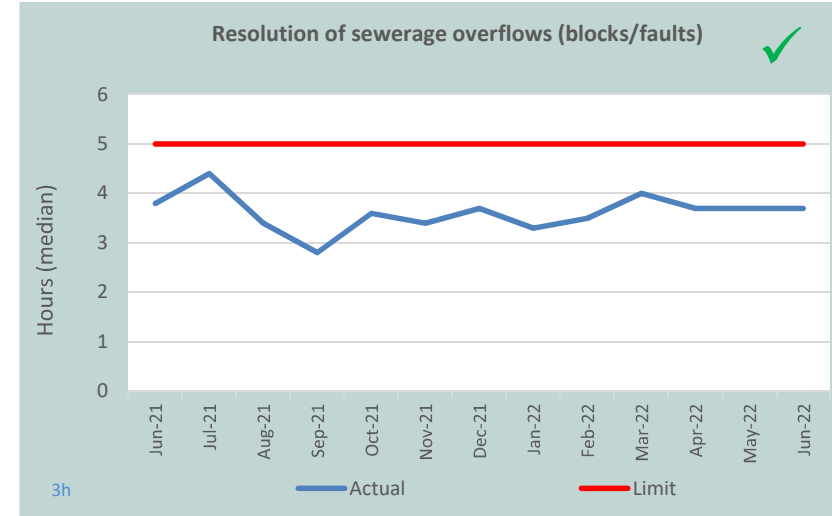
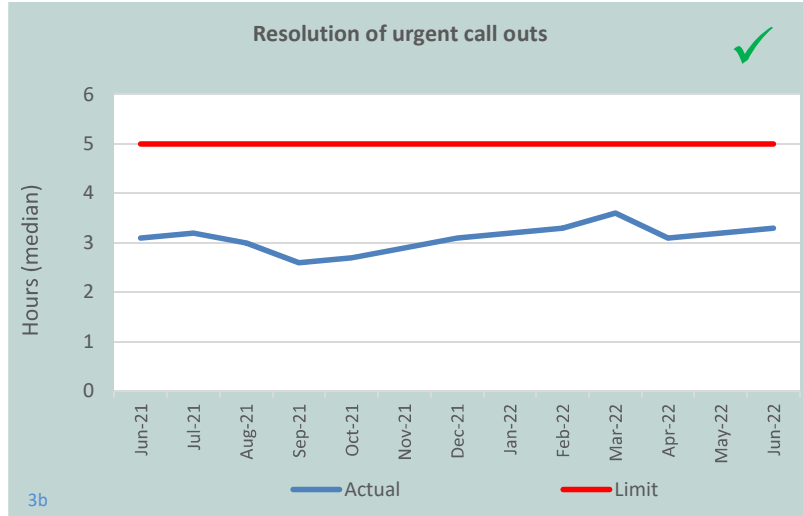


SOI Measures — Assets and Infrastructure

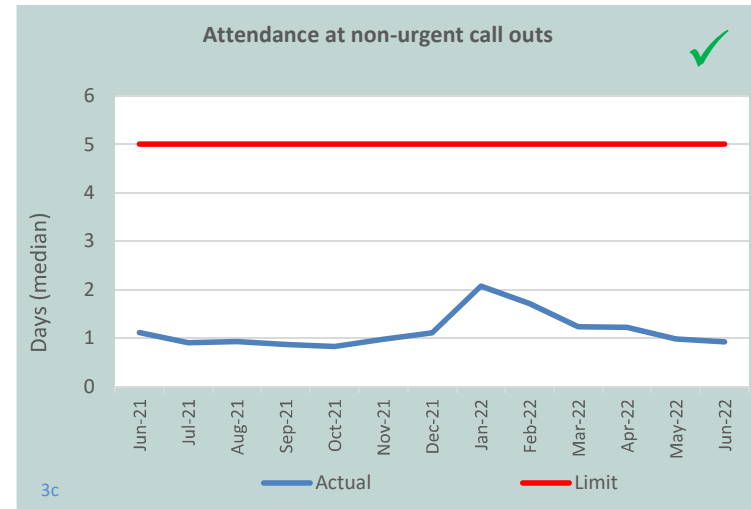
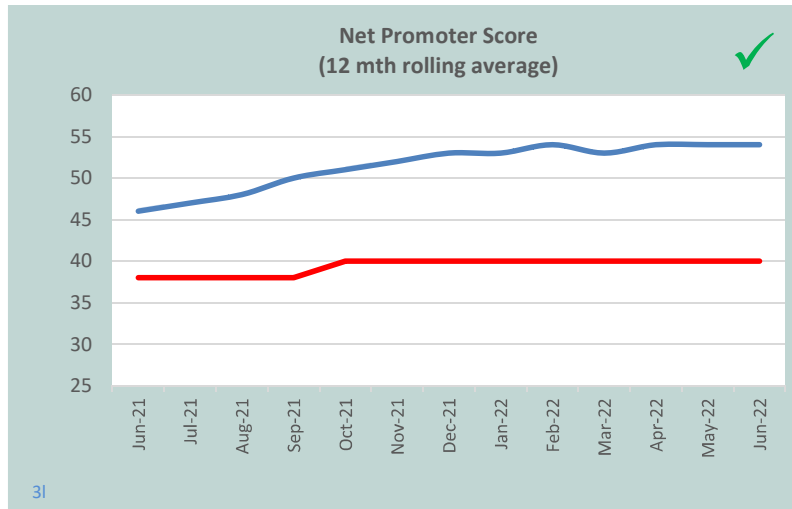


6.1

SOI Measures — Community and Stakeholder Relationships

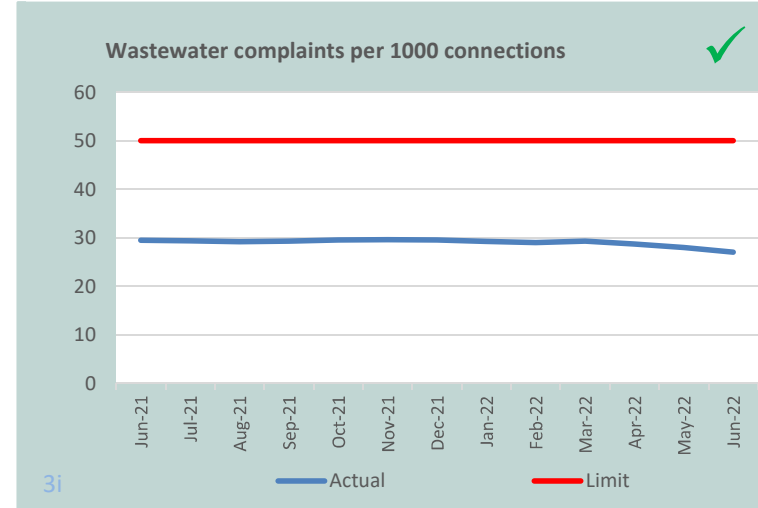
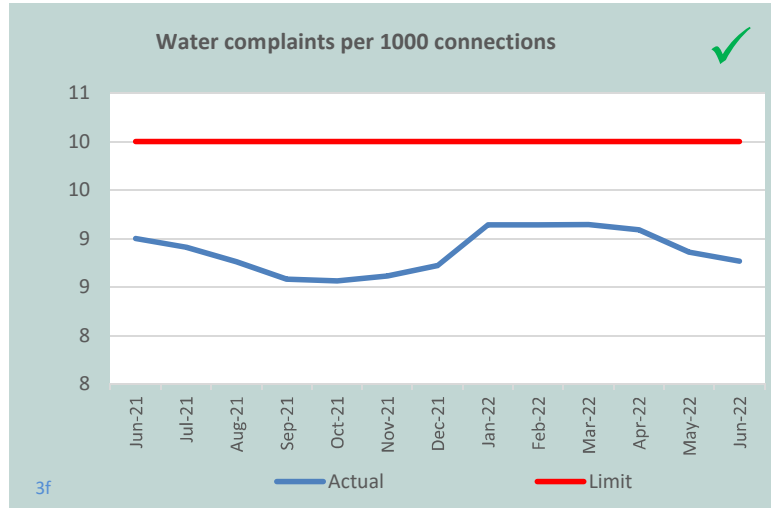


SOI Measures — Community and Stakeholder Relationships



6.1

SOI Measures — Community and Stakeholder Relationships



6.1

Watercare performance measures (unaudited)

No.	Measure	Target	Actual			Commentary
			June 2022	May 2022	April 2022	
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 litres	243.9	243.6	243.2	
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	57	57	
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	3.3	3.2	3.1	
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	0.93	0.99	1.23	

No.	Measure	Target	Actual			Commentary
			June 2022	May 2022	April 2022	
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	1.10	1.40	2.0	
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	8.77	8.86	9.09	
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	62	58	58	The results for the measure were above the target due to a high number of staff and contractors being absent with covid / flu. June was a wet month and there were an elevated number of overflows to attend as well.
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	3.7	3.7	3.7	

No.	Measure	Target	Actual			Commentary
			June 2022	May 2022	April 2022	
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	27.02	28.04	28.75	
13.	The percentage of real water loss from the local authority's networked reticulation system (12-month rolling average)	≤13	11.36 (February figure)	11.08 (February figure)	11.08 (February figure)	Currently, we report this metric by looking two months into the past. After a review of our processes and systems we have found that nearly 10% of all meter reads do not make it into the system within that time. To resolve this anomaly, there has been a change in the reporting timeframe to four months in arears.
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	0.05	0.10	0.50	
15.	Average number of wet weather overflows per discharge location (transmission system) (12-month rolling average)	≤ 2 overflows per year	1.43	1.35	1.25	
16.	Employee net promoter score (eNPS)	≥20	23 (March survey results)	23 (March survey results)	23 (March survey results)	The next eNPS survey due in Q2 FY23.

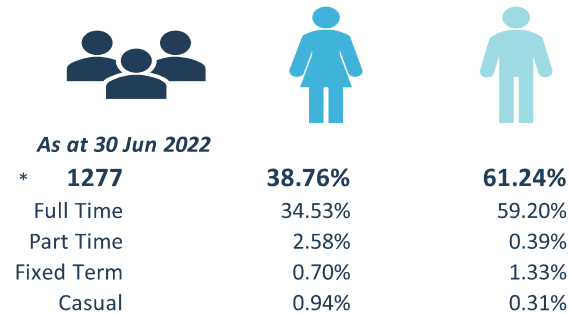
No.	Measure	Target	Actual			Commentary
			June 2022	May 2022	April 2022	
17.	Gender workforce ratio	Improve on prior year (PY ratio: F: 34% M: 66%)	F: 38.76% M: 61.24%	F: 38.65% M: 61.35%	F: 38.99% M: 61.01%	
18.	Total recordable injury frequency rate per million hours worked (12-month rolling average)	<20	14.32	14.36	13.56	
19.	DUEs (domestic unit equivalent) measured through IGCs	TBD	2116.3	2204.3	1071	
20.	Average asset age	Reduce on prior year (PY: 39.4)	39.3 (December 2021 figure)	39.3 (December 2021 figure)	39.3 (December 2021 figure)	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	2.80	2.80	2.78	Unaudited – numbers are based on forecasting.
22.	Percentage of household expenditure on water supply services relative to average household income	≤ 1.5%	0.80%	0.81%	0.85%	

No.	Measure	Target	Actual			Commentary
			June 2022	May 2022	April 2022	
23.	Formal engagement with mana whenua of Tāmaki Makaurau	100%	95%	89.47%	89.47%	Over the last 12-months, Watercare have met with 18 of the 19 mana whenua of Tāmaki Makaurau. Although engagement with some of our mana whenua partners was more frequent than others, we were not able to meet with Ngāti Rehua Ngāti Wai ki Aotea. Changes in personnel and capacity issues were among some of the challenges that limited the ability of all mana whenua to engage directly with Watercare or to participate in the mana whenua kaitiaki forum. However, we intend to re-engage through the water reforms and entity A discussions.
24.	Ratio of procurement sourced through Māori owned businesses	1%	1.48%	1.27%	1.32%	Māori business spend for FY22 was \$13.06m out of a total spend of \$884.57m. Direct spend with Māori business was \$5.75m (across 46 individual Māori businesses) Indirect spend was \$7.43m with all partner suppliers except Citycare reporting spend with Māori businesses).
25.	Percentage of customer complaints resolved within ten days of notification	≥95%	98.90%	98.40%	98.03%	
26.	Net promoter score (NPS)	≥40%	54%	54%	54%	
27.	Community trust score	≥55%	57%	57%	57%	

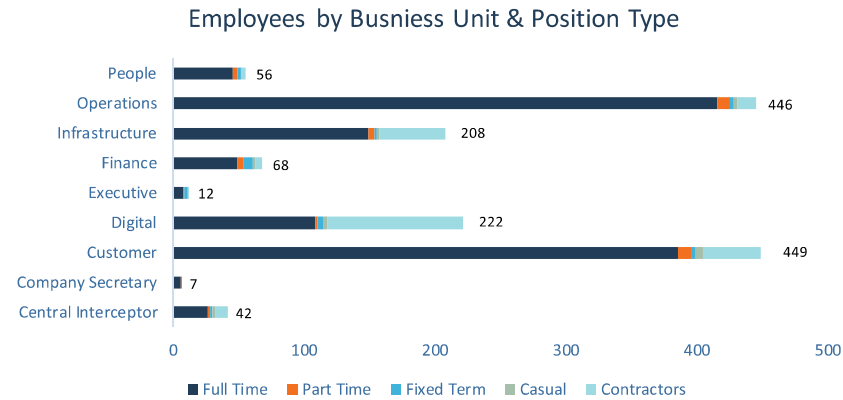
Attachment 2

PEOPLE DASHBOARD: June

Workforce Snapshot

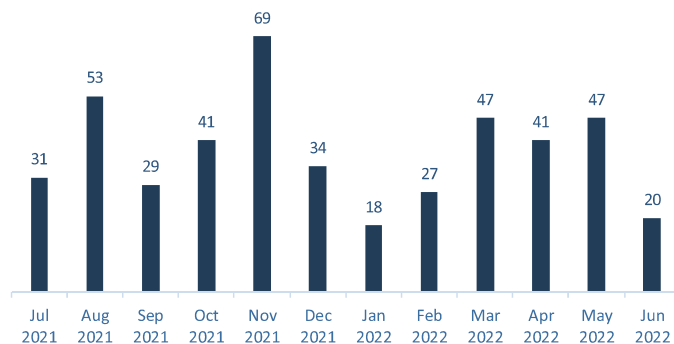


* Contractors and Directors are excluded from the headcount figures above. Long term leave and parental leave employees are included.



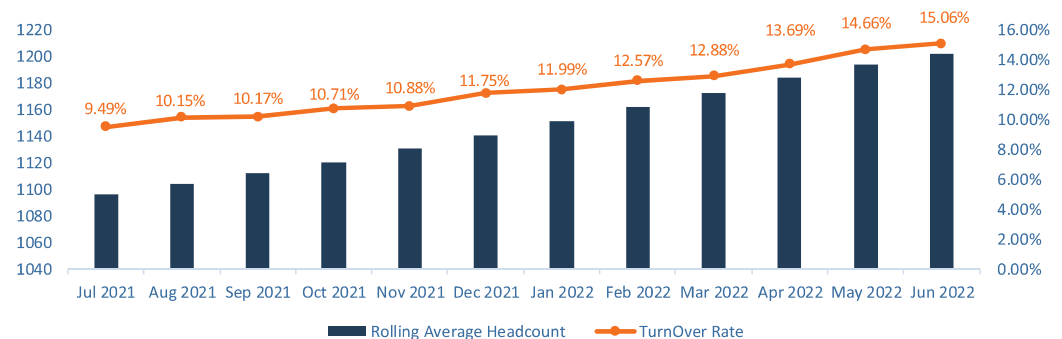
Please note active contractor information is based on data provided by the business through ServiceNow. Some third party contractors may not be included, and further categorization of contractors (direct, third party) was not provided at time of request. There are also potentially contractors who have expired but have not been terminated by the manager. We are currently working on improving the process to better capture this information and report on it.

New Hires by Month

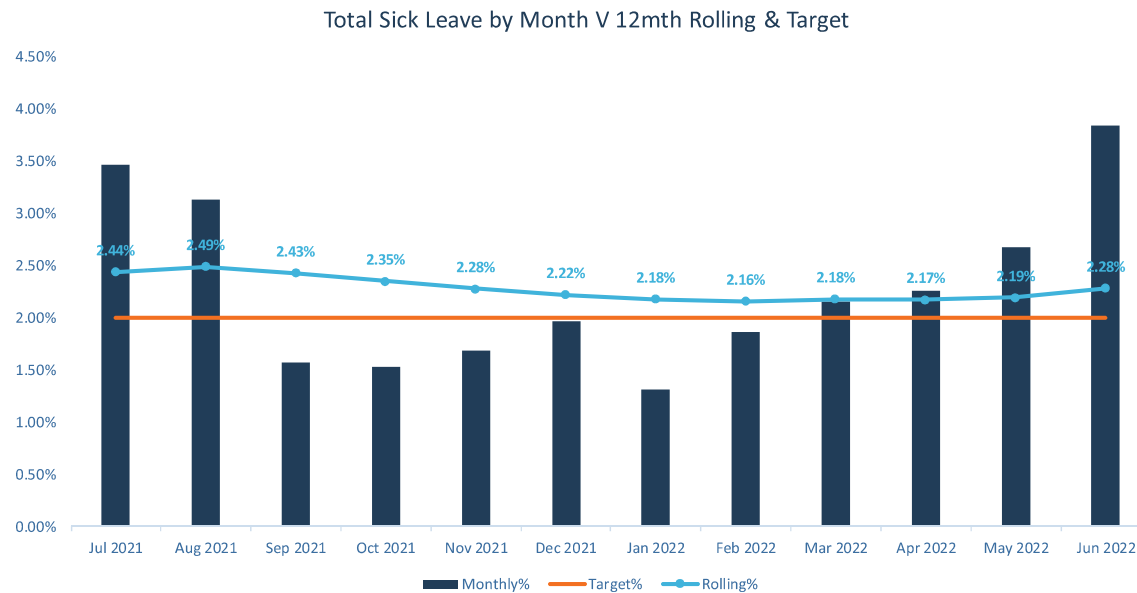
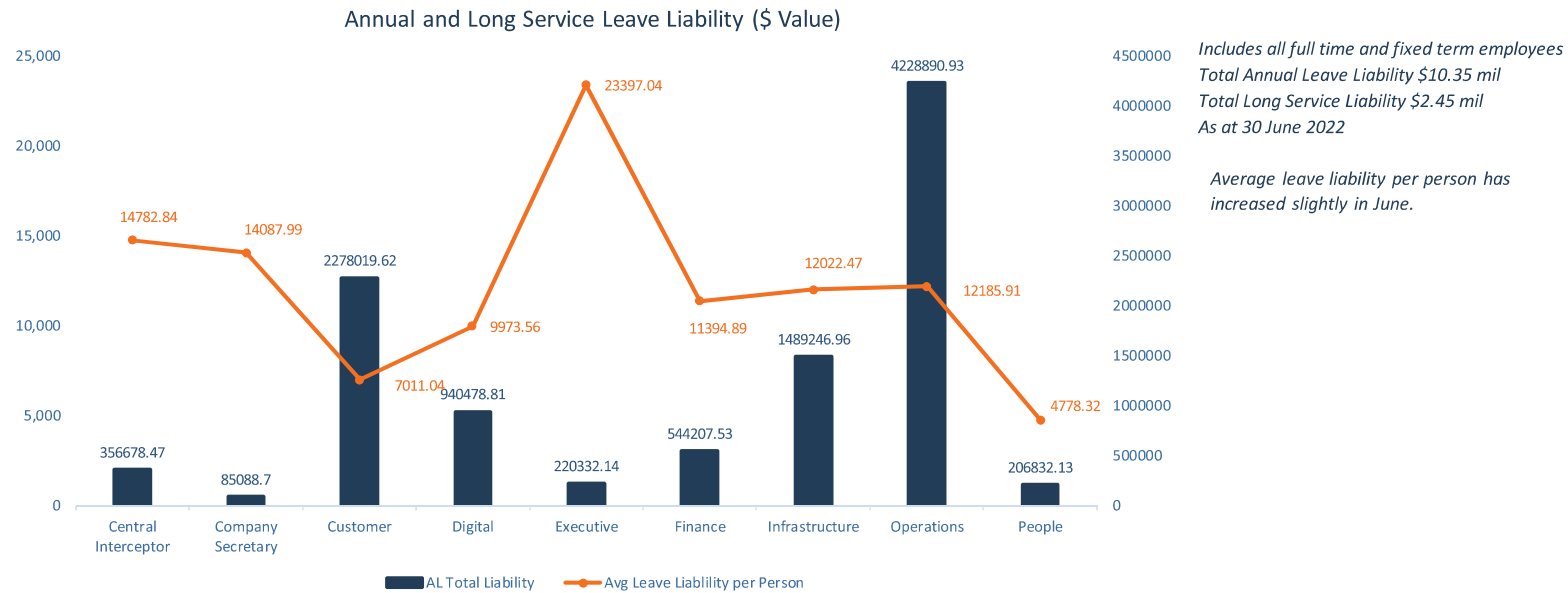


Time to Hire in work days (from jobs open) has dropped significantly, from 56.02 days in May to 42.9 days in June, as new hires drop from 47 in May to 20 in June. Vacancies created (including both replacement and new vacancies) has increased slightly from 21 in May to 28 in June.

Average 12 mth Rolling: Headcount V % Voluntary Turnover



This does not include anyone that has left for reasons other than resignation. Only Permanent employees (full time and part time) are included in the data.



Attachment 3**Health, safety and wellbeing – June 2022****Waikato Audit**

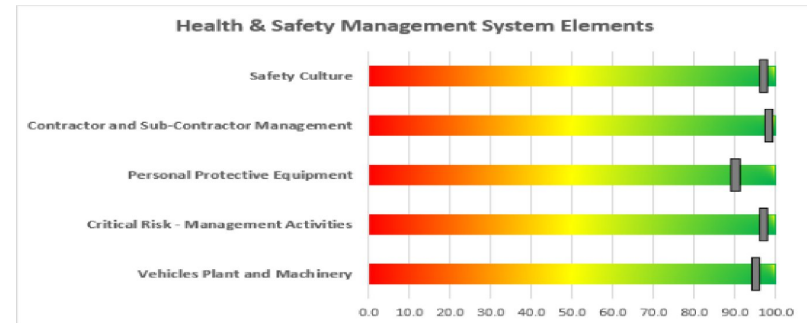
The annual audit of the Waikato DC business was conducted in June. The scope covered safety culture, supply chain management, critical risk management and plant and equipment.

All elements were scored highly – Well done Matt and Team!

ACC Audit

Our ACC audit was delayed until early July. The auditor's report has been forwarded to ACC with a finding of no critical non-compliances and a recommendation of accreditation.

Feedback was generally positive although the auditor noted gaps in some systems, particularly for learning management.

**Muscular-skeletal injuries**

We have implemented the use of the APHIRM toolkit to help us understand our high rate of muscular skeletal injuries. The APHIRM toolkit provides specific advice on risk control strategies for each of the various types of physical and psychosocial hazards, prioritising strategies that address MSD risk as close to its sources as possible. The first round of assessments have been completed with MSN with results being discussed with the team. Initial findings show job design as a major factor.

Back to Basics for Operations

The Operations Team has launched Back2 Basics with toolbox talks and donuts. This month's topic – traffic – has generated some great ideas and there has been good engagement. The team is looking forward to gaining further momentum.

Mates in Construction

General Awareness Training has been rolled out to MSN, and Infrastructure Connectors have refreshed their skills.

Health Update

Flu shots have been completed with an uptake of 480 this year. This is a similar figure to last year.

We are working with the Recruitment Team to improve the health information we gather at time of recruitment because pre-existing conditions are a common factor in muscular-skeletal injuries.

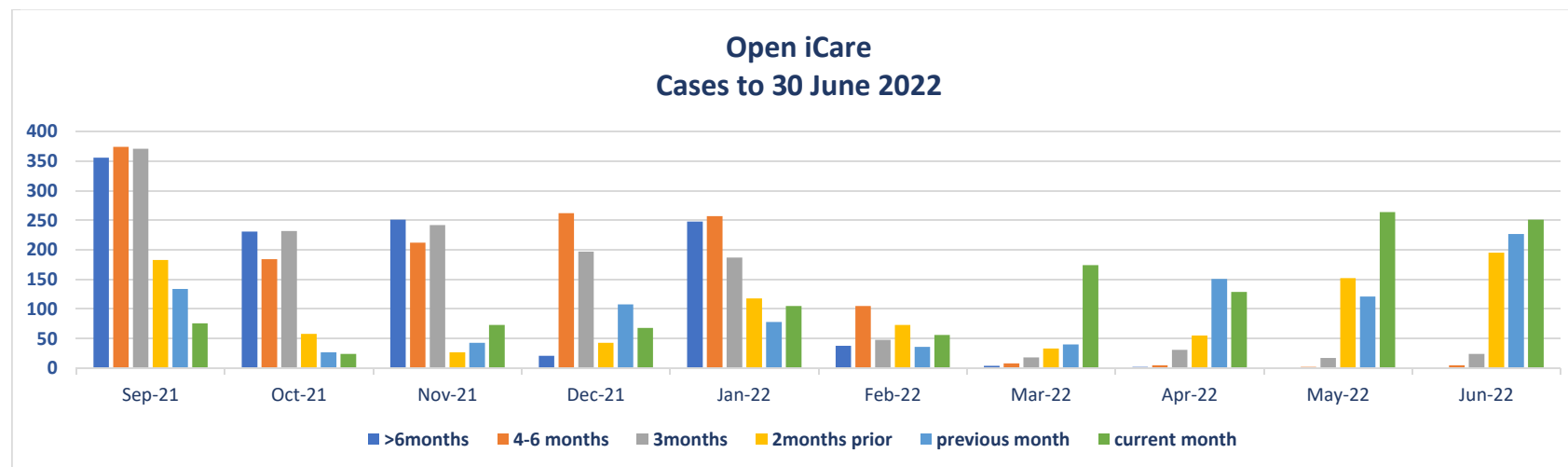
HSW performance – June 2022

No. employees & contractors		Total hours worked	No. days overtime
1466		85,439	913 days
Employees	1249 ¹	(2.44% inc on previous month)	Customer 401 days
Contractors	210	WSL 53 %	Operations 512 days
		Contractor 47%	

iCare cases

iCare is the Watercare incident reporting system.

- There has been some very good discipline with teams closing out actions, as evidenced by the shape of the graph
- A lack of system reminders is problematic, so we are sending manual reminders from the HSW team



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

Incident metrics

	Note	Jun-22	May-22	Apr-22	Mar-22	Feb-22	Jan-22	Dec-21	Nov-21	Oct-21
No. of recordable injuries	1	6	8	8	8	6	6	5	9	7
Critical risk exposures/all incidents	2	17/74	20/76	14/60	5/64	10/64	7/61	8/44	11/73	5/44
High Potential Critical events	3	1	-	-	1	-	-	-	-	-

1. In June, there were five recordable injuries to Watercare staff and one to a contractor. Of the five Watercare injuries, four resulted in time away from work. The remaining Watercare injury and the contractor injury required medical treatment.

Two of the Watercare injuries resulted from driving incidents, including one which was a high-potential critical event. There were three muscular-skeletal injuries requiring treatment, including the contractor injury, and in one case, a piece of contractor mobile plant failed causing a head injury to one of our team requiring stitches and time off work.

2. Of the 74 events recorded in June, twelve resulted in vehicle or property damage with no injuries. Seven events resulted from slips and trips, partly attributed to the wet and slippery outdoor environment.

Three events related to manual tasks this month, and there were eight hand injuries, all requiring first aid treatment only.

3. Critical Risk Exposures: There was one high potential critical event in June. There were 17 incidents involving critical risks, three resulting in recordable injuries.

Driving	4	Working with or near live energy	5
Mobile Plant	4	Electricity	2
Chemical	1	Confined Space Entry	1

High potential critical risk event

On 21 June 2022, a worker was returning to the yard along Great South Road when they had a collision with an oncoming truck and trailer. The work van veered to the right side of the road and collided with a pole. The front driver side of the car was damaged, and the driver door was cut off to retrieve the worker. The supervisor was notified and was able to attend site as the worker was leaving in an ambulance. He was advised the worker was "status 2 and was in and out of consciousness". The manager notified the worker's partner and took them to the hospital to be with their partner. At the incident site, the Police incident response team took over the investigation. We are waiting for the outcome of that investigation. The worker is recovering well, and their return-to-work planning is underway.

Effectiveness of controls:

- Vehicle serviced, maintained and WoF manager at hospital
- Worker trained, licenced, D&A pass
- Notification, response, contact details in place and well executed

Care and follow-up:

- Supervisor on incident site and
- Family cared for and supported
- Ongoing contact and RTW planning



Critical Risk Deep Dive: Working with flammables or in explosive/flammable areas

Areas with flammable substances like petrol, fuels, gases, vapour, or dust as well as many common products like solvents, thinners, cleaners, adhesives and paints are highly flammable and there is a high risk of fire and/or explosion if there is a source of ignition nearby.

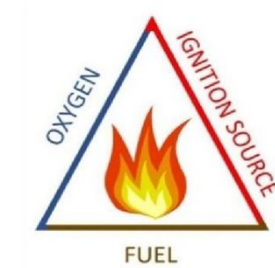
Lowest temperature of a heated surface which, under specified conditions will ignite a flammable substance in the form of a gas or vapour mixture with air.

FIRE TRIANGLE – Illustrates the three essential elements needed for combustion (fire or explosion) to happen:

Heat – ignition source

Fuel – gas, vapour, dust, mist, or solid material

Oxidizing agent – (usually oxygen)



Watercare examples include:

- Open excavations
- Pit excavations
- Trenches and retaining walls
- Shafts and drives

Potential Harm:

Fire or explosion is the main risk associated with flammable liquids. The consequences are significant and can result in critical injuries or fatality. This could possibly have an impact on plant overall operation and or personal safety.

A Watercare example of a failure to manage this risk effectively was the 2011 Onehunga disaster which took the life of Philomen Gulland. Engineer Ian Winson later had both of his legs amputated above the knee, and several other people are living with the ongoing affects of the explosion.

What it looks like for Watercare:

Across Watercare operational and infrastructure sites people are working with flammables and in explosive, flammable areas.

Each site has their own processes to manage working with flammable or in explosive flammable areas depending on the level of risks, hazards, and flammable gases, vapour, or dust levels present. Serious injuries and medical events have been uncommon after the 2011 explosion.

Controls currently in place:

- Planning
- Safe systems of work
- Isolation and engineering controls
- Both fixed and mobile gas monitoring
- Training and competency
- Signage and communication
- PPE and clothing with anti-static properties must be worn within the perimeter of an explosive atmosphere zone

Example:

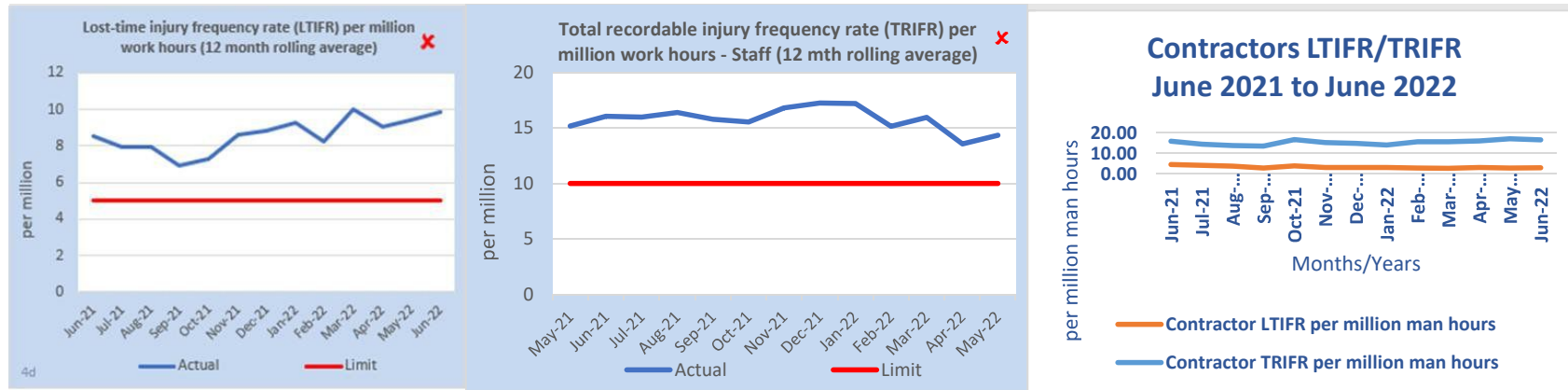
During the digestion process, approximately 50% of the volatile material such as fats and carbonaceous material is consumed by anaerobic bacteria. An important by-product of the process is gas, mainly methane. Gas production is about 500 cubic metres for each tonne of solids. Each digester produces some 500 cubic metres per day (60,000 cubic metres per day in total) which is recycled to the co-generation plant.



Māngere WWTP Digester



Māngere WWTP Site



Our LTIFR and TRIFR remain high, although the TRIFR seems to be trending downwards over the last six months. Note the TRIFR target has been adjusted from 20 to 10 to reflect our aspiration of improvement.

More than 60% of our injuries relate to muscular-skeletal damage from manual tasks and slips and trips. Our work environment is a significant contributing factor which is why site walks and general inspections are important to help us identify opportunities for improvement.

Importantly, change in methodology, personnel, resources and environment is often associated with incidents, as is workers feeling pressure around deadlines and targets, so leaders need to be alert to these triggers and engage workers to mitigate.

Critical risks

Watercare's 14 critical safety risks are below. Every month the HSW team reviews one of these risks and updates the Board. The current month review and deep dive is **Working around water bodies**.

1. Working in confined spaces
2. Working with mobile plant
3. Driving / using vehicles
4. Working alone or isolated
5. Working with hazardous materials
6. Working with suspended loads
7. Working with or near live energy (electrical, mechanical, pneumatic, hydraulic, etc)
8. Working with fixed plant and equipment

9. Working in or near live traffic (includes road corridors, construction and operational sites)
10. Working at Height
11. Working around water bodies
12. Digging and working in excavations (includes tunnelling)
13. Working with flammables or in explosive/flammable areas
14. Worker mental wellbeing



Board meeting | 2 August 2022
Public session



Scanning the Horizon

For discussion

Te pou whenua tuhinga / Document ownership

Prepared by

Rebecca van Son
Head of Strategy

Submitted by

Jon Lamonte
Chief Executive Officer

1. Te tūhunga / Recommendation

We recommend that the Board discuss the following information updates:

- Auckland Light Rail
- Auckland's second harbour crossing
- Wellington Water – Fluoride independent inquiry 2022
- Huge day for Christchurch as water bottling consents quashed
- Heat is on for recycling phosphorus.

2. Take matua / Key points

The key points are outlined in section 4 below.

3. Whāinga / Purpose and context

The purpose of this report is to ensure that the Board remains informed of important matters (both short and longer term) that are likely to have an impact on Watercare in the future. This includes strategic and operational insights as well as possible risks and opportunities on the horizon.

4. Kōrero pitopito / The details

4.1 Auckland Light Rail

Central Government has confirmed investment in construction of the Auckland Light Rail (ALR) from the City Centre to Māngere. This signals the start of planning for a programme of work that will ultimately be transformational for Tāmaki Makaurau. The \$14.6b project is a partnership amongst Waka Kotahi, Auckland Council, Auckland Transport and Kāinga Ora.

The Government endorsement was further bolstered by a call to accelerate planning work on a second harbour-crossing (see 4.2 below). Together, these will be two of the largest infrastructure projects in the history of New Zealand, with the potential to provide a pipeline of work for the next 10 – 20 years.

There will be a tunnel from Wynyard Quarter to Mount Roskill, and then the route will run overground through Onehunga and Māngere and on to the airport, featuring up to 18 stations with services every five minutes.

Main outcomes of the Auckland Light Rail

- An opportunity to shape urban change for Auckland.
- Higher density transit-oriented development.
- Accommodation for up to a quarter of Auckland's planned growth (may result in 66,000 new homes along the corridor by 2051).
- This could create tens of thousands of new jobs.

Summary of route

The Auckland Light Rail is proposed to be tunnelled in the central city, minimising CBD disturbance and providing route flexibility. CBD stops include Wynyard Quarter, Aotea (CRL link), and the Universities. These stops elevate Aotea to the busiest transport hub on the public transport network, bring greater public transport connection to the Universities, and provides a launchpad for a second Harbour crossing.

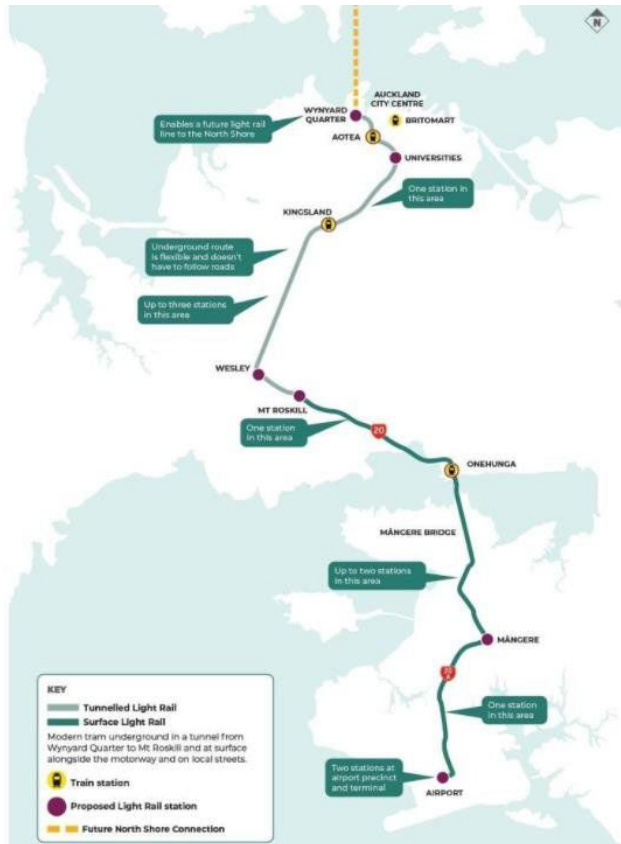
Impacts on Watercare

Watercare is participating in discussions and workshops on the ALR. At this stage, the following Watercare assets and projects could be impacted by the ARL:

Corridor impacts

- Tunnelling could impact existing CBD deep services such as the Orākei Main Sewer.
- Planned tunnelled wastewater in the CBD such as the Aotea Precinct and Queen Street pipelines.
- stormwater pipes at depth, particularly down Albert and Queen Streets.
- The Huia #2 Transmission pipeline.
- Several wastewater service lines through the Sandringham to Mount Roskill Corridor.
- The Onehunga Branch and Eastern and Southwestern Interceptors, which will be crossed by the rail corridor.

- South of the Manukau Harbour the Hūnua #4, Māngere Watermain and the Eastern Interceptor will also be crossed.



Train station boxes

As transport nodes, these stations trigger statutory zoning policy such as NPS-UD (National Policy Statement – Urban Development) which allow for intensification. Extensive water and wastewater network renewals are therefore anticipated in the vicinity of station precincts. Each will present challenges for the ALR delivery team highlighting the need for infrastructure planning. Watercare has already identified risk at the Aotea site where a station box could compromise the planned wastewater servicing of the Aotea developments. Examples of the new, more intensified communities around the train stations (growth nodes) include:

- A new high rise Dominion Junction Precinct, and
- A new Māngere Town Centre.

Programme and procurement

The light rail group estimates that construction could start in two to three years following the completion of a detailed business case and consenting phase (2024/2025). Construction will then take six to eight years. The programme dovetails with the CRL completion which should alleviate some talent capacity concerns. There is also the possibility of staging, with fewer train stations at the outset. The growth models expect 10,000 new homes in the first decade, and 56,000 from the second to third decade.

The initial procurement process for light rail and the harbour crossing is underway in a coordinated approach. Both projects are enlisting separate engineering, planning and urban development teams for planning, design and business case work. These are expected to be in place later this year.

The Infrastructure Commission – Te Waihangā Infrastructure Strategy 2022 – 2050 highlights how the industry overall needs more certainty of work and a pipeline of priority projects. The coordinated procurement for these projects allows the industry to prepare and plan accordingly for this pipeline of work. Importantly, the joined-up process also signals the Government’s recognition of the need for close collaboration on two projects that intersect in the heart of Auckland.

The light rail team will undertake a new round of community engagement later this year to discuss issues like station locations and overall alignment.

Ongoing input

ALR kicked off its engagement programme in mid-February 2022 with two workshops introducing the project. Watercare were in attendance, and we are now progressing with Spatial Planning Workshops with an enabling Infrastructure team in place. We will continue to drive combined dialogue early, similar to what we have been doing on the Northern Interceptor/North Harbour Watermain, where we have a utilities forum that meets to discuss the impact and opportunities within the project corridor. We must trust that we can produce a commercial position that we can all live with.

4.2 Auckland's second harbour crossing

A team has now been assembled to undertake analysis for Auckland's second harbour crossing. The team from Waka Kotahi, Auckland Transport and Auckland Council will look at a range of options and recommend a preferred way forward for all transport modes – walking and cycling, rapid transit and road. The recommendations will include the form, function, route, and timing of future cross harbour connections. We understand that the public consultation process will begin in late 2022 to prepare a business case for 2023.

At this stage, the harbour crossing could be a bridge. However, it could be a tunnel requiring significant investment and involve complex, large-scale construction, anticipated to take more than 15 years of design and construction work.

Actions for Watercare / impacts on Watercare

Watercare must determine if we want to utilise the next harbour crossing as an infrastructure conduit. We believe that cooperation with a Waka Kotahi initiative is likely to offer cost and operational benefits. Therefore, our early involvement may influence option selection, and could deliver significant benefits for both parties, for example:

- Auckland requires additional conveyance across the Waitemata Harbour for water supply resiliency on the North Shore. 180,000 customers in the lower North Shore are serviced through two existing, aging Auckland Harbour Bridge (AHB) watermains, North Shore No.1 and North Shore No.2 (NS1 & NS2). North Shore No. 3 is identified in the AMP within the next 10 years and will provide increased capacity and allow for major maintenance of the existing two watermains. Currently these two watermains are a recognised single point of failure and both are required to meet our Levels of Service.
- There are benefits for Waka Kotahi as well if one of the older existing watermains can be retired off the Auckland Harbour Bridge as this would increase the bridge's lifetime.

Waka Kotahi is aware of our requirement for additional capacity over the Waitemata Harbour, as we were involved in developing the proposal to put a 700mm watermain on the Skypath (the walking /cycling) Bridge from Westhaven to Northcote Point. This project did not commence.

We intend to work with Waka Kotahi to coordinate and negotiate the best outcome we can for both parties.

4.3. Wellington Water - Fluoride independent inquiry 2022

On 15 March 2022, Wellington Water announced that fluoride to much of the area had been switched off a month earlier. The following day, another announcement was made – the 15 March 2022 information had been incorrect. Fluoride had actually been turned off in May 2021. Additionally, due to aged infrastructure, fluoride levels had been inconsistent for years.

Wellington Water then commissioned an inquiry, which has just been completed. Below are the key findings:

Fluoridation for oral health wasn't a priority for Wellington Water.

There are hard rules under the law for water *safety*, but not so much for fluoridation. If there is too much fluoride in drinking water, it can be harmful. If there's too little fluoride, it will not be effective at looking after people's teeth – but having too little fluoride in the water does not break any rule.

Laws aside, the councils did not actually ask Wellington Water to make sure there was enough fluoride, and Wellington Water did not report on it. Basically, the rules sent a signal that ensuring effective fluoride levels were not important.

Drinking water has been safe, but not optimally fluoridated.

Wellington Water never let the fluoride levels go too high and become harmful. They managed that risk by turning it off altogether.

Fluoridation was stopped to ensure the safety of drinking water, but with no plan to turn it back on.

The equipment for regulating fluoride in the water was damaged. Fixing it was challenging for many reasons including costs and Covid. Some of equipment was probably going to be decommissioned – so it was not clear if it was appropriate to fix it. This meant that there were no steps in place to get the fluoride going again.

There were longstanding challenges to providing fluoridation safely.

It was not just the equipment that made it hard to regulate fluoride levels. The fluoride itself - a powder, or a liquid - was sometimes poor quality due to international shortages. As well as creating a risk of too-high levels, poor quality fluoride clogged up the system, and people kept having to fix it. Insufficient storage facilities made the fluoride damp, making the clogging even worse.

Operational people were aware of the problems, and they tried to address them, although slowly.

Wellington Water did not do nothing. Operational people tried day-to-day fixes, like talking with suppliers about getting non-gunky fluoride, and installing some new equipment. And they tried to get funding for bigger fixes. However, they were advised to find money from the existing budget.

There were organisational challenges to raising and addressing issues.

If you want to be good at asset management (making sure your equipment is OK), you need processes for finding problems, logging them, and ensuring something happens. The processes at Wellington Water were not great – and so people stopped trying. Again, funding was a constraint. The inquiry report called this ‘learned helplessness’.

The Board didn’t have the technical expertise to realise that they needed to be asking questions about fluoride in relation to oral health.

Wellington Water’s Board did not have the technical knowledge to spot the fluoride problems – and people within the organisation did not tell them.

Escalation and communication of the decision to stop fluoridation took too long.

Any organisation should have a chain of command – and everyone should know where they sit in that chain. ‘Escalation’ means a clear process for sending a problem up the chain, to someone responsible for fixing it. But at Wellington Water, people did not know what to do with fluoride problems, or else they assumed someone else was sorting them. Management did not always know what was happening, let alone the Board or the councils. This was not deliberate, but the result of a lack of communication.

The complexity of the Wellington Water model makes service delivery challenging.

There are six councils involved, and they all have different priorities. This is an ongoing challenge.

The prospect of reform appears to be challenging for Wellington Water's performance.

With Three Waters about to change how water infrastructure is owned and run, it slowed investment decisions around Wellington Water's assets.

The inquiry has made five recommendations, which have been accepted by the Wellington Water Board:

1. Maintain a relentless focus on effective fluoridation in both the short and long term
2. Make sure the Board has the right collective experience and knowledge to govern effectively
3. Provide greater clarity of roles, responsibilities, and processes for managing fluoridation issues within Wellington Water
4. Improve the standard of asset management
5. Continue to strengthen the regulatory function at Wellington Water.

Wellington Water is working to address and implement the recommendations from the inquiry over the next few months and expect to have this work completed by 1 October 2022. To implement the recommendations, they are:

- Building on the communications and increased transparency that they have put in place over the past few months to ensure they continue to give their Board, stakeholders and public the assurance that they are doing their job effectively.
- Developing a policy by October to ensure that the Chief Executive and the leadership team are advised of issues of significance so that they can be addressed quickly;
- Continuing to improve their asset management systems, which may require seeking additional funding from councils in the longer term; and
- Continuing to strengthen their regulatory and compliance function, as well as reviewing the focus of the role of risk and assurance in the organisation.

Actions for Watercare / impacts on Watercare

Watercare have been requested by the Ministry of Health to fluoridate Onehunga and Waiuku water supplies. We are working on this with the intention of completing the works by 30 June 2024 (Onehunga) and 30 June 2026 (Waiuku).

We are also working on our asset management systems and processes and building a new regulation team.

In addition, we will continue to place critical emphasis on our risk management and reporting.

4.4 Huge day for Christchurch as water bottling consents quashed

A Court of Appeal decision to overturn consents allowing two water bottling companies to extract billions of litres of water from Christchurch aquifers will have far-reaching implications. Anti-water bottling campaigners have won a long-running legal battle after the Court of Appeal quashed a decision by Environment Canterbury (ECan) allowing Cloud Ocean Water and Rapaki Natural Resources to extract 8.8 billion litres of water each year using decades-old consents originally granted for industrial use.

The decision is a big win for Aotearoa Water Action (AWA), which in 2020 failed in its High Court bid to challenge ECan's decision to grant the consents. The Court of Appeal decision, released on 20 July 2022, said the consents granted to Cloud Ocean and Rapaki were "not lawfully granted". The court said the appeal must be allowed and the decisions granting the consents must be set aside. It also ruled that ECan must pay some of AWA's appeal costs, thought to be around \$18,000.

Aotearoa Water Action spokesman Peter Richardson said the group was absolutely delighted at the decision. Thousands of people took to the streets in 2019 to protest against the Cloud Ocean bottling plant. The group received about \$100,000 in donations to fight the consent and Christchurch City Council contributed \$50,000. Richardson said the decision meant that old water consents could not be repurposed for water bottling. "It's an important decision for the people of Christchurch. It helps to protect our water."

When asked if Awa was concerned about a possible appeal from ECan or Cloud Ocean, Richardson said they had the right to appeal, but he believed the decision, made by three judges, was robust. "I think they will have a hard job overturning it. We will enjoy the moment and see what transpires from there."

ECan general counsel Catherine Schache said the decision was significant and would have implications well beyond water bottling. "We now need to take the time to consider what those implications may be, particularly in terms of our consents processing."

ECan chief executive Stefanie Rixecker said the Court of Appeal's decision turned on whether applications for the take and use of water must be considered together. It was noted that this issue had not previously been addressed. Schache said the decision effectively meant the two companies could use the water for its original purpose – meat processing and scouring wool – but not for bottling water. Cloud Ocean and Rapaki could apply for a water bottling consent but only if they surrendered their existing allocation and reapplied for that same amount or less. The issue is, new allocations are restricted to only community supply, not industrial purposes.

Feng Liang, a director of Cloud Ocean's parent company Ling Hai Group, said the decision was disappointing, but the company needed time to review and consider the Court of Appeal decision properly. "The decision is potentially precedent-setting – as the court says itself in its judgement – and this will need to be thought through." He would not say if Cloud Ocean would appeal the decision.

Actions for Watercare / impacts on Watercare

Watercare will need now need to consider if any water consents being utilised by Watercare are not consistent with their original purpose – for example the bore water consents being used for the provision of non-potable water.

4.5. Heat is on for recycling phosphorus

Phosphorus is one of the main chemical elements that makes life possible and having enough of it is critical to sustainable agriculture. Applied to land as a fertiliser, it is used to grow the food we eat. Supply from phosphate rock reserves is running out – and located in just a few countries. However, it is possible to reclaim phosphorus from wastewater - and even turn it into a revenue stream in a circular economy of resources.

This is why scientists in Singapore have been working hard to develop new techniques that work in locations with warmer climates. Current techniques to remove phosphorus do not work well at temperatures above 25°C, and more places are expected to experience those temperatures, more often, due to climate change.

By using bacteria to store the chemical, the researchers at Singapore Centre for Environmental Life Sciences Engineering (SCELSE), Nanyang Technological University, Singapore (NTU) and the National University of Singapore, are now able to extract phosphorus at higher temperatures than has been previously possible.

The *Candidatus Accumulibacter* bacterial genus is not harmful to humans or the environment and removes phosphate from wastewater and stores it internally as polyphosphate granules. The scientists say their method could be used in laboratory-scale reactors and full-scale treatment plants.

Removing phosphorus from wastewater before discharging it into bodies of freshwater is important, as its presence can result in an algal bloom, which is a rapid increase in the population of algae. Algal blooms severely lower oxygen levels in natural waters when the algae die off and sometimes result in the release of high levels of toxins, killing fish and other organisms.

In Singapore, wastewater is treated at water reclamation plants located near coastal areas before it is discharged into the sea. Unlike other methods to remove phosphorus from wastewater, the scientists say their technique does not involve chemicals such as iron and aluminium coagulants, which produce large volumes of sludge that needs to be treated and disposed of.

Extending the temperature range of enhanced biological phosphorus removal to 35°C would help future-proof phosphorus removal, as other biological treatment approaches only work at cooler temperatures, and would be rendered less effective as temperatures globally are expected to rise.

The scientists will be carrying out further research to further improve the efficacy of their method. They are also looking towards using the bacteria to capture and store phosphorus, which some experts believe could be depleted globally within 50 to 100 years. Prof Wuertz added: “Nearly all the phosphorus that farmers use today, and that we consume in the food we eat, is mined from a few sources of phosphate rock, mainly in the US, China, and

the Western Sahara. Our solution could not only help future-proof biological phosphorus removal, but also store the element and then re-introduce it into agricultural systems."

Actions for Watercare / impacts on Watercare

New Zealand sources almost all of its phosphorus from Western Sahara resulting in significant carbon footprint. This also means that it is subject to significant ethical debate and is resulting in regular protests against "Blood Phosphate" at our Ports. This is a huge issue for NZ.

Watercare is already recycling phosphorus on a small scale by successfully commercialising the phosphorus rich fertiliser Struvite extracted at the Māngere Resource Recovery Facility. Sales commenced earlier this year under the EMERGE® fertiliser brand and have already reached 55 tonnes. It is anticipated that over 200 tonnes of EMERGE® fertiliser will be sold in the current financial year.

Whilst NZ could make a significant contribution to phosphorus supplies via our wastewater, our analysis shows that we do not have sufficient nutrient volumes for the country to ever be even be self-sufficient.

5. Ngā tūraru matua / Key risks and mitigations

This report is for information purposes and has highlighted risks in Section 4 – The details, where appropriate.

6. Ā muri ake nei / Next steps

This report is a standing agenda item for the Board meeting.





A Resilient Water Supply

August 2022

8



What are we going to cover?



- Water source planning and yield
 - We need resilient water sources
- Water production resilience
 - What impacts current state?
 - What mitigation is in place?
- Water distribution resilience
 - Case studies and planned improvements
- What does the future look like?





Risk and Resilience

Risk – The chance of something happening that will have an impact on a system or network.

The likelihood & consequence.

Resilience – Infrastructure resilience is the ability of a system to withstand or quickly recover from significant disruption.

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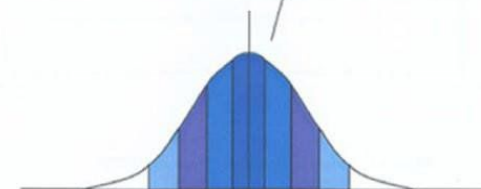
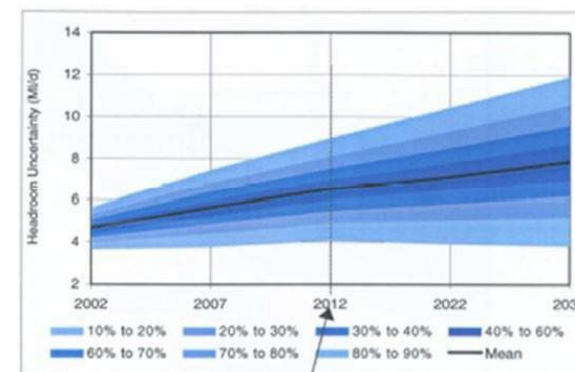
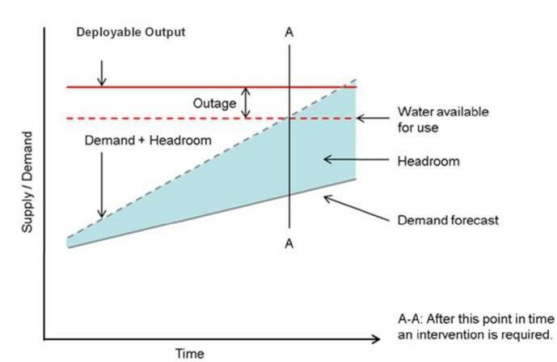
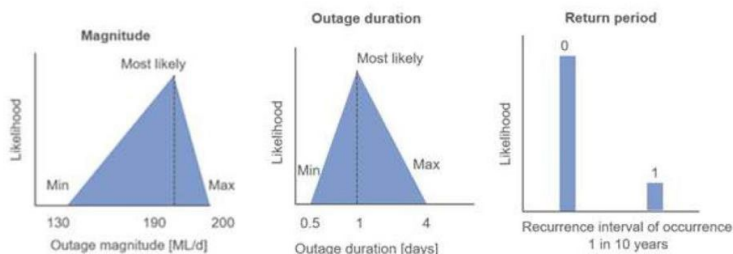


Supply and demand balance

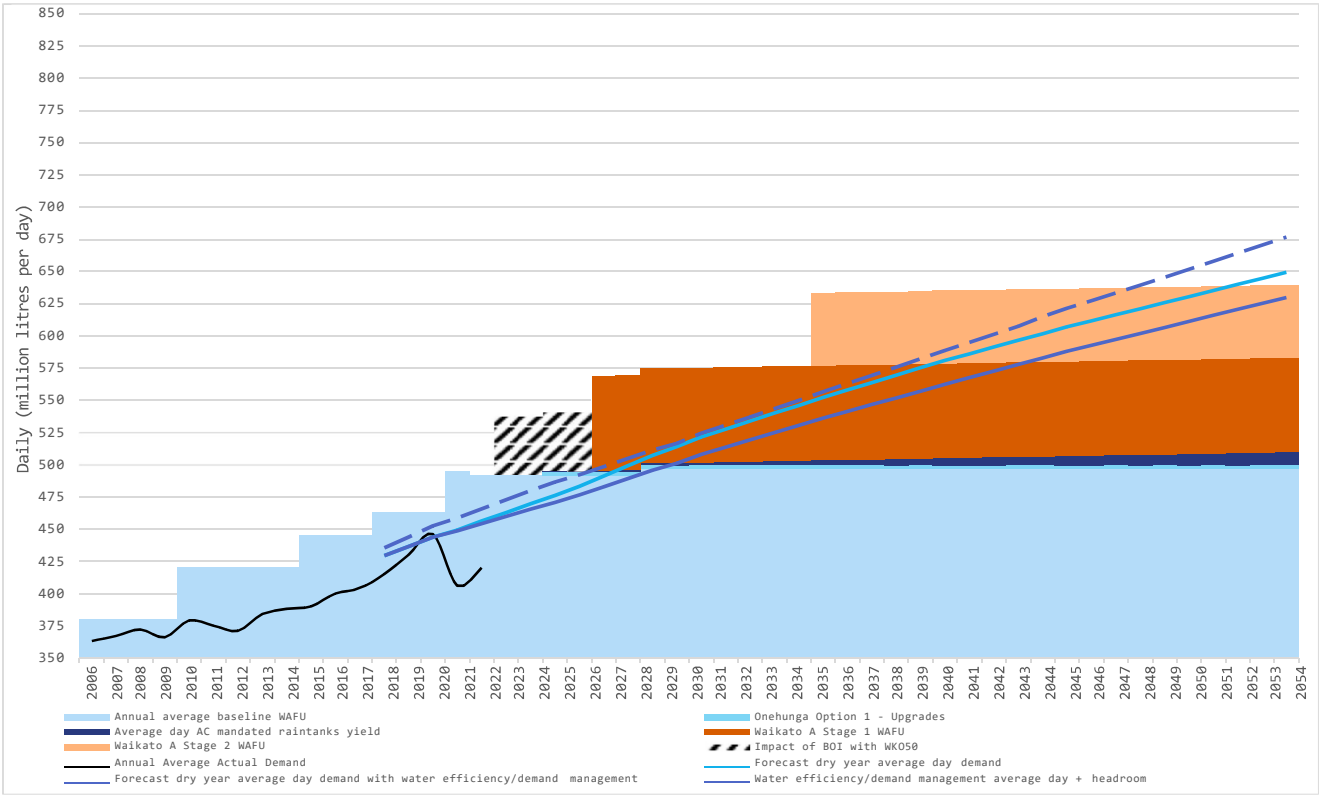


- Demand and supply forecasts developed to meet agreed levels of service
 - 1 in 100 year drought with 15% residual storage (1% AEP)
 - Restrictions no more frequent than a 20 year event (5% AEP)
 - Forecast modelled on population growth and activity
 - Auckland Water Strategy included in forecast
- UKWIR methodology used to account for uncertainties in both supply and demand forecasts

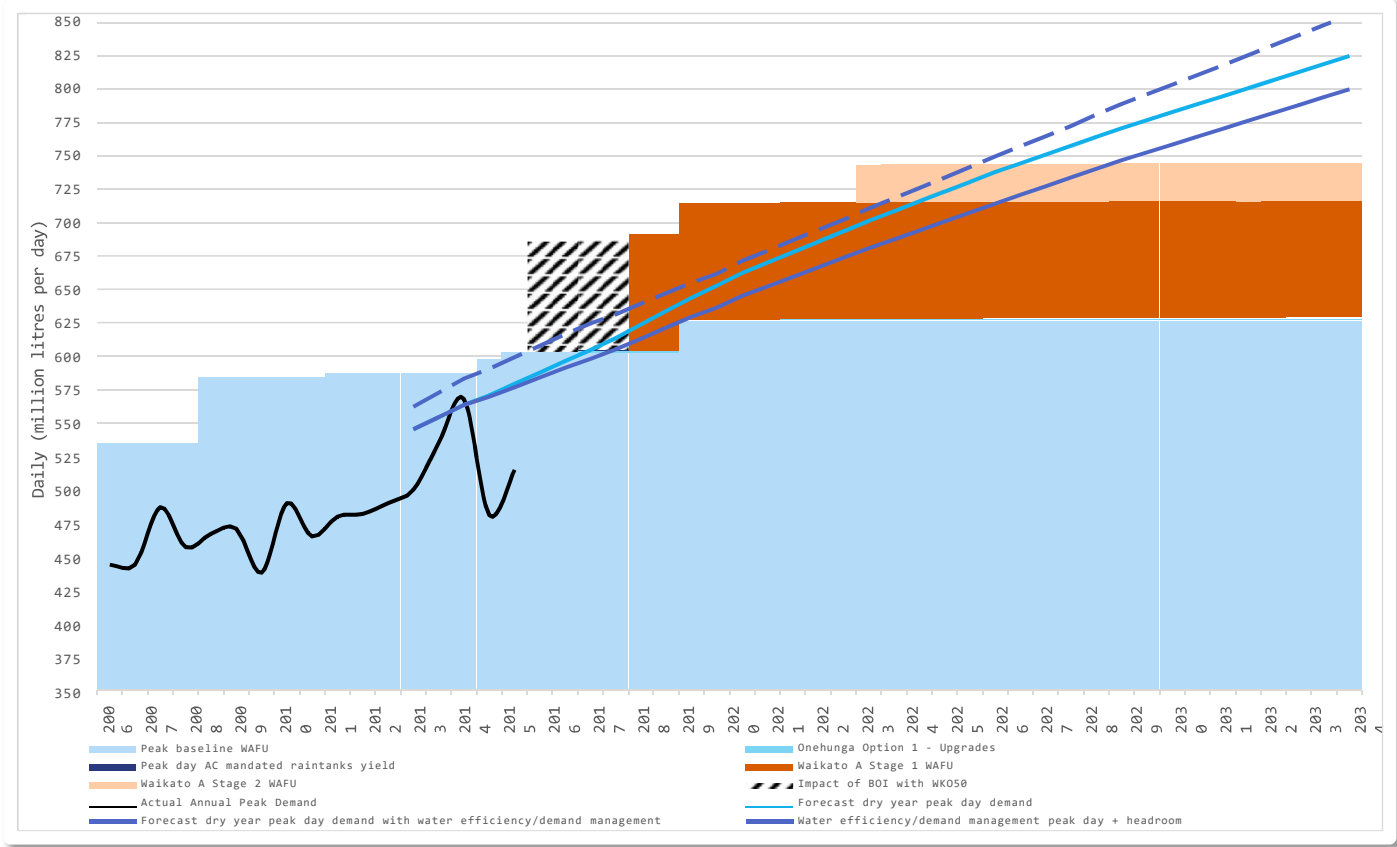
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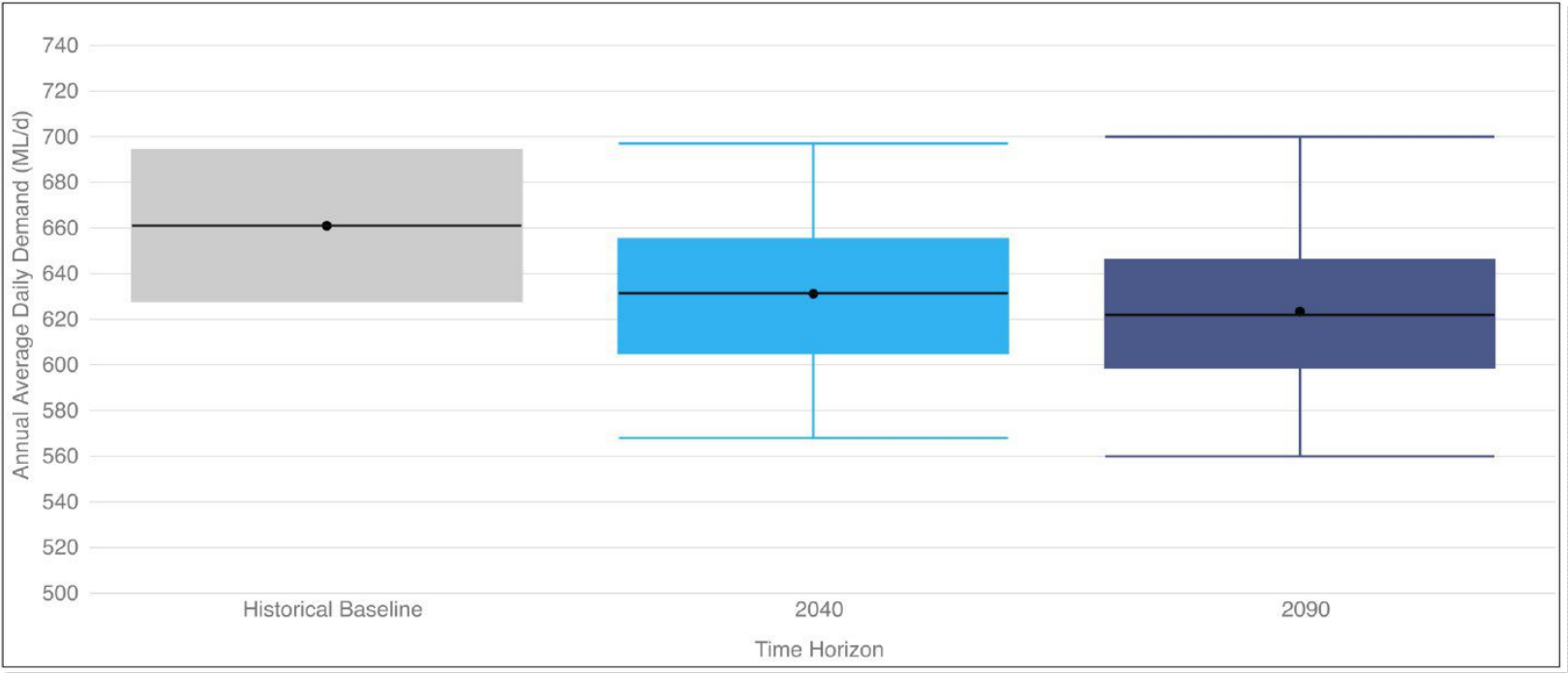
Annual average supply demand



Annual peak supply demand



Future yield analysis under climate change

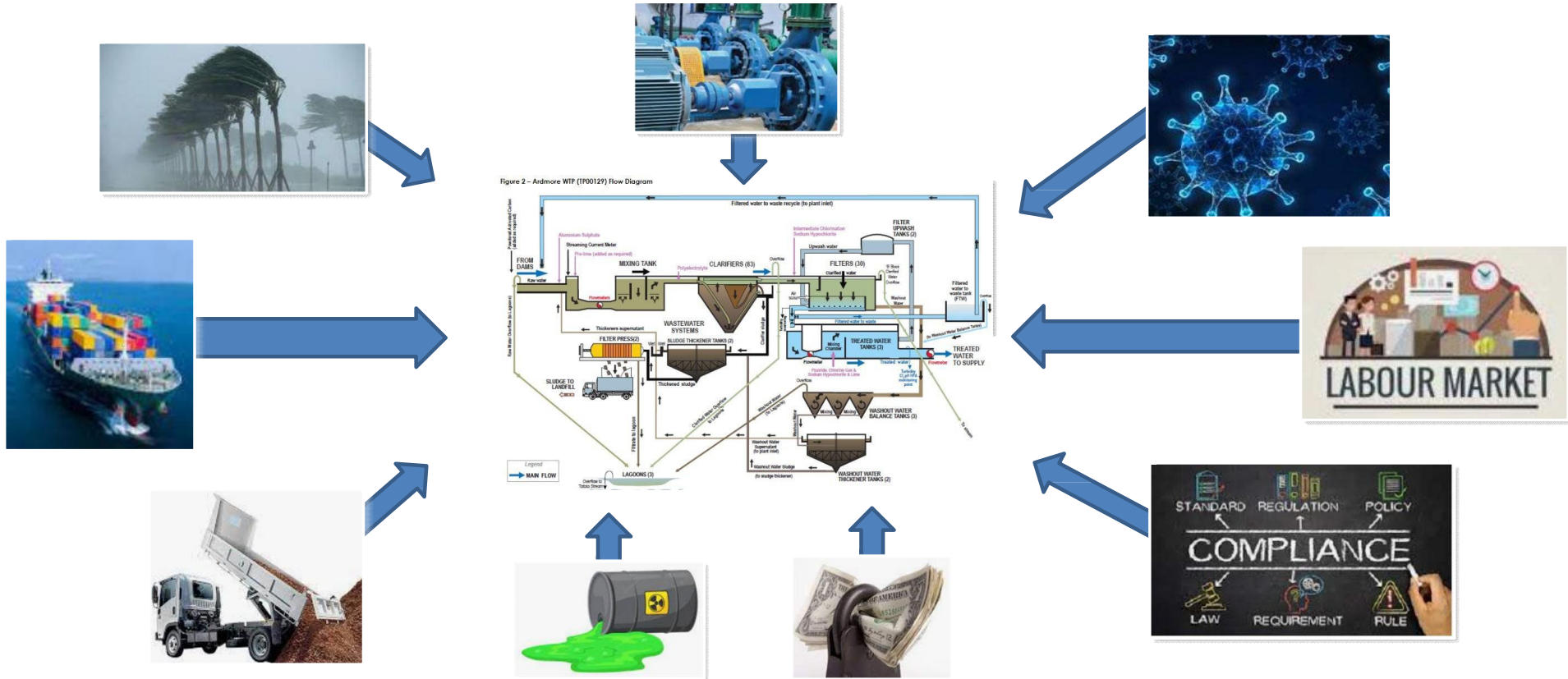


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Factors impacting water production resilience

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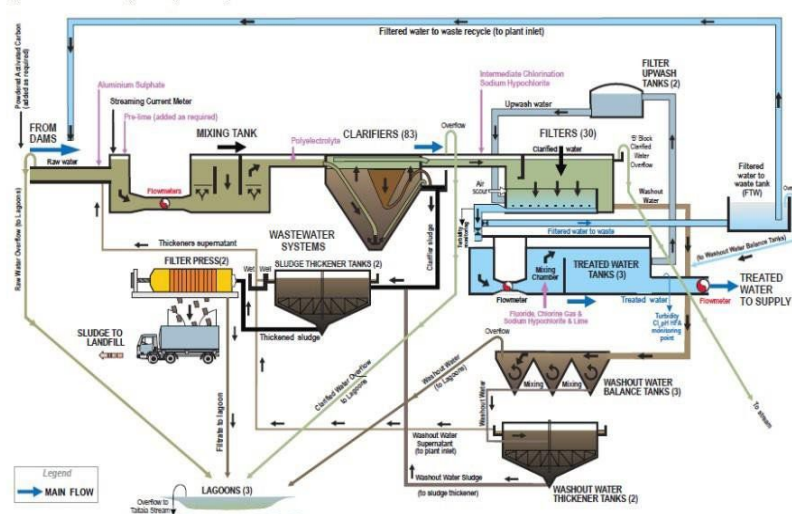
Measures building water production resilience



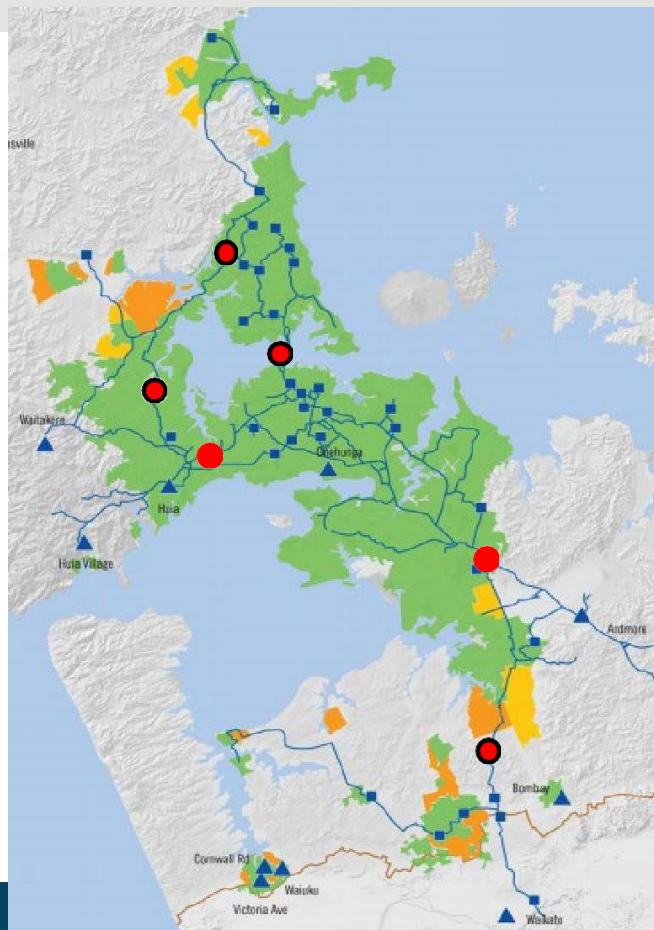
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Figure 2 – Ardmore WTP (TP00129) Flow Diagram



Water supply networks



● Critical points of asset reliability

System components – Transmission

- 688MLD maximum installed production capacity
- 440MLD daily average (pre-drought restrictions)
- 580ML historical peak production day
- ~400km of potable transmission watermains
- 54 reservoirs
- 24 pump stations
- 46 control valves
- 186 bulk supply points

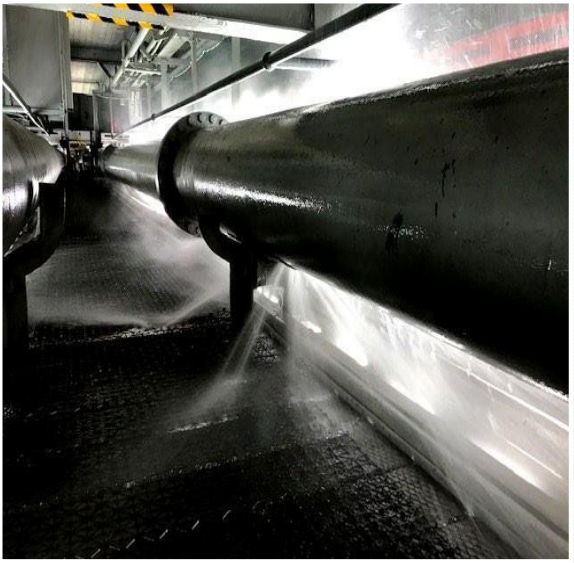
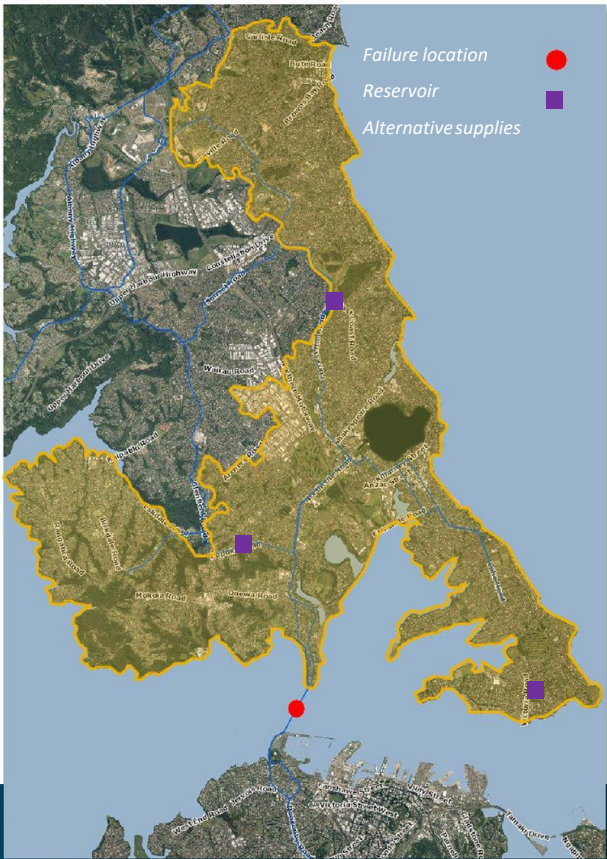
System components – Network

- Approximately 9500km of pipelines
- Approximately 440,000 customer connections
- Approximately 200,000 valves and hydrants

Some single points of failure remain in the network



Lower North Shore Resilience



Auckland Harbour Bridge



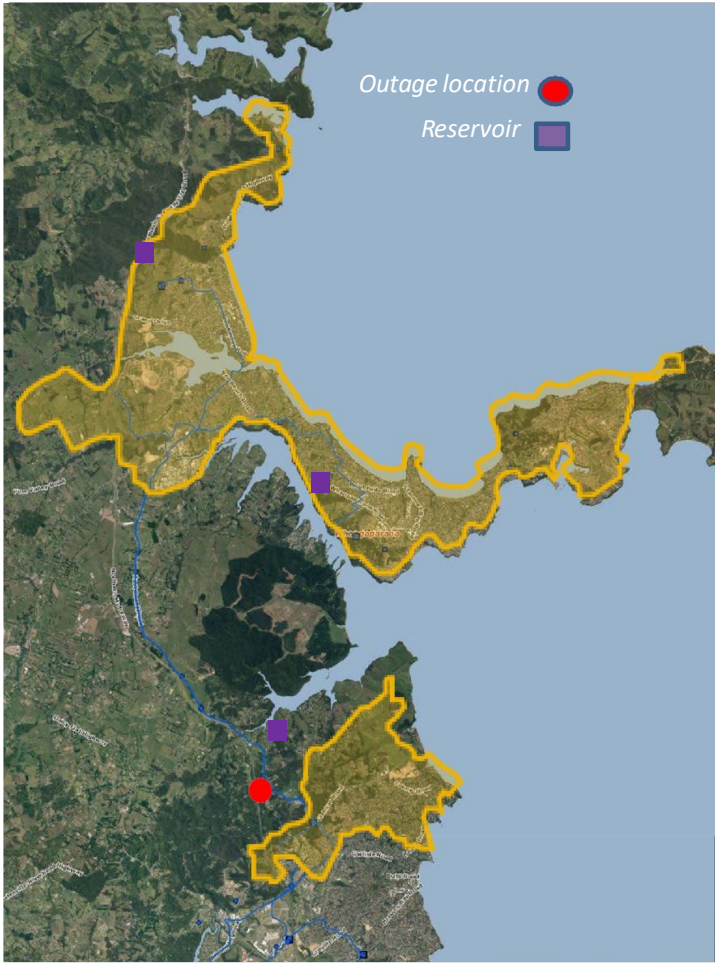
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Lower North Shore Resilience



- **The Harbour Bridge watermains (North Shore No. 1 and 2)** are aging, in need of major maintenance and reaching capacity
- Challenging conditions for repairs and maintenance
- Some increased resilience from the **Albany – Pinehill watermain**
- **North Shore No. 3** is identified in the AMP within the next 10 years and will provide increased capacity and allow for major maintenance

Upper North Shore and Rodney Resilience



Upper Harbour Bridge



Fairview Pump station

Upper North Shore and Rodney Resilience

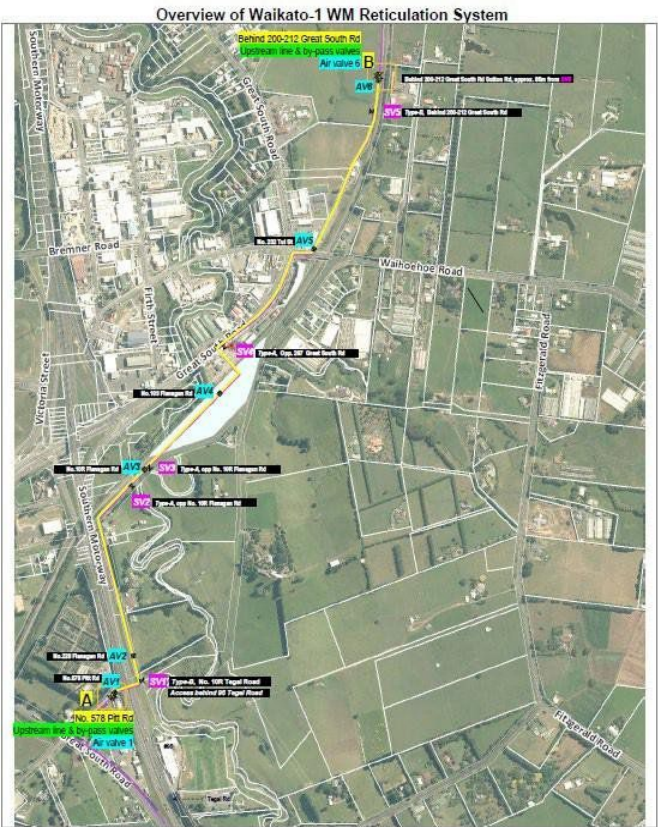


- **The North Harbour Watermain**
Greenhithe bridge and the Fairview Pump Station are single points of failure
- **The pipe in the Greenhithe Bridge** is effectively unmaintainable without removing the bridge deck
- **Fairview Pump Station** pumps all the supply to Rodney District and is vulnerable to flooding and power outages
- **The proposed North Harbour No. 2, Orewa No. 3 and the reallocated Fairview Pump Station** will provide resilience in coming years

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Southern Resilience



Ruel Garcia Monday, 27 June 2022 0:00 Water Supply Transmission Watermain (WM) System Shut Down Plans System Shut Down 20121030
WM (TK) Waikato WM, Drury PS Connection 20120914 SOP Waikato WM, Flanagan Road Cut-in for the Drury PS, V1.doc
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Waikato Watermain

Redoubt Control Valves



Southern Resilience



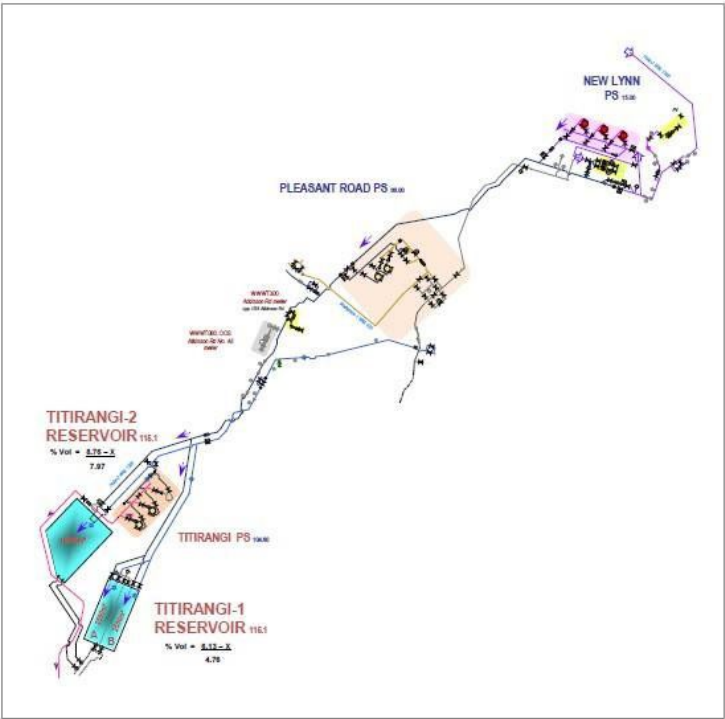
- **The Waikato Watermain** is the sole source of supply from both Waikato Treatment Plants and a large number of customers
- Resilience is provided by reservoir storage
- The main is vulnerable to third party damage, communications failures and plant outages
- **Waikato No. 2 Watermain** and increased reservoir storage will provide increased resilience over the next 10 years

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Western Resilience



New Lynn PS Distribution Layout



New Lynn Pump Station



Titirangi Reservoir

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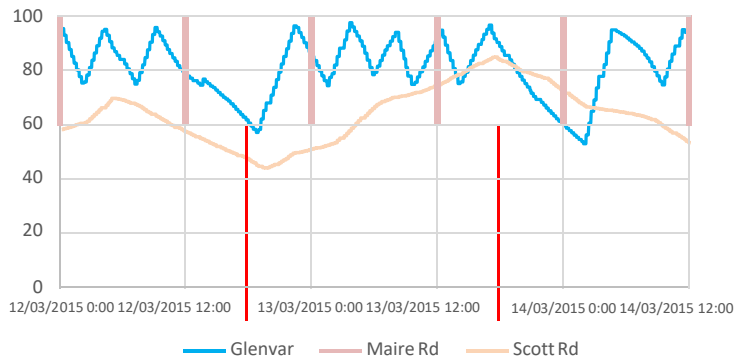
Western Resilience



- The demand in the West and the North exceeds production capacity in the West
- This means water is transferred from the Southern production sites via the New Lynn and Pleasant Road Pump Stations
- In the summer months these pump stations are critical to maintain supply
- Further resilience will be provided by the **proposed Akarana Pump Station** and the **upgraded Huia Water Treatment Plant** over the next 10 years

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Control systems and SCADA



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Control Systems and SCADA



- All network sites are unmanned.
- Many SCADA components are at the end of their life with parts difficult to maintain
- SCADA assets vulnerable to third party damage, power outages and system maintenance
- Resilience will be provided over coming years via the LNT SCADA upgrade project and communication diversification with the installation of fibre wherever possible

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Resourcing – Our people

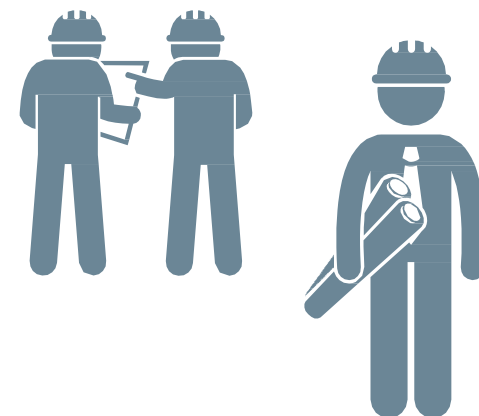


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Resourcing



- Challenging to recruit and retain staff at present both in Watercare and in our key contractors.
- Continual upskilling of new staff
- High expectations on staff with on-call requirement and out of hours work with shutdowns
- Rapidly growing network
- Resilience will be provided by targeted recruitment, training and development and career development



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Future resilience – beyond the AMP?



Investigate a new northern water source comprising of:

- A Wastewater Reuse facility at situated at Rosedale Wastewater Treatment Plant
- Potential utilisation of the Riverhead site for large scale water storage

8



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Thank you
Any questions?



Board - Public Session - Board planner

		Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23
Meetings	Board	2-Aug	6-Sep	4-Oct (Board Planning Day) A condensed CE's report with financials	1-Nov (Statutory Public Meeting)	6-Dec (Board check-in) A condensed CE's report with financials	A condensed CE's report with financials	8-Feb	7-Mar	4-Apr	9-May (Board planning day) A condensed CE's report with financials	13-Jun	4-Jul	8-Aug
	Audit and Risk Committee	15-Aug 29-Aug			22-Nov			3-Feb			23-May			16-Aug 29-Aug
Running the Business	Financial		Approve 2021/22 accounts, Delegate final sign off of Annual Report 2022 Approve Auckland Council Reporting Pack		Auckland Council Draft Annual Plan - approve Watercare input			Approve half year accounts	Approve financials for Draft SOI including projected 23/24 price increases Approve long term financials for Auckland Council modelling			Board approval of Insurance proposal Board approval of 2023/2024 Budget and updated SOI financials	Auckland Council and Watercare to review 30 June Treasury Interest rates	
	Statement of intent	Final 2022-2025 SOI adopted by Auckland Council Q4 Performance Report to Council - due to Council by 31 August 2022			2021/2022 SOI Results to be presented to Board at Public Meeting, Public Deputations to be received. Q1 Performance Report to Council (Date TBC)	2023/24 Letter of Expectations to be received		Q2 Performance Report to Council (Date TBC)	Draft 2023-2026 SOI for Board's approval - to be sent to Council by 1 April 2023	Q3 Performance Report to Council (Date TBC)		Present shareholder SOI feedback at public meeting,	Final 2023-2026 SOI issued to shareholder by 31 July 2023	Final 2023-2026 SOI adopted by Auckland Council Q4 Performance Report to Council (Date TBC)
	HSW Deep Dives	Critical risk - deep dives on Working with flammables or in explosive/flammable areas	Critical risk - deep dives on Working at Height (moved from May)		Critical risk - deep dives on mental wellbeing			Critical risk - deep dives	Critical risk - deep dives	Critical risk - deep dives		Critical risk - deep dives	Critical risk - deep dives	Critical risk - deep dives
	Community and Stakeholder Relationships	Iwi	Stakeholder		Iwi			Stakeholder	Iwi	Stakeholder		Iwi	Stakeholder	Iwi
	Governance	Q4 Statutory compliance	Our commitment to health, safety and wellness Board Delegations to CE		Good Employer Policy Enterprise Risk Report (Board then Council) Q1 Statutory compliance			Enterprise Risk Report Q2 Statutory compliance		Enterprise Risk Report Q3 Statutory compliance		Corporate Governance charter	Enterprise Risk Report (Board then Council)	Q4 Statutory compliance
	Karakia	Graham Darlow	Julian Smith	Wi Pere Mita	Frances Valentine	Margaret Devlin		Nicola Crauford	Dave Chambers	Brendon Green	Hinerangi Raumati-Tū'ua	Graham Darlow	Julian Smith	Frances Valentine
Deliver the future	Aligned to the Six Pillars	We have a resilient water supply - Graham Darlow and Mark Bourne	Our communities trust and respect us - Julian Smith and Amanda Singleton		We educate, innovate, and collaborate for future generations - Frances Valentine and Apra Boyle Gotia			Te Ao Māori is embedded throughout our organisation Achieving Māori outcomes - Board member and Executive TBC	We value our People & Culture - Board member and Executive TBC An annual summary report on people (gender, diversity and inclusion)	We are fully sustainable - Board member and Executive TBC		We have a resilient water supply - Board member and Executive TBC	Our communities trust and respect us - Board member and Executive TBC	We educate, innovate, and collaborate for future generations - Board member and Executive TBC
Confidential		Capex Approvals			CE's KPIs Capex approvals			CE's KPIs Capex approvals	Capex approvals			CE's KPIs Capex approvals	Approval of CE's KPIs for FY24	A year end progress update for CE's KPIs Capex Approvals

Board - Public Session - Board planner

		Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23
Audit & Risk Committee		Auckland Council FY22 Reporting Pack (15 August meeting) Approval of Financial Statements FY22 (29 August meeting) Tax Risk Management Policy Conflict of Interest Policy Board Delegations to CE						Approve FY23 half year accounts			Present plan for Year end to A&R A&R Approve Insurance Proposal Approval of 2023/24 Budget & updated SOI Financials			Auckland Council FY23 Reporting Pack (16 August meeting) Approval of Financial Statements FY23 (29 August meeting) Board Delegations to CE
Lutra Limited	Performance report	End of financial year performance report						Half-yearly performance report						End of financial year performance report
	Statement of intent	Final 2022-2025 SOI adopted by Auckland Council			2021/2022 SOI Results to be presented to Board at Public Meeting. Public Deputations to be received.					Draft SOI 2023-2026 to be presented to the Watercare Board			Final 2023-2026 SOI to be sent to Council	Final 2023-2026 SOI adopted by Auckland Council

Board meeting | 2 August 2022
Public session



Directors' meeting attendances

For information

Te pou whenua tuhinga / Document ownership

Prepared by
Emma McBride
Co-Head of Legal and Governance

Recommended by
Jamie Sinclair
Chief Corporate Services Officer

Submitted by
Jon Lamonte
Chief Executive Officer

1. Te tūtohunga / Recommendation

We recommend that the Board notes this report outlining meeting attendances.

2. Take matua / Key points

- This report details directors' attendance at the Board and Audit and Risk Committee meetings.
- This information is included in Watercare's Annual Reports.

3. Kōrero pitopito / The details

Attendance at the Board meetings (including the Development Day and the Planning Day) and the Audit and Risk Committee for 2022 is detailed in the table:

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 Board Development Day	Attendance at Board Planning Day
	8 February 2022	1 March 2022	5 April 2022	7 June 2022	5 July 2022	2 August 2022	6 September 2022	1 November 2022	2 February 2022	31 May 2022	15 August 2022	29 August 2022	22 November 2022	3 May 2022	4 October 2022
Margaret Devlin	✓	✓	✓	✓	✓				✓	✓				✓	
Nicki Crauford	✓	✓	✓	✓	✓									✓	
Brendon Green	✓	✓	✓	✓	✓				✓	✓				✓	
Hinerangi Raumati-Tu'ua	✓	✓	✓	✓	✕				✓	✓				✓	
Dave Chambers	✓	✓	✓	✓	✓				✓					✓	
Frances Valintine	✓	✓	✓	✓	✕									✓	
Graham Darlow	✓	✓	✓	✓	✓				✓	✕				✓	
Julian Smith	✓	✓	✓	✓	✓					✓				✓	
Wi Pere Mita (Intern)	✓	✓	✕	✕	✕					✓				✓	

Board meeting | 2 August 2022
Public session



Disclosure of Directors' and Executives' interests

For information

Te pou whenua tuhinga / Document ownership

Prepared by

Emma McBride
Co-Head of Legal and Governance

Recommended by

Jamie Sinclair
Chief Corporate Services Officer

Submitted by

Jon Lamonte
Chief Executive Officer

1. Te tūhunga / 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

3.1 Watercare Services Limited's Directors' Interests Register

- All new additions in 2022 are in [Blue](#).
- All deletions in 2022 have been ~~struck out~~.

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	INTEREST
	<ul style="list-style-type: none"> • Director, IT Partners Group • Chair, Advisory Board Women in Infrastructure Network • Chair, Hospice Waikato • Chartered Fellow, Institute of Directors • Member, Institute of Directors, Waikato Branch Committee • Director, Dairy NZ Limited • Member, the Office of the Auditor General, Mid Term Review Panel (term ended on 30 July 2022) • Chair, Infrastructure NZ • Director, Aurora Energy • Deputy Chair, WINTEC
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 • 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, 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

DIRECTOR	INTEREST
	<ul style="list-style-type: none"> • Director, Scion Research Institute registered as New Zealand Forest Research Institute Limited • Executive Director, Advanced Biotech NZ Limited
Hinerangi Raumati-Tu'ua	<ul style="list-style-type: none"> • Chair, Te Rere O Kapuni Limited • Chair, Ngā Miro Trust • Director, Taranaki Iwi Holdings Management Limited • Director, Te Puia Tapapa GP Limited • Chair, Tainui Group Holdings Limited • Executive Member, Te Whakakitenga O Waikato • Director, Genesis Energy Limited • Chair, Nga Kai Tautoko Limited • Chair, Te Kiwai Maui o Ngaruahine Limited • Trustee, PKW Trust • Chair, Aotearoa Fisheries Limited • Director, Sealord Group Limited • Director, Port Nicholson Fisheries GP Limited • Chair, Parininihi Ki Waitotara Incorporated
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 • Director, GB & DD's Outfit 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

DIRECTOR	INTEREST
	<ul style="list-style-type: none"> • Board of Trustee, University of Silicon Valley • 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 • Director, Tainui Auckland Airport Hotel GP (No.2) Limited • Director, Hick Bros. Heavy Haulage Limited • Director, Hick Bros. Holdings Limited • Director, Holmes Group Limited • Chair, The Piritahi Alliance Board • Chair, Holmes GP Structure Limited
Julian Smith	<ul style="list-style-type: none"> • Board Trustee – Auckland Philharmonia Orchestra • Advisory Board Member – Vadacom Limited • Board Trustee – Look Good Feel Better Trust
Wi Pere Mita (Board intern)	<ul style="list-style-type: none"> • Chairperson, Copyright Tribunal • Director, Trust Tairāwhiti Trustee Limited • Director, Prime SPV Limited • Director, Te Runanganui o Ngāti Porou - Toitu Ngāti Porou Trustee Limited • Director, Resolution Institute NZ & Australia • Trustee, SkyCity Entertainment Group (SkyCity Auckland Community Trust) • Director and Shareholder, Laidlaw Law and Consultancy Limited • Māori Advisory Board member, New Zealand Police, Counties Manukau East • Member, Community Law Centres o Aotearoa Incorporated • Member, Wayfinding civil access to justice – Advisory Group

3.2 Watercare's Executives' Interests Register

All new additions in 2022 are in [Blue](#).

EXECUTIVES	INTEREST
Jon Lamonte	<ul style="list-style-type: none"> • Director, Water Services Association of Australia • Member, Water Workforce Development Strategy Steering Group • Chair, Audit and Risk Committee of Water Services Association of Australia • Member, Department of Civil and Environmental Engineering Advisory Board
Marlon Bridge	<ul style="list-style-type: none"> • Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust • Director, WCS Limited • The Department of Internal Affairs
Jamie Sinclair	<ul style="list-style-type: none"> • Director and Shareholder, Sinclair Consulting Group Ltd • Chair, Lutra Limited
Shayne Cunis	<ul style="list-style-type: none"> • Director, The Water Research Foundation (USA) • Director, Lutra Limited
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
Andrew Chin	Nil

