

Board meeting | 9 April 2024

Public session



Venue	Watercare Services, Level 3 Boardroom, 73 Remuera Rd, Remuera and via Microsoft Teams
Time	9:15am to 10:45am

Meeting administration		Spokesperson	Action sought	Supporting material
1	Opening Karakia	Julian Smith	-	Verbal
2	Apologies	Chair	Record apologies	Verbal
3	Quorum	Chair	Three directors required	Verbal
4	Declaration of any conflicts of interest	Chair	For noting	Verbal
5	Minutes of the previous meeting of 5 March 2024 Board meeting	Chair	For approval	Minutes
6	Public deputations	Chair	For information	Verbal
Items for information, discussion and approval				
7	Chief Executive's report	Dave Chambers	For discussion	Report
8	Health, safety and wellbeing update	Paula Luijken	For discussion	Report
Governance				
9	Board planner	Chair	For information	Report
10	Directors' appointment terms, committee memberships and meeting attendances	Chair	For information	Report
11	Disclosure of Directors' and Executives' interests	Chair	For information	Report
12	General business	Chair	For discussion	Verbal update
Date of next meeting		Tuesday, 7 May 2024		



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 March 2024
Venue	Watercare Services, Level 3 Boardrooms, 73 Remuera Rd, Remuera and via Microsoft Teams
Time	9:54am

Attendance		
Board of Directors	Watercare staff	Guests
Margaret Devlin (Chair) (except for People and Operations update) Julian Smith Nicola Crauford (Acting Chair for People and Operations update) Via Microsoft Teams Graham Darlow	Dave Chambers (CE) (except for People, Operations and Enterprise Model update) Mark Bourne (Chief Operations Officer) Steve Webster (Chief Infrastructure Officer) (except for Enterprise Model and Central Interceptor update) Jamie Sinclair (Chief Corporate Services Officer) Amanda Singleton (Chief Customer Officer) Shayne Cunis (Exec Programme Director CI) Richie Waiwai (Tumuaki Rautaki ā-Iwi me ngā Hononga) Sarah Phillips (Chief People Officer) Suzanne Lucas (GM – Asset Upgrades and Renewals) (from start until first half of item 7) Paula Luijken (Acting Head of Health, Safety and Wellbeing) Emma McBride (Head of Legal and Governance) Pinaz Pithadia (Legal and Governance Advisor) Tere Ryan (Security Coordinator) (for items 1 to 8) Via Microsoft Teams Matthew Hill (Senior Legal Counsel)	Via Microsoft Teams Trudi Fava (CCO Programme Lead) Councillor Shane Henderson (Chair, CCO Oversight and Direction Committee) (from start until first half of item 8)

1.	<p>Meeting administration</p> <p>The Chair acknowledged the recent death of MP Fa'anānā Efeso Collins'. Efeso will be remembered for his contribution to local government and connection to Watercare as a previous Councillor of Auckland Council.</p> <p>The Chair thanked Management for arranging yesterday's site visit to Huia Water Treatment Plant. Deputy Mayor Desley Simpson, Lead Councillor Ken Turner, Cr Shane Henderson, and Cr Julie Fairey attended from Council.</p> <p>The Chair noted that Auckland Council is advertising for two new directors for Watercare. The skill set required for the candidates are finance, audit and risk, and capital delivery. Applications close on 10 March 2024.</p> <p>The Chair noted that Watercare's deep dive session with the CCO Direction and Oversight Committee has been rescheduled to 9 April 2024, directly after the Watercare Board meeting. The current presentation will need to be refreshed ahead of this new meeting date.</p> <p>Opening karakia</p> <p>Graham Darlow opened the meeting with a karakia.</p>
2.	<p>Apologies</p> <p>Apologies were received from Frances Valintine. Councillor Ken Turner, Watercare's Lead Councillor, also sent his apologies.</p>
3.	<p>Quorum</p> <p>Four directors were present at the meeting, so a quorum was established.</p>
4.	<p>Declaration of any conflicts of interest</p> <p>No conflicts of interest were noted.</p>
5.	<p>Minutes of the previous meeting of 8 February 2024</p> <p><i>The Board resolved that the minutes of the public session of the Board meeting held on 8 February 2024 be confirmed as true and correct.</i></p>
6.	<p>Public deputations</p> <p>There were no public deputations.</p>
7.	<p>Chief Executive's report</p> <p>The CE and Executive team introduced the report. The following key points were made:</p>

	<ul style="list-style-type: none"> • Our water supply situation is currently stable. Demand has decreased around 50-60MLD over last few days given the wetter weather. • The final investigation report on the Ōrākei Main Sewer collapse will be tabled at the confidential session of today’s Board meeting. A briefing with Ngāti Whātua Ōrākei is scheduled for this afternoon, with the report being made public Thursday, 7 March 2024. • In January 2024, the Environment Court granted resource consent for Huia Water Treatment Plant replacement project. • Last week, we held a pōwhiri to welcome 15 Māori businesses and celebrated the creation of Watercare’s new Māori business network. These Māori owned businesses will help us deliver our Assets Upgrades and Renewals programme. • Auckland Council has approved an increase in Watercare’s debt headroom by \$130m, to accommodate in particular Watercare’s response to the Anniversary Weekend flooding events and the impact of Cyclone Gabrielle. This will take Watercare over the 340% debt to revenue ratio for the remainder of FY24. <p>Key performance measures</p> <ul style="list-style-type: none"> • In relation to the comment on page 24 of the pack, the CE advised that year to date core expenses are \$191.53m against a budget of \$199.97m. <p><i>The Chair and CE departed the meeting at this point and Nicki Crauford was appointed Acting Chair.</i></p> <p>People update</p> <ul style="list-style-type: none"> • Watercare's Summer Internship Programme for 23/24 recently finished and seven interns have received employment offers. • Our Whānau Day on 25 February 2024 was cancelled due to rain. The kai for the event was shared with our teams across the company, with each site having a BBQ on the Monday. Remaining kai was donated to a food bank. • Our next employee engagement pulse survey is planned for March 2024. • New hires were down in January 2024, which naturally occurs around the Christmas period. • Average leave liability per employee has dropped, following the Christmas/Summer holidays. High leave balances are being managed by line managers, and we anticipate a further reduction in the next few months. • In response to questioning from the Board, Sarah Phillips noted that the staff are anxious now to know what Watercare will look like under “Local Water Done Well”, including the structure of the organisation (internally) and our relationship with Council. <p>Operations</p> <ul style="list-style-type: none"> • Our first annual report under the Drinking Water Quality Assurance was submitted on 28 February 2024. The report required manual entry of around 28,000 lines in an excel spreadsheet. Taumata Arowai is developing new technology for next year’s reporting, which should be more user-friendly. • On page 29 of the pack, there is a typographical error. The sentence should read ‘<i>Microbiological and chemical compliance has been achieved for the month of <u>January</u> for all water treatment plants (WTPs) and distribution zones (DZs)</i>’. • On page 31 of the pack, the sentence ‘<i>Residual disinfection compliance has also been fully achieved for all distribution zones</i>’ is incorrect. Residual disinfection compliance was achieved in 34 distribution zones and not achieved for six distribution zones in January 2024. A similar situation occurred last summer. Mark Bourne explained that residual disinfection was introduced as a compliance reporting requirement from January 2023. Proactive network flushing has been implemented in the six zones in the short term to improve turnover. However, the ultimate solution to this issue is the replacement of the Huia Water Treatment Plant.
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- Over the weekend, a number of water quality complaints were received from Glen Eden. Two events happened, which resulted in some confusion for our customer team and customers. One event involved a planned flushing; and the other event involved a mains break. Our water sampling programme confirmed that the water being supplied complied with the Drinking Water Standards of New Zealand.
- On page 35 of the pack, Mark clarified that 23,000 kms of pipeline (not 23km) has been surveyed for leaks.
- In response to a questioning from the Board, Mark noted that we have a strong relationship established with the compliance managers at Taumata Arowai (TA), and Nigel Toms, General Manager, Risk, Quality and Assurance is also forming a relationship with TA for matters related to public health.

The Chair returned to the meeting at this point.

Enterprise Model update

- Fletcher Construction is no longer one of Watercare’s Enterprise Model partners.
- Management is working with them during the transition period.
- Fletcher Construction will continue to fulfil their existing construction contract obligations, including the Snells Beach Wastewater Treatment Plant.

The CE returned to the meeting at this point.

Central Interceptor

- The Māngere Pump Station (MPS) works are nearing completion. A Watercare team is working towards the power being turned on and the first half of the tunnel being commissioned later this year. Initially, the pump station will be tested with recycled water in a loop, before wastewater is released into the tunnel and pump station handed over to the Watercare operations team. Turning on the CI will be a challenging step, and will change the way we operate our entire Māngere connected wastewater system.
- The CC9 collector sewer has been put into service at Keith Hay Park.
- Two of the CI sites have now been reinstated, and grass is now growing where construction sites used to be. The team is conscious that how we leave the sites is how we will be remembered.
- The Board reminded the team that whilst we have a timeline for the project to be completed, this is not to be met at the expense of safety.
- The team is developing a strategy for how to best deliver the Point Erin extension, and this will be presented to the Board in April 2024.

Flood response recovery

- Suzanne Lucas provided an update to the Board and noted the number of damaged assets has stabilized.
- The total forecast cost of the floods/storms is approximately \$80m with \$13m spend forecast for this financial year.
- Watercare’s working relationship with AON has improved and we are having productive workshops with the loss adjustors to progress our insurance claim.
- Landslips and turbidity are not covered under our insurance policy. We are working with AON to understand exactly what we can claim under our policy.
- Our original insurance estimate signal was quite high and therefore, AON is ensuring the claim numbers are correct.
- The Board asked Management to consider self-insurance for severe weather risks, given this is going to be more common as the impact of climate change intensifies. Additionally, in the medium to long term, insurance for this type of severe weather may not be available at all.

- The Board was concerned about time it has taken to obtain an insurance payout and recommended that Management start to involve our lawyers in the meetings. In summary, the Board wants to see progress on the insurance claim and is dissatisfied that works have had to stop as insurance payouts are still to be received.

Risk and compliance update

- The Board expressed their disappointment that workers did not follow the standard operating procedure at Ardmore. Mark Bourne explained it was a low-level alarm, and the worker went to investigate without safety equipment, which is indefensible.
- The Board requested that they be notified about any such events in future.
- A group Climate Risk Management framework is being developed in collaboration with Auckland Council. The climate related disclosures will be presented to the Board for approval.
- A Privacy Act module has been introduced as a compulsory learning tool for all Watercare staff, following the recent privacy breach.
- The non-RMA related legal claim of \$1.2m noted in the report relates to a pipe burst in 2018. Watercare’s lawyers (appointed by our insurance company) arranged a technical meeting with the experts from each side in February 2024. The next step will be mediation.

Gold clams at Waikato Water Treatment Plant

- We are managing an emerging issue at the Waikato Water Treatment Plant (WTP) where we have found freshwater gold clams, a highly invasive species of non-native clam.
- The clams were discovered upriver by the Ministry of Primary Industry (MPI) in May 2023.
- They breed rapidly and are known to clog water infrastructure. They can survive for 30 days in a droplet of water and can survive changes in temperature. The only way to kill them is to either boil or freeze them.
- We have been monitoring three areas and found them in our sand separators. We are now undertaking thorough investigations, including a recent 90-minute shutdown to fly drones through the pipes.
- We have put in place controls to stop materials moving off the Waikato site (e.g. sand) to ensure we do not spread the clams further. We have also put controls in place for staff moving between Waikato and other sites, to again control spread or cross-contamination.
- We have also stood up a Level 2 incident team to monitor and manage this issue. Nigel Toms is the incident controller and we are coordinating with Mercury Energy, and other upstream water treatment plants, who have been dealing with the clams since last year.
- There are two risks associated with this event. 1. Quantity – our ability to draw water from the Waikato River as the clams risk blocking our raw water intake; and 2. Quality – the clams could damage our membranes, which could compromise our ability to treat the water and cause a shut-down of the plant. While the plant is currently producing 50MLD, it has the capacity to produce 165MLD.
- Currently, there is no risk to public health.
- In response to a question from the Board, Cr Henderson confirmed a memo regarding the incident, addressed to Councillors, would be the best way to advise the Council of the incident.

	<p><i>Non-compliance with resource consents</i></p> <ul style="list-style-type: none"> • A corrected update and graph for pages 43 to 45 of the pack was circulated to the Board ahead of the meeting (attachment 1). The update and graph confirms that there are no non-compliances reported for ‘Design and Construction’. Mark apologised for the error and explained that all consents are assumed “non-compliant” until manually updated every month; and the graph went to the Board before the full updates had been completed. In total, there are three non-compliances in the operational areas, as described in the report. • The Board was updated regarding the breach of resource consent for Raglan Wastewater Treatment Plant and Waikato Regional Council’s (WRC) decision to issue Watercare with a formal warning. <p><i>Policy update</i></p> <ul style="list-style-type: none"> • Watercare is working with Council on the National Policy Statement for Freshwater Management. <p><i>The Board noted the report.</i></p>
<p>8.</p>	<p>Health, safety and wellbeing update</p> <p>The CE, Jamie Sinclair and Paula Luijken noted the following key topics:</p> <ul style="list-style-type: none"> • Final certification for 45001 ISO health and safety management was received in January 2024. It is rare for an organisation to achieve certification on the first application. • The detailed update on the six critical risk events for contractors noted on page 54, including the action and response, will be provided to the Board in the next report. <p><i>Cr Henderson departed the meeting at this point.</i></p> <p>HSE Global’s report</p> <ul style="list-style-type: none"> • HSE Global’s review was commissioned by the Board and Management to review how we approach health and safety and our performance. The continued rising TRIFR result was one of the key drivers for the commissioning of this report. • The CE noted that the reviewers at HSE Global advised Management verbally that the only other place where they have seen the same high level of intrinsic value placed on health and safety is at Hato Hone St Johns. • As a part of our journey to improve HSW performance at Watercare, we introduced seven lead indicators in late last year. This is being reported to the Board via the HSW reports. • Management agrees with the recommendations as set out on pages 58 to 60 of the pack. The key priorities are now the need to agree on HSW strategy, define a suite of HSW metrics that can be used in combination to understand the company’s performance, and improve psychological safety throughout the organisation, i.e. ensuring everyone feels comfortable to raise issues. • The report notes that TRIFR is no longer a reliable benchmark in the industry. However, if this is no longer used, it needs to be replaced by other metrics. • The Board asked Management to consider how these recommendations can be embedded into the business to ensure we are working on a right direction. Management is to report back to the Board on our plan including how we will measure success, suggested metrics, at the April Board meeting.

	<ul style="list-style-type: none"> The CE confirmed that Management will discuss this report in detail at the HSW committee meeting scheduled for next week. The HSW team is also rolling out a new suite of HSW metrics that will be reported to the Board. It was noted that it is everybody's job at Watercare to integrate the health and safety commitments into their normal day to day jobs. <p><i>The Board noted the report.</i></p>
9.	<p>Asset Management Committee meeting update</p> <p>Graham Darlow, the Chair of Asset Management Committee (AMC), provided an update on the AMC meeting held on 19 February 2024. He noted that the AMC discussed:</p> <ul style="list-style-type: none"> the Waiuku water supply system upgrade. the Southwest Wastewater Servicing Scheme. the Huia Water Treatment Plant Replacement project scope and delivery strategy; and AMP financials, delivery report, traffic light reporting and the SOI measure reporting on the Capital Programme (time/cost).
10.	<p>Board planner</p> <p>Following key topics were discussed:</p> <ul style="list-style-type: none"> The Board requested that a summary of Watercare's contract with Veolia in Papakura be included in the April 2024 Confidential Business update. Another Board Strategy session to be scheduled for later this year, approximately October 2024, once the new Board members have been appointed. <p><i>The Board noted the Board planner.</i></p>
11.	<p>Directors' appointment terms, committee memberships and meeting attendances</p> <p><i>The Board noted the report.</i></p>
12.	<p>Disclosure of Directors' and Executives' interests</p> <p>Julian Smith advised that he is no longer a Chair of The Residences Body Corporate.</p> <p>The CE advised that his term as a director of Paper Plus New Zealand Limited ends in March 2024.</p> <p><i>The Board noted the report.</i></p>

13.	General business The public session closed at 11:15am.
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CERTIFIED AS A TRUE AND CORRECT RECORD

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Margaret Devlin, Chair

DRAFT

Attachment 1**Non-compliance with resource consents**

Overall consent compliance for Operations is similar to December, only three sites had full non-compliances and the majority (72%) of non-compliances were technical. Non-compliance issues at Hays Creek and Waitākere Dams related to compensation flows and have been resolved. At Owhanake WWTP the resolution is ongoing, we are waiting on more recent sample results to confirm the issue has been resolved.

The technical non-compliances remain relatively high because of single conditions triggering multiple consents. Procedural issues continue to affect the eight wastewater network discharge consents and an associated pump-station consent with very similar conditions, and at four WWTPs the technical non-compliances are due to historical exceedances affecting the 12-month average results.

~~The relatively high increase in the Design and construction non-compliances is likely due to missed forms in the compliance management system. The respective contacts have been notified to review it, but the system hasn't been updated in time for this report.~~

The grading Watercare applies in the detailed breakdown of full non-compliance is consistent with Auckland Council's criteria. The grading is below:

Rating	Detail
Category 1	Watercare has complied with the consent condition.
Category 2	Watercare has not complied with the consent condition. Watercare has assessed the non-compliance as technical or having no more than a minor adverse effect.
Category 3	Watercare has not complied with the consent condition. Watercare has assessed that non-compliance has the potential to result in minor adverse effects on the environment. Alternatively, since the last audit, there is evidence of repeat Category 2 non-compliance.
Category 4	Watercare has not complied with the consent condition. Watercare has assessed the non-compliance as having the potential to cause significant adverse effects on the environment. Alternatively, since the last audit, there is evidence of repeat Category 3 non-compliance.

Active resource consents in January 2024

369

Consents with non-compliances in January 2024

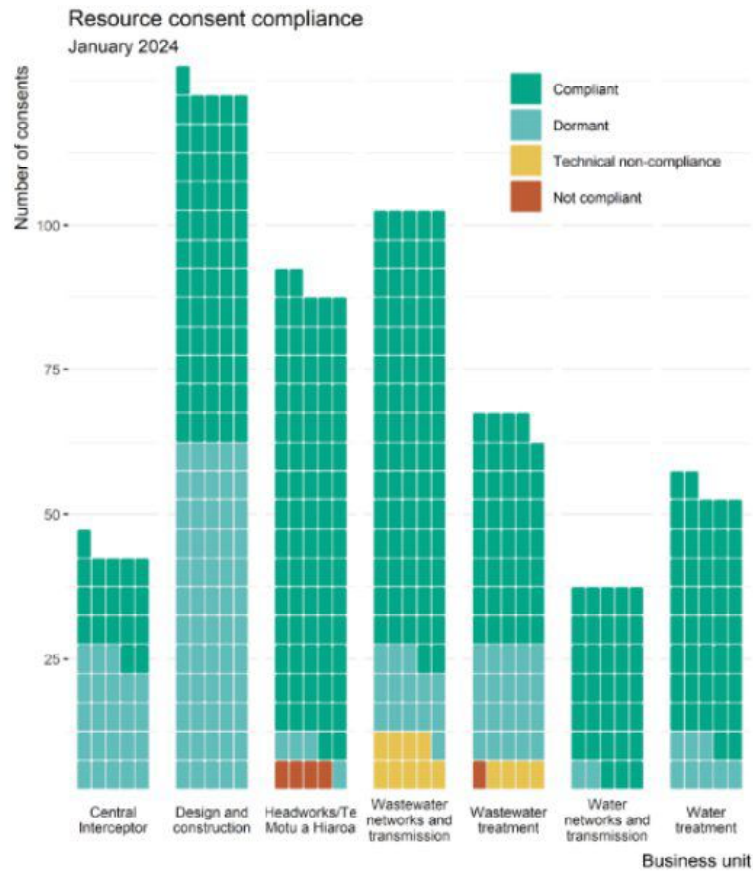
18 ↓

Rolling 6-month average (non-compliant consents)

21 ↓

Consents under enforcement in January 2024

0 -

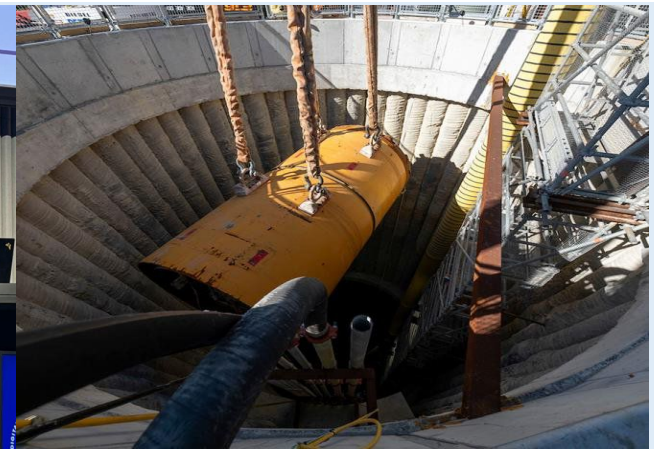


Significant non-compliances for January 2024 (excludes technical non-compliances)

Facility/Asset	Consent	Condition(s)	Issue(s)	Commentary	Resolution	Significance
Owhanake WWTP	DIS60263346	35	High phosphorus in discharge	Total phosphorus exceedances in effluent wetland sample. Caused by varying phosphorus in the influent. Operators are adjusting alum dosing accordingly.	Ongoing. Operators are adjusting alum dosing accordingly. Awaiting more recent sample results to confirm resolution.	Minor (Grade 2): Potential environmental effects mitigated by buffering capacity in discharge environment.
Hays Creek Dam	WAT80317020 DIS80298308 WAT80316391	18	No compensation flow	No compensation flow for five days as the valve tripped on torque and alarm wasn't seen.	Resolved.	Minor (Grade 2): Potential environmental effects mitigated by flows from wider catchment.
Waitākere Dam	DIS60382532	4	Insufficient compensation flow	Compensation flow below the minimum required flow on 16 days.	Resolved.	Minor (Grade 2): Potential environmental impacts immediately downstream of the dam, mitigated by the confluence of other tributaries further downstream.

Chief Executive's report – April 2024

Presented by: Dave Chambers



1. February 2024

Our proposed price path of 25.8% for water/wastewater tariff and Infrastructure Growth Charges (IGCs) for F25 was included in Auckland Council's Long Term Plan consultation document, which closed for public submissions in March 2024. Prices are scheduled for change on 1 July each year; given the parameters of debt to revenue (340%) from Council and our AMP project plan, clarity on final FY25 settings are critical and discussions are ongoing with Watercare Board and Council.

We appreciate that Auckland Council aims to avoid significant price rises for water; and that it continues to work with the central government to achieve financial separation of Watercare from the council group.

We continue to monitor our water supply situation, which is currently stable. In February, we continued to encourage Aucklanders to make every drop count with our summer waterwise messaging across media and social media.

Our social media posts across Facebook, Instagram, TikTok and Twitter collectively had almost 3.4 million impressions (the number of times our content was displayed to users) and led to almost 2,600 visits to our website for water saving tips.

We achieved certification for ISO 45001:2018: Occupational health and safety management systems. This is an international standard, which means our health and safety management system is structured similar to those in UK and European water utilities and aligns with our integrated management systems. The audit report for certification noted that health and safety ownership was embedded across the business and highlighted increased worker engagement and participation in health and safety. The report also identified areas for improvement, including risk management processes and safety equipment management. These areas have either been rectified or are being worked on. It should be noted that it is rare for an organisation to achieve certification on the first try, so this is a big win for everyone who was part of this journey.

Our flood recovery team completed a robust interim solution at Howick within a week, reinstating a damaged wastewater pipe and installing a culvert the stream would run through, protecting it from overflows. This wastewater pipe became exposed after land movement caused by last year's Auckland Anniversary floods, and two subsequent land slips – one in November 2023 and another in January 2024 – damaged the pipe, causing it to overflow into the local waterways behind Selwyn Road. As part of the fix, the area around both pipes was backfilled with concrete to hold the bottom of the slip and to act as a retaining structure. The team is working on a permanent solution for this asset.

We bid farewell to our summer interns – each of them shared their experiences, learnings, as well as the projects they worked on during their three-month internship at Watercare. Many of these are now being progressed across various streams of the business.

We won a Digital Workplace Award for the most impactful transformation, for our digitised pre-start site inspection process for field teams. Working with the field teams, our digital team came up with an automated solution that is faster, easier, and less susceptible to human error. The new process has replaced inefficient manual processes, reduced overheads, and enhanced safety and compliance. The digital team used Lean Six Sigma, a set of common measurements used to track progress quality, to analyse the benefits of switching to the digital process. The analysis estimated it would save six minutes per form, which works out as 606 days of work and \$279,249 over three years.

On the afternoon of 8 March 2024, a Ghella Abergeldie JV construction worker working on the Central Interceptor project died at the Māngere site following a suspected medical event. He was brought to the surface and emergency services responded quickly but despite their best efforts he passed away. We offered our condolences and support to the worker's family and Ghella Abergeldie JV's colleagues and we are fully cooperating with police and WorkSafe whilst they carry out their investigations into the tragic incident.

2. Key performance measures

2.1 A performance update on 'reactive maintenance spend vs proactive renewals spend'

To ensure Watercare has a robust approach to manage and monitor proactive renewals, and future benefits realisation, this year, a new SOI measure was introduced in table 1 below.

SOI measure	Source	30 June 2022 actual	30 June 2023 actual	Next three years target		
				30 June 2024	30 June 2025	30 June 2026
Reactive spend vs proactive maintenance spend (against budget)	Watercare	New measure	New measure	Establish a methodology on how this should be measured to demonstrate resilience within the network.	Introduce new SOI measure.	New SOI measure.

Table 1 – Statement of Intent – Renewals Focused SOI Objective.

- Groups from across the business have been collaborating to progress a range of initiatives, including comprehensive risk modelling of local and transmission network assets (water and wastewater). This is expected to inform short-term and long-term candidates for planned maintenance and proactive renewals.
- Figure 1 provides a simple view of the various external inputs and influences which either reinforce or balance the objective of Operational Efficiency, and Resilience.

- Planned vs unplanned maintenance are key financial metrics, however this is not the full “Asset Life Cycle” view. Renewals, and end of life decommissioning should also be included.
- It is worth noting, the realisation of benefits associated with many proactive and planned interventions are often delayed given the longevity of our asset base.

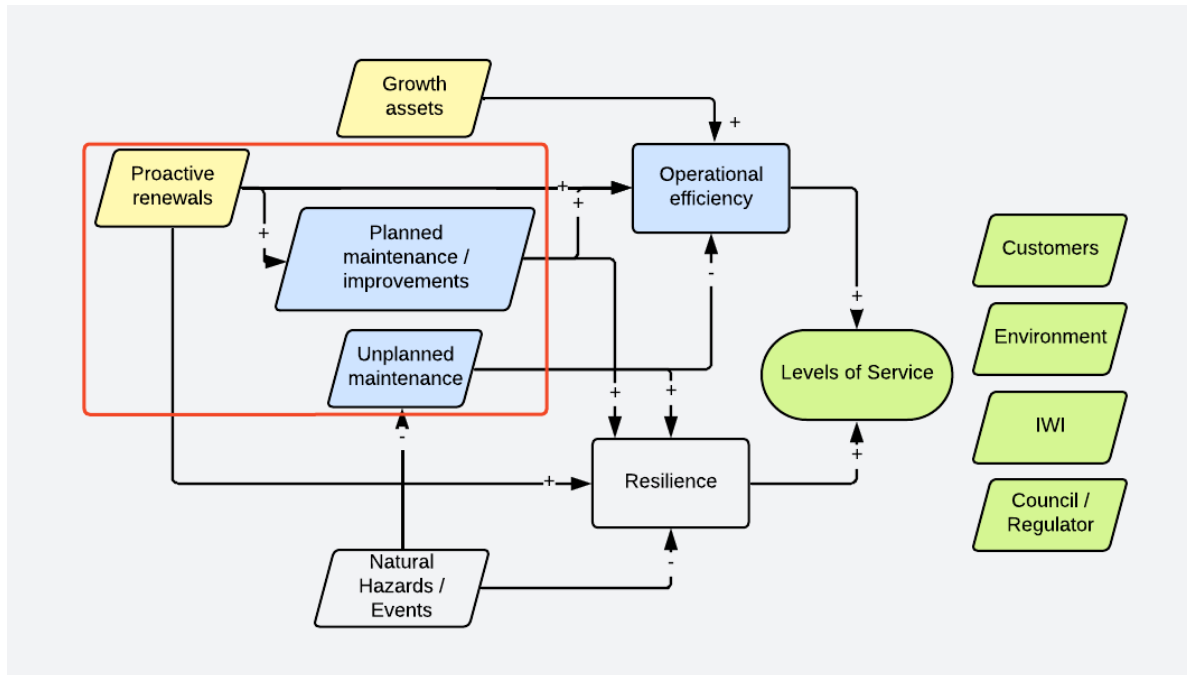


Figure 1 – External inputs and influences which reinforce or balance Operational Efficiency and Resilience objectives.

Renewals performance metrics

The proposed methodology proposed below will require input from multiple parties across Watercare and our service providers and will be reported on a 6-monthly basis.

Measure	Source	30 June 2023 Actual	30 June 2024 Target	Next three years		
				30 June 2025	30 June 2026	30 June 2027
Planned network pipe renewals. Measure - Actual kilometres delivered/planned kilometres.	Watercare			95%-105%	95%-105%	95%-105%
Reactive maintenance spend as a percentage of planned maintenance spend (all assets). Measure – Reactive maintenance cost and planned maintenance cost as a percentage of the total maintenance cost.	Watercare	Reactive cost \$65.5m Planned cost \$18.7m Measure: 78%:22%	Reactive cost \$67.2m Planned cost \$22.5m Measure: 75%:25%	75%:25%	75%:25%	65%:35%

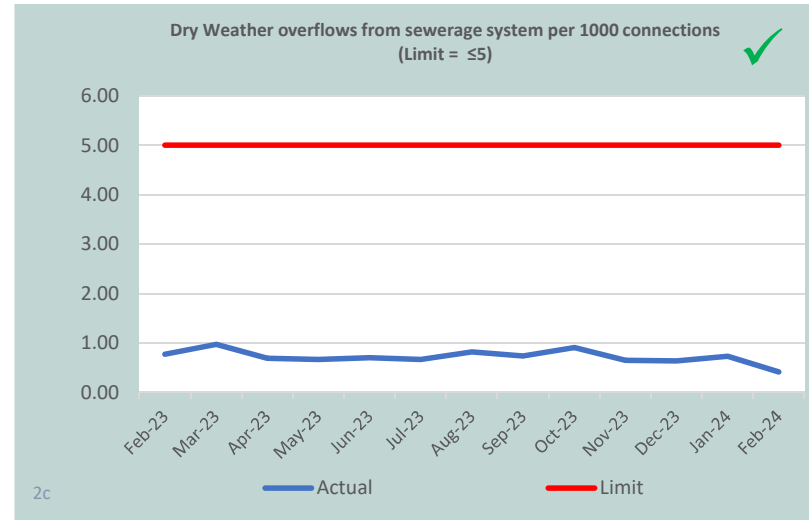
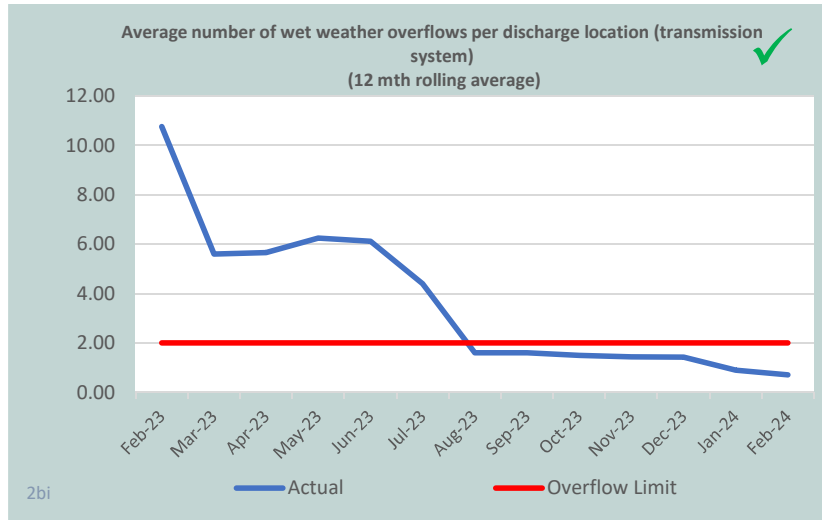
Next steps

- Development of appropriate 6-monthly targets / trajectory, which will be developed from the current performance of our asset portfolio and aligned with industry best practice approaches, and relevant benchmarks.
- Present an initial view of this metric to the Board by June 2024.

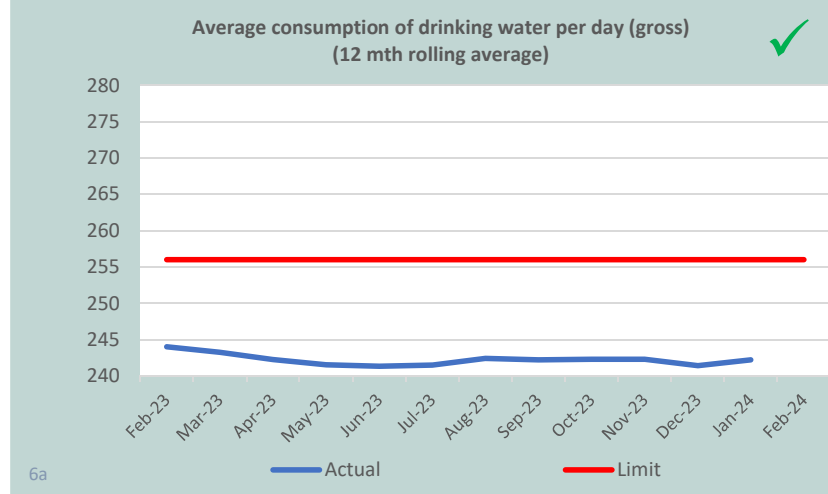
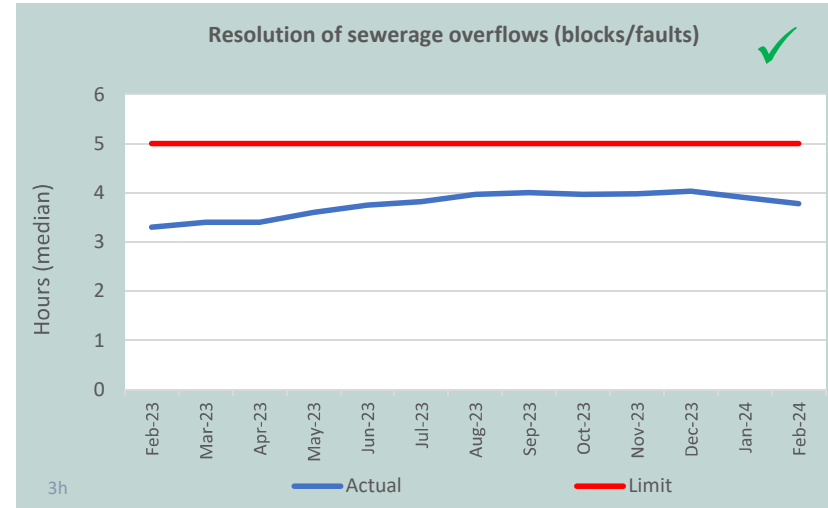
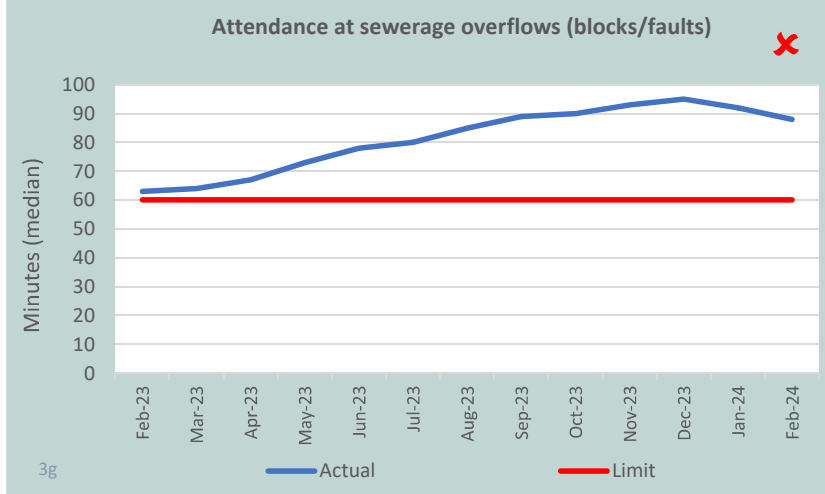
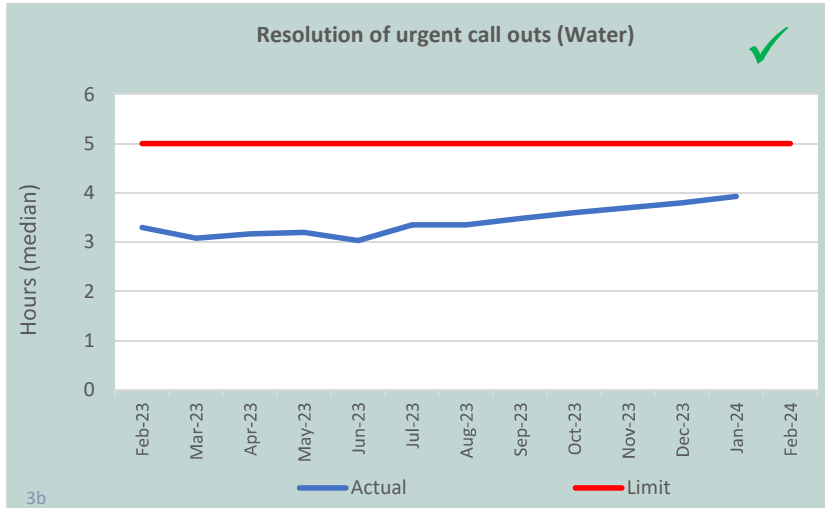
2.2 February 2024 performance

Watercare's performance against the current Statement of Intent (SOI) measures for February 2024 is set out below.

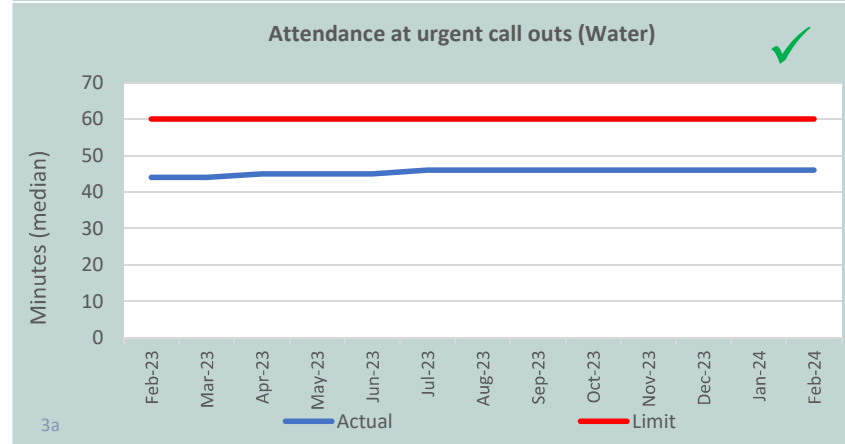
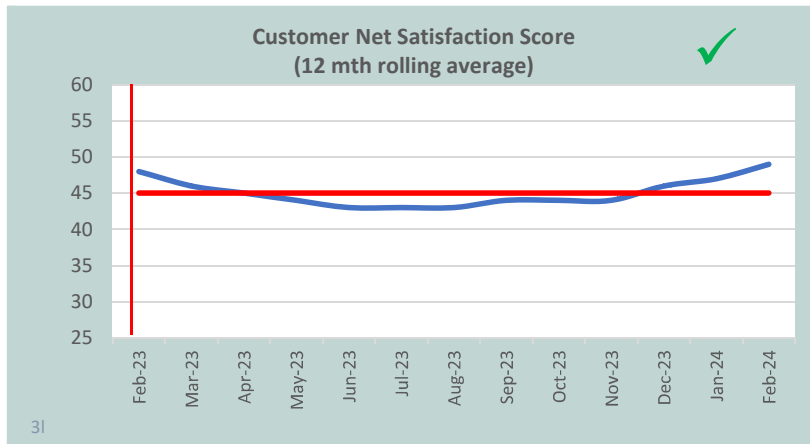
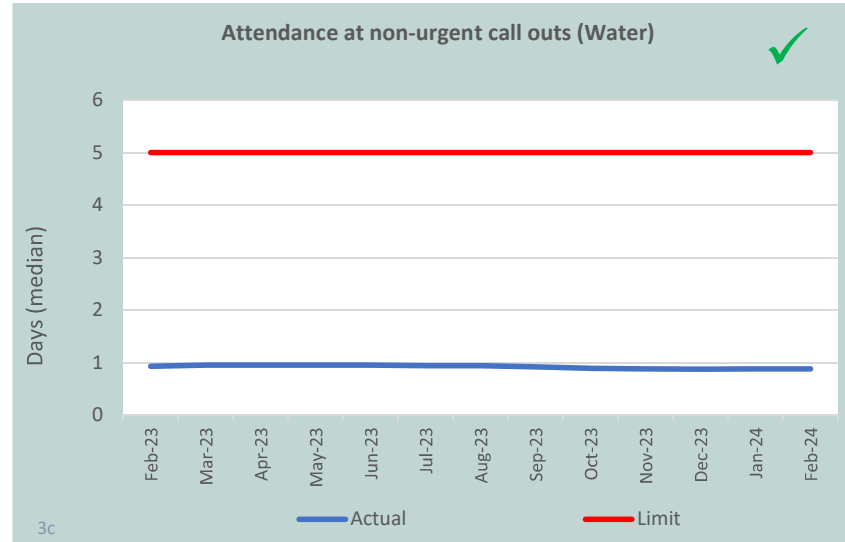
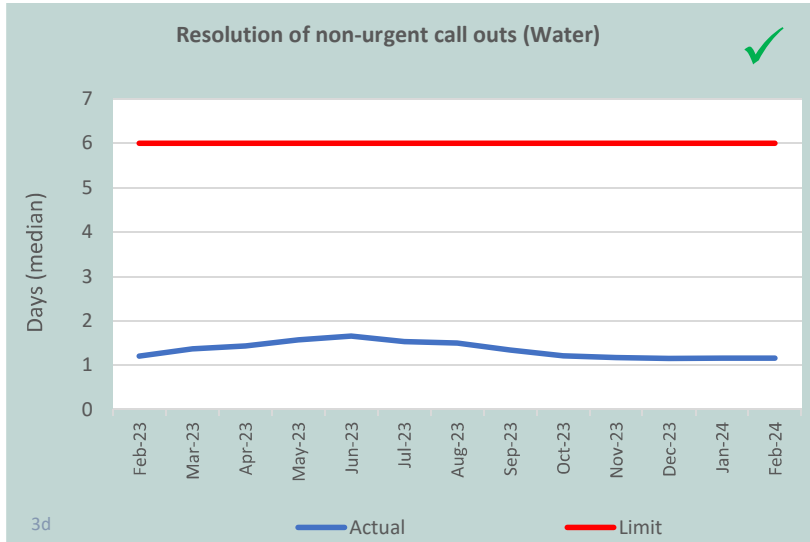
SOI Measures — Natural Environment



SOI Measures — Community and Stakeholder Relationships



SOI Measures — Community and Stakeholder Relationships



Watercare performance measures (unaudited)

No.	Measure	FY24 Target	Actual			Commentary
			February 2024	January 2024	December 2023	
1.	Total recordable injury frequency rate (TRIFR) per million hours worked (12-month rolling average).	<10	23.95	26.26	26.32	An independent review was commissioned in the second half of 2023. Management has accepted the findings of the review and are developing an action plan to implement these findings. Part of this will include the development of a new metrics for HSW which is complement the more traditional TRIFR lag indicator. The review acknowledges that TRIFR alone is no longer considered as useful measure of safety performance.
2.	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	<i>Note the assumption is that abatement notices received relates to new notices issued in the financial year.</i>
3.	The average consumption of drinking water per day per resident within the territorial authority district (*litres plus/minus 2.5%) (12-month rolling average).	256 litres	250.3	242.2	241.40	

No.	Measure	FY24 Target	Actual			Commentary
			February 2024	January 2024	December 2023	
4.	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%	These two DIA Measures have been superseded by eight new Taumata Arowai Water Quality Assurance Rules (refer to items A to G below). For audit purposes, we will stop reporting against the DIA rules (which have been superseded), and start reporting against the eight new Taumata Arowai rules set out below.
5.	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%	
A	Compliance with Taumata Arowai Quality Assurance Rules T3 – Bacterial water quality . The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules T3.	100%	100%	100%	100%	
B	Compliance with Taumata Arowai Quality Assurance Rules T3 – Protozoal water quality . The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules T3.	100%	100%	100%	100%	
C	Compliance with Taumata Arowai Quality Assurance Rules T3 – Chemical water quality . The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules T3.	100%	100%	100%	100%	
D	Compliance with Taumata Arowai Quality Assurance Rules T3 – Cyanotoxins water quality . The extent to which the local	100%	100%	100%	100%	

No.	Measure	FY24 Target	Actual			Commentary
			February 2024	January 2024	December 2023	
	authority's drinking water supply complies with Drinking Water Quality Assurance Rules T3.					
E	Compliance with Taumata Arowai Quality Assurance Rules D3 – Residual disinfection (chlorine) water quality . The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules D3.	100%	92.5%	90%	100%	Commentary included in the water quality section.
F	Compliance with Taumata Arowai Quality Assurance Rules D3 – Microbiological water quality . The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules D3.	100%	100%	100%	100%	
G	Compliance with Taumata Arowai Quality Assurance Rules D3 – Disinfection by-products water quality . The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules D3.	100%	100%	100%	100%	
H	Compliance with Taumata Arowai Quality Assurance Rules D3 – Plumbosolvent metals water quality . The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules D3.	100%	100%	100%	100%	
6.	Median response time for attendance for urgent water callouts: from the time that the local authority receives notification to the time	≤ 60 mins	46	46	46	

No.	Measure	FY24 Target	Actual			Commentary
			February 2024	January 2024	December 2023	
	that service personnel reach the site (minutes) (12-month rolling average)					
7.	Median response time for resolution of urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (hours)(water, 12-month rolling average).	≤ 5 hours	4.03	4.15	4.07	
8.	Median response time for attendance for non-urgent water call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (days) (12-month rolling average).	≤ 5 days	0.88	0.88	0.87	
9.	Median response time for resolution of non-urgent water call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (days) (12-month rolling average).	≤ 6 days	1.16	1.16	1.15	
10.	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	≤ 10	7.43	7.31	7.33	

No.	Measure	FY24 Target	Actual			Commentary
			February 2024	January 2024	December 2023	
	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).					
11.	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 (minutes) (12-month rolling average).	≤ 60 mins	88	92	95	Overflows are triaged as a P1 or P2 response. P1s have a one hour response target and P2s have a four hours response target. Accordingly, if we meet these responses, we will not meet the 60 minute attendance set by this KPI. It is noted that the resolution of faults has been achieved within the KPI timeframe.
12.	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 (hours) 12-month rolling average.	≤ 5 hours	3.78	3.9	4.03	
13.	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	≤ 50	20.20	21.93	23.33	

No.	Measure	FY24 Target	Actual			Commentary
			February 2024	January 2024	December 2023	
	d) Watercare's response to issues with its sewerage system expressed per 1000 connections to the territorial authority's sewerage system (12-month rolling average).					
14.	The percentage of real water loss from the territorial authority's networked reticulation system (12-month rolling average).	≤13%	9.02% (October 2023)	9.08% (September 2023)	11.09% (August 2023)	The water losses in this measure are calculated by deducting the volume of water sold and unbilled water usage (or non-revenue water) from the total volume of water produced. The drop in leakage is due to meter reads from the winter periods being higher for September and consumption data has been due to meter reading lag. This will even out across the 12 month rolling values and likely return to average 11% for November 2023.
15.	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	0.41	0.73	0.64	
16.	Adherence to all of DIA's non-financial service performance measures.	100%	92.86%	92.86%	92.86%	Out of 12 DIA measures, 11 measures were met, and one measure (item 9) was not met.

No.	Measure	FY24 Target	Actual			Commentary
			February 2024	January 2024	December 2023	
17.	Average number of wet weather overflows per engineered overflow point per discharge location (12-month rolling average).	≤ 2 overflows per year	0.70	0.90	1.43	
18.	Leakage performance – litres/connection/day (l/c/d).	107.9 l/c/d	88.55	88.73	106.34	<p>Watercare has set an aspirational target for economic level of leakage (ELL) at 107.9 l/c/d.</p> <p>The ELL is the point at which the cost of producing water is equivalent to the cost of the efforts to keep leakage at those levels through a combination of leakage repairs, managing water pressure and renewal of watermains. The aim is to achieve an ELL at or close to the target.</p> <p>The drop in leakage is due to meter reads from the winter periods being higher for September and consumption data has been due to meter reading lag. This will even out across the 12 month rolling values and likely return to within the 5% margin.</p>

No.	Measure	FY24 Target	Actual			Commentary
			February 2024	January 2024	December 2023	
19.	Deliver capital programme in line with the asset management plan baseline approved by the Board.	80% of projects are in service within approved time and 80% of projects are delivered within approved budget.	36% of projects (5 out of 11) were in service within approved time. 100% (9/9) of completed projects have been delivered within the approved budget. *	36% of projects (5 out of 11) were in service within approved time. 100% (7/7) of completed projects have been delivered within the approved budget*.	44% of projects (4 out of 9) were in service within approved time. 100% of the 4 projects that were in service within the approved time have been delivered within the approved budget*.	*We can only determine achievement to budget once projects are in service.
20.	Reactive maintenance spend v's proactive renewals spend.	Establish a methodology on how this should be measured	On track – annual target	On track – annual target	On track – annual target	A proposed methodology is included in this April 2024 Board pack.

No.	Measure	FY24 Target	Actual			Commentary
			February 2024	January 2024	December 2023	
		to demonstrate resilience within the network.				
21.	Controllable Cost target.	\$396m	YTD Actuals \$282.6m against the target of \$265.7m	YTD Actuals \$247.4m against the target of \$232.1	YTD Actuals \$216.2m against the target of \$196.6m	Reform (\$3.3m), Flood Management (\$11.3m), Ōrākei Main Sewer Incident (\$7.1m) have all contributed to the higher costs February YTD. The Reform costs have been offset by increased Revenue. At time of budget it was anticipated that flood management costs will be recovered via insurance claim but this was removed as part of Q1 forecast. Costs on an ongoing basis excluding the items above are below budget YTD, actuals \$260.8m vs plan of \$265.7m, a very good result.
22.	Debt to revenue ratio.	≤3.35	3.63	3.68	3.67	
23.	Percentage of household expenditure on water supply services relative to average household income.	< 1.5%	0.84%	0.82%	0.83%	
24.	Ratio of procurement sourced through Māori owned businesses.	3%	1.91%	1.86%	1.73%	Direct 0.92% and Indirect 0.99%.

No.	Measure	FY24 Target	Actual			Commentary
			February 2024	January 2024	December 2023	
						Total Māori business spend for FY24 is \$15.61m. (\$7.52m Direct, \$8.09m Indirect). We have 108 active Māori suppliers out of a total of 2027 active suppliers (5.33% of active suppliers).
25.	Percentage of customer complaints resolved within ten days of notification.	≥95%	99.34%	99.40%	99.40%	
26.	Customer Net Satisfaction Score (Previously Net promoter score).	≥45	49	47	46	
27.	Community trust score.	≥55	61	61	61	
28.	We will implement Mitigation measures in line with our emissions reduction targets scope 1 and 2) (Quarterly measure). <i>Note: these targets exclude emissions from Puketutu island as our current measurement methodology does not provide enough accuracy for a performance target. Actions to directly monitor emissions from this source as well as reduce them are being delivered and future SOI's will include these numbers.</i>	<89,200 tonnes CO ₂ e	-	-	Q2/FY24 results: 35,782 tCO ₂ e	Q2 performance is ahead of target. Data is unverified and excludes solids waste from wastewater processes. The largest reduction is in electricity emissions (down 41%) due to ecotricity offset and reduced consumption.
29.	Adherence to the Service Level Agreement with Council (10 working days) for Watercare to provide specialist input into resource consents (3 months rolling average).	90%	92.02%	91.76%	91.68%	

3. Our people and customers

3.1 Our people

In February we achieved certification for ISO 45001:2018: Occupational health and safety management systems. This is a significant milestone on our journey of continuous improvement of the health, safety and wellbeing of our people. Alongside attaining the standards set to meet the core requirements, we demonstrated our focus on engaging and consulting with all kamahi, including our suppliers and contractors in order to create more complete feedback loops.

Late last year, Watercare was gifted a waiata (song) composed by the students of Te Wānanga Reo o Hokianga. The waiata is Te Whakapapa o te Wai and it tells the story of the origin of water. Throughout February Te Rua Whetū team organised lessons for staff to come along to and learn our waiata and actions in a fun, safe and engaging environment. The aim of these sessions is to enable our teams to understand the meaning behind our waiata and for it to be used confidently at events such as, pōwhiri, site blessings and other cultural occasions.

Our Talent Forum pilot brought our multi-disciplined People team together to improve the way we actively manage talent, alongside ensuring all our people gain access to the right training, development, and career pathways in order to reach their potential. Building on our existing Talent Review processes, the wider People team used insights gathered from new dashboards our project team had built so that teams could focus specifically on how we address key challenges such as building succession pipelines for our most critical roles and improving everyone's access to opportunities for growth.

Ensuring our senior leadership group have tailored leadership development was brought into focus this month with the roll out of our Leadership coaching offering. The team could select from a range of carefully vetted executive coaches that matched their specific development needs and upon approval, receive dedicated coaching and support to elevate their leadership capability.

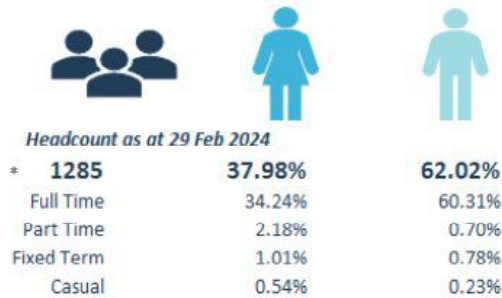
Combined, these initiatives show how we are striving to continue to build on our people engagement and we look forward to evidence of leadership and talent development in our engagement survey results over the coming years.

The People Dashboard below shows turnover has continued to trend downward with 12 month rolling turnover dropping a further 0.4% compared to the previous month.

PEOPLE DASHBOARD: February

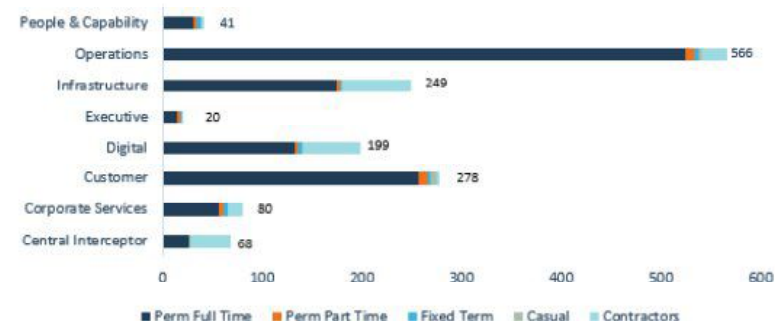
Note: As of 1 July 2022, reporting has been changed to align with Finance mapping - people to cost centre, not group.

Workforce Snapshot



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

Employees by Business Unit & Position Type



Active contractor information is based on data captured across both ServiceNow & PayGlobal.

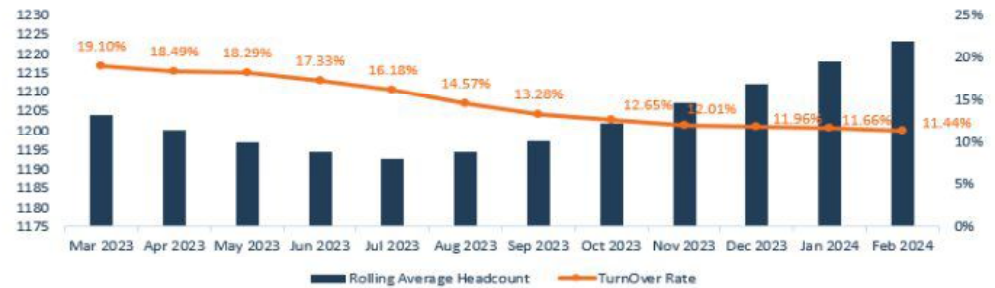
New Hires by Month



Workdays to hire (from job opening to hire date) averaged 37.69 days for the 26 hires in February (compared to 49.34 days for all hires over the last 12 months).

February hires by gender: M: 10 (38.46%), F:16 (61.54%).
In comparison to a 12-months view, there were M:51.39%, F:44.81% (0.25% Gender Diverse, 3.04% unknown/blank).

Average 12 mos 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.



Permanent full-time, permanent part-time, and fixed-term employees are included in this snapshot.

As of 29 February 2024, total annual leave liability has increased slightly to \$9.2m compared to the previous month at \$9.14m. Long service leave liability has continued to remain relatively stable at \$2.9m over the last few months.

The average leave liability units (hours) per individual have increased slightly to 132 hours in February, meeting interim objective of 160, but still in excess of target of 120.

In order to meet the intended baseline, HR Business Partners are working with the Business to manage leave and leave planning ongoing to reduce excessive aged entitlements.

Total Sick Leave by Month V 12mos Rolling & Target

Total Sick Leave by Month V 12mos Rolling & Target



4. Partnerships

4.1 Mana Whenua Kaitiaki Forum Review

In response to the government's strategic direction for "Local Water Done Well", we are undertaking a comprehensive review of the Mana Whenua Kaitiaki Forum to ensure its alignment with upcoming reform measures.

Since its inception in 2012, the forum has played a crucial role in fostering dialogue and facilitating engagement between Watercare and our mana whenua partners. Key documents formalising the forum and its relationship with Watercare include the Watercare and Mana Whenua Kaitiaki Forum Relationship Agreement, Mana Whenua Kaitiaki Forum Standing Orders, and Mana Whenua Kaitiaki Forum Charter.

A review clause within the relationship agreement (clause 10) allows for changes with the agreement of all parties. Although the agreement itself is not legally binding, it is imperative that both Watercare and mana whenua equally contribute to shaping the review and defining success criteria.

Earlier this year, we met in person with chairs and/or chief executives of mana whenua, engaging with 17 of 19 iwi and making phone calls to the remaining. Additionally, we presented at the February hui of the Mana Whenua Kaitiaki Forum, providing insight into the purpose and intent of the review.

The primary aim of this review is to assess the forum's effectiveness, identify resource gaps, and streamline programs of work at both governance and operational levels. The scope of the review includes conducting surveys and interviews with stakeholders from Watercare and mana whenua and presenting recommendations for potential courses of action.

We have engaged independent consultants, HR Kete, to manage and oversee the review, scheduled for completion by June 2024. Final recommendations will be shared with Watercare and mana whenua partners by July.

4.2 Elected Member Relationships and 2023 Survey Results

Council routinely conducts surveys among elected members to gauge their satisfaction with the quality of support and advice provided by council staff and Council Controlled Organizations (CCOs). These surveys serve to assess performance, pinpoint areas for enhancement, and establish a understanding of changes with satisfaction. The survey is conducted twice an electoral term (every 18 months). The latest survey, conducted in September 2023, marked the commencement of the 2022-2025 electoral term.

The survey is important to Watercare as Council's Statement of Expectation of Substantive CCO's and annual Statement of Intent include directives around how CCO's should be conducting their relationship with elected members. The survey serves as a quantifiable means of assessing adherence to these directives, focusing primarily on two fundamental principles:

- The principle of "no surprises," necessitating that CCOs ensure timely and transparent communication regarding relevant activities.

- Understanding the decision-making and advisory roles of elected members, ensuring they are able to appropriately influence decisions.

Watercare performed extremely well in the latest survey, with a net overall satisfaction rating of 83% among elected members, surpassing the rating for Council Staff (74%) and the CCO average (40%). Notably, local board members expressed a 59% satisfaction rating regarding their ability to influence pertinent projects and decisions, significantly outperforming the CCO average of 26%.

The following qualitative feedback from the survey reflects the positive sentiment towards Watercare staff.

- "The outstanding exemplary CCO is Watercare. Good people doing a great job, they were fantastic during the flooding earlier this year."
- "Watercare is exceptional in their information and communication. During emergencies, their communication has been outstanding."
- "Have to make a huge shout out to Watercare! Staff there are proactive and amazingly responsive. Are fantastic in understanding what we need to know and making sure we have all relevant information."

Watercare's elected member team includes Brent Evans (Head of External and Strategic Relations), Ben Halliwell (Elected Member Relationship Manager), and Elizabeth Stewart (Elected Member Relationship Advisor). The team works with the business to cater for the needs of 197 elected members, encompassing local boards, councillors, the mayor, and Auckland-based Members of Parliament (MPs) as well as staff from other CCOs, Local Board Services, Councillor Support Advisors, the Mayor, and MP's offices. The team manages an average of 500 elected member interactions monthly including proactive notifications regarding projects, operational activities and reactive responses to inquiries concerning Watercare's operations or customer concerns.

5. Our operations

5.1 Key findings from the independent report on Ōrākei main sewer collapse

- We now have the final report examining possible causes of the Ōrākei main sewer's collapse in September last year.
- We commissioned this report by international engineering consultancy WSP because we needed to understand what had happened, and if there was anything we could do differently going forward.
- The report was released publicly. It was also shared with Ngāti Whātua Ōrākei and key stakeholders, including the Mayor and Deputy Mayor.
- We will action the recommendations, but note in some cases, we may choose to achieve the desired outcome using a different method. For example, we may not be reinstating the traditional practice of cleaning the sewer using a plough because it comes with too great a risk to our staff. Instead, we will develop a safer, remotely-controlled operation.
- The report identifies several contributing factors to the sewer's collapse, including the condition of the pipe, extreme rainfall events in 2023, and some weakened concrete blocks at the failure location.

- The report highlights ways in which we can improve our sewer condition assessments and renewal practices, with enhanced inspection techniques and the development of comprehensive assessment and intervention strategies.
- We recognise the need to lift our inspection techniques and will be investing in more detailed inspections and profiling reports going forward.
- Work on our condition inspection strategy and renewals intervention strategy is already underway. These will be ready in July 2024.
- Work to rehabilitate the damaged section of the Ōrākei main sewer is well underway, with pipe relining to commence shortly.
- We are planning to reline about 1.6km of the sewer in Parnell in the next few years. This \$86.74 million investment will significantly reduce the risk of future sewer collapses in Parnell.
- The progress with the recommendations from the OMS failure analysis report is shown in the table below:

WSP recommendations in the OMS failure Analysis report		Watercare response to recommendations
1	It is recommended Watercare continue to inspect transmission sewers every 5 years using CCTV and Laser and Sonar profiling with inspections being undertaken on tighter frequencies on pipelines where there are concerns about the condition.	A CCTV/ Sonar/Laser inspection programme for Transmission assets has been tendered and will commence on the OMS in the week commencing from 25 of March 2024
2	In addition, it is recommended to undertake condition inspections after events that could trigger rapid decline in condition e.g. after large storm events.	Agreed. This will be implemented as required.
3	Improve the quality and resolution of the CCTV inspections to provide a clearer view of the pipe wall and aid the identification of faults	The enhanced CCTV camera needed for this work is not currently in New Zealand. This will be used in the next round of CCTV inspections.
4	Reinstate cleaning the OMS using the plough or alternative cleaning systems that meets with current health and safety requirements.	Investigations into alternative methods for cleaning the OMS will commence in April 2024.
5	Produce detailed CCTV log sheets to record impactions and assign condition grades using a system suitable for brick pipelines.	This work has been included in the scope of the current inspection round.
6	Change standard practise so that laser and sonar profiles are analysed for all inspections	This work has been included in the scope of the current inspection round.
7	Compare laser profiling again previous inspections to determine the extent and severity of corrosion that could trigger a renewal.	This activity will be undertaken when the data form the current inspection round has been received.
8	It is recommended that Watercare continue with a risk based approach to the management of assets however it is recommended that Watercare	Included in the scope of the Transmission sewer renewals strategy due to be delivered on 1 July 2024.

WSP recommendations in the OMS failure Analysis report		Watercare response to recommendations
	develop guidance documents to detail these process and procedure and ensure decision making is recorded.	
9	Watercare should update process for determining the criticality of asset to include all factors that could impact the consequence of failure ie is the pipe under a building	Included in the scope of the Transmission sewer renewals strategy due to be delivered on 1 July 2024.
10	Develop a condition assessment strategy that specifies the techniques that should be used for condition inspections, the timing of inspections and how the data should be recorded, analysed and stored.	Included in the scope of the Transmission sewer renewals strategy due to be delivered on 1 July 2024.
11	Document a renewals intervention strategy that specifies the repairs and renewals to be undertaken and the urgency for undertaking the works based on the condition and the consequence of failure.	Included in the scope of the Transmission sewer renewals strategy due to be delivered on 1 July 2024.
12	Consider undertaking structural analysis of block and brick-built sewers using finite analysis to improve the assessment of likelihood of failure and to set trigger levels for intervention.	This activity will be planned to follow the receipt of data from the latest condition assessment investigations.
13	Develop a prioritised list of Transmission Sewer renewals and the triggers set out in the renewal intervention strategy.	Included in the scope of the Transmission sewer renewals strategy due to be delivered on 1 July 2024.

5.2 Ōrākei Main Sewer (OMS) project

- Sewer has returned to normal operation, no further overflows as a result of the damage since 26 October 2023.
- Due to hot and settled weather, increased odour complaints. Odour control device being installed at temporary pump station location.
- Work to determine grouting methodology still under way. Pipe is now mostly clear of debris reducing the operational risk to the business. Methodologies for pipe jacking being finalised. Lining work from Manhole 16-15 is planned to commence late March 2024.
- The CCTV and laser profiling inspection of the OMS commenced the week starting 25 March 2024. Following the completion of the OMS inspections all major interceptors across the Watercare network will be inspected. All CCTV and Laser profiling data will be analysed and detailed reports prepared on the condition of the interceptors and large sewers. The interceptor inspection and analysis programme was competitively tendered, with TDG being the successful tenderer.
- The asset lifecycle team continues to be on track for developing a renewal model and a prioritised list of Wastewater Transmission renewals by the 1st of July 2024.

5.3 Update on Waikato District Council Contract

In August 2019, Watercare entered an agreement with Waikato District Council (WDC) for Operation and Maintenance of Water, Wastewater and Stormwater Services (The Contract). The original Contract was for a period of 29 years split into two distinct stages.

- During the transition period, originally anticipated to be just less than two years, Watercare was to provide asset operating and maintenance services, and capital delivery; with WDC retaining all customer obligations; and
- Subject to conditions being met, including public consultation, the Contract was envisaged to then enter an extended operational period, where Watercare would be responsible for all aspects of WDC's water, wastewater and stormwater services, including all customer facing responsibilities.

In July 2020, one year into the two-year transition period, water reform was announced by the then government. It was expected that WDC would be required to join Entity B in the Central North Island. During this period of uncertainty, the Watercare and WDC mutually agreed to delay moving into the operational period, and instead, extend the transitional time period until such time that the direction of water reform became clear. Extensions were agreed in June 2021, again in late 2022, and October 2023.

With the change in government, and the move to the Local Water Done Well policy, the Board and Management have been reviewing the likely impact on Watercare across a number of areas, including:

- The need to rebuild Watercare following the disruption of the previous water reform programme;
- The future organisational structure; and
- The future financial structure.

To ensure that Watercare is fit for purpose and fit for the future, with that future focus firmly being on the delivery of services to Aucklanders.

Following a number of meetings between Watercare and the WDC Water Governance Board, the parties mutually agreed that the Contract would come to an end on or before 30 June 2026, and not enter the operational stage.

This has been formalised by a variation (the Variation) to the Contract in March 2024. The Variation notes Watercare will work with WDC under the same transitional period terms and conditions that we operate under today.

To ensure the seamless transition of services back to WDC, the draft disestablishment plan created in 2019 will be reviewed and updated in collaboration with WDC. The Variation notes that this plan must be agreed by 30 June 2024. The plan will establish key milestones and activities required to complete the transition and maintain the levels of service for the delivery of three waters services.

We will be pulling together people from Auckland and Waikato offices to help coordinate the disestablishment and ensure that we are looking after our people, including: staff transition and retention, transfer of systems and data, transfer of lease agreements, vehicles and equipment, stakeholders and staff engagement, and contract novation for in-flight projects.

Staff transition and retention is a key focus for Watercare. We appreciate that a twenty-seven-month transition is a long time for our people to be in state of change or uncertainty. To address this risk, communication and transparency during this time will be vital to ensuring staff retention. Our kaimahi currently delivering services for WDC will continue to be employed by Watercare, with the intention of transferring to the new service provider on or before 1 July 2026. Watercare is committed to ensuring that our WDC-Watercare staff are looked after during the disestablishment period, and are set up well to transition.

A memorandum shared with the CCO Direction and Oversight Committee regarding this contract is in [Attachment 1](#).

5.4 Burst Waterpipe Remuera road affected Remuera, Meadowbank and St Johns residents

The incident consisted of three events that occurred in sequence in February 2024, a watermain break at Koraha Street, a second break at 699 Remuera Road, and a third break at a similar location.

Across the 9,000km of Auckland's water network teams deal with up to 350 significant watermain breaks each month. The rolling nature of the breaks in this incident are common with aging asbestos cement (AC) pipes which make up 5,400km or 60 per cent of the local water supply network. While AC pipes remain safe for drinking water supply, their age of up to 60 years means they can be brittle and prone to repeat breaks as they are being repressurised.

Each year we allocate close to \$20 million for reactive watermain renewals. The current area on Remuera Road was assessed as of medium priority for replacement. However, we unfortunately have a large backlog of costly high priority renewal projects ahead of this work which means it may take some time to get to. This is far from ideal but is something we have been working to address.

Late last year, we contracted several business partners to work with us on a \$3.5 billion 10-year Assets Upgrades and Renewals (AUR) Programme. This will deliver \$17 million for watermain network renewals in 2025, \$40 million in 2026 ramping up to close to \$100 million per year in five years. This programme, which is in addition to the normal reactive renewals budgets, will focus on asset condition to prioritise investment. The increased funding will significantly bolster watermain network renewals, ensuring greater resilience and reliability for areas with aging and poor condition watermains.

While our response crews fixed the repairs, we acknowledge there was a lot more we could have done to keep people informed. The faults and outages page which customers should be able to rely on for regular updates was under maintenance and not working. There were also shortcomings in getting timely and accurate information out to customers about the repairs and the availability of alternative water supply.

This incident is a demonstration of the challenges we face when dealing with aging infrastructure while also having limited access to sufficient capital to ensure we can invest in upgrades and renewals in a timely manner. While we are working to improve this situation, it is no excuse for our poor customer engagement for which we are committed to doing better.

5.5 Freshwater gold clams at the Waikato Water Treatment Plant (WTP)

In late February 2024, clam shells were detected in the sand separators at the Waikato WTP. Subsequently, MPI has confirmed the clam shells are in fact, Gold Clams. This invasive species can clog water-based infrastructure. Gold Clams do not pose a risk to water quality and drinking water continues to be safe to drink. Watercare is implementing increased monitoring, maintenance, and disinfection procedures to address the threat.

A memorandum to the Governing Body was sent in relation to this incident ([attachment 2](#)).

5.6 Water quality

Formal compliance reporting to Taumata Arowai (TA) for the first Annual Report for the period from 1 February 2023 to 31 December 2023 has been completed.

Watercare Operations submitted reporting to TA via web based Hinekōrako. All submissions have been completed as required by the due date. Where rules apply, both Watercare and WDC have been reported by Hinekōrako as satisfied the rules. Formal published report date from TA is yet to be confirmed. TA will issue a draft report for comment.

Water Quality monthly Scorecard has been updated to align with the latest TA reporting requirements and the updated SOI.

Microbiological and chemical compliance has been achieved for the month of February for all water treatment plants (WTPs) and distribution zones (DZs).

Residual disinfection compliance has been achieved for 37 distribution zones. Three distribution zones did not achieve residual disinfection compliance. This was not achieved in the Otuhuhu, Te Henga and Wellsford zones. Out of these three zones, two also had results <0.1mg/L free available chlorine (FAC) – Otuhuhu (1 result <0.1mg/L) and Wellsford (2 results <0.1mg/L). However, there was chlorine residual detected in all results. Proactive network flushing has been implemented in the short term to improve turnover, whilst medium to long term solutions are being implemented.

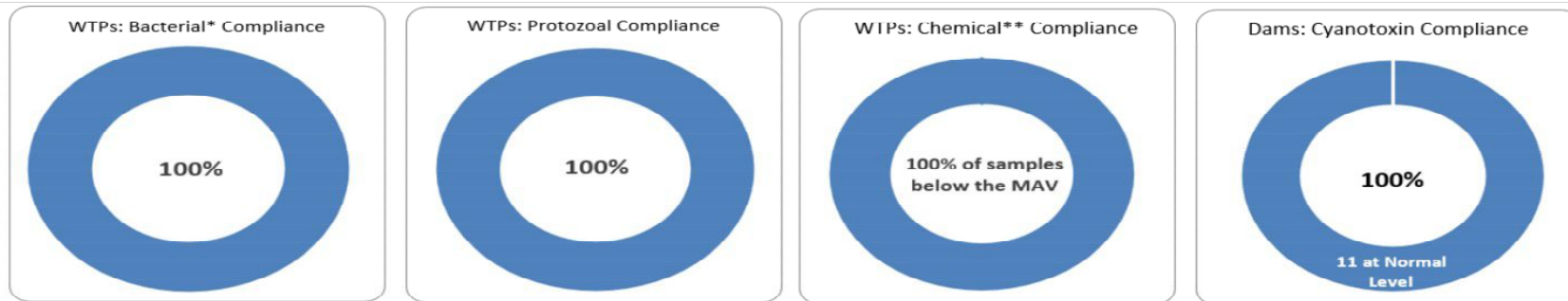
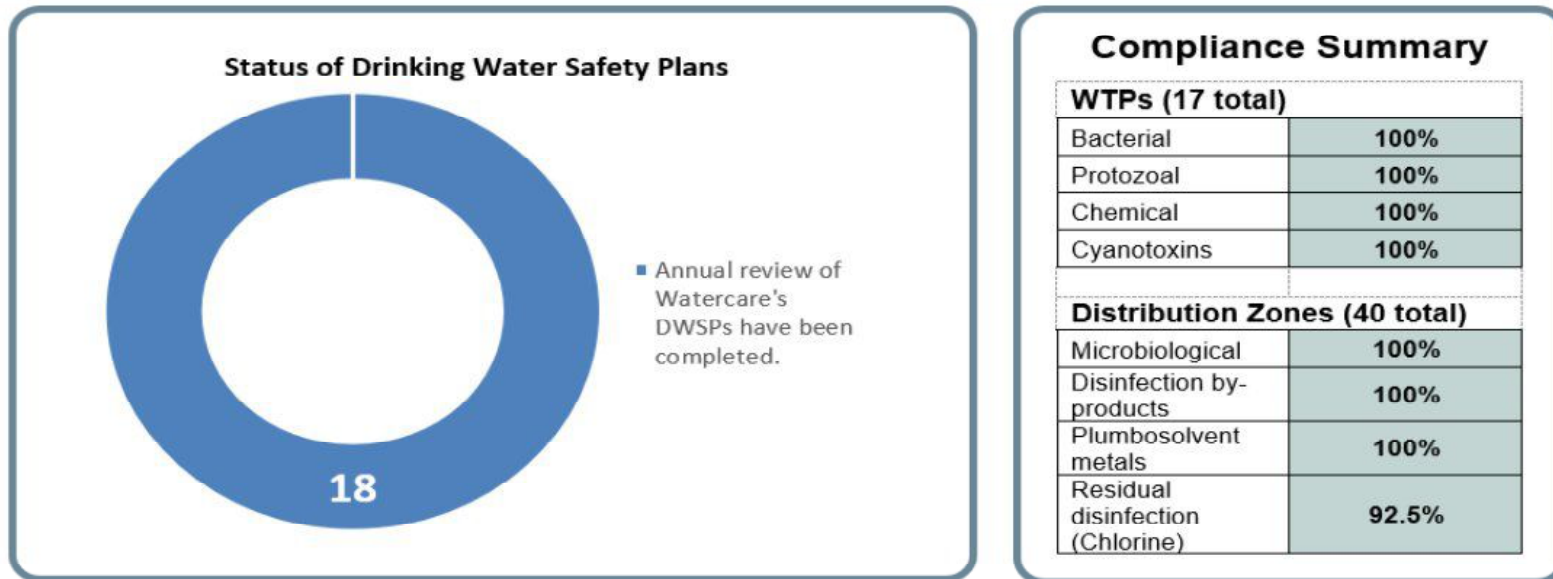
Annual Review of Watercare's Drinking Water Safety Plans have been completed.

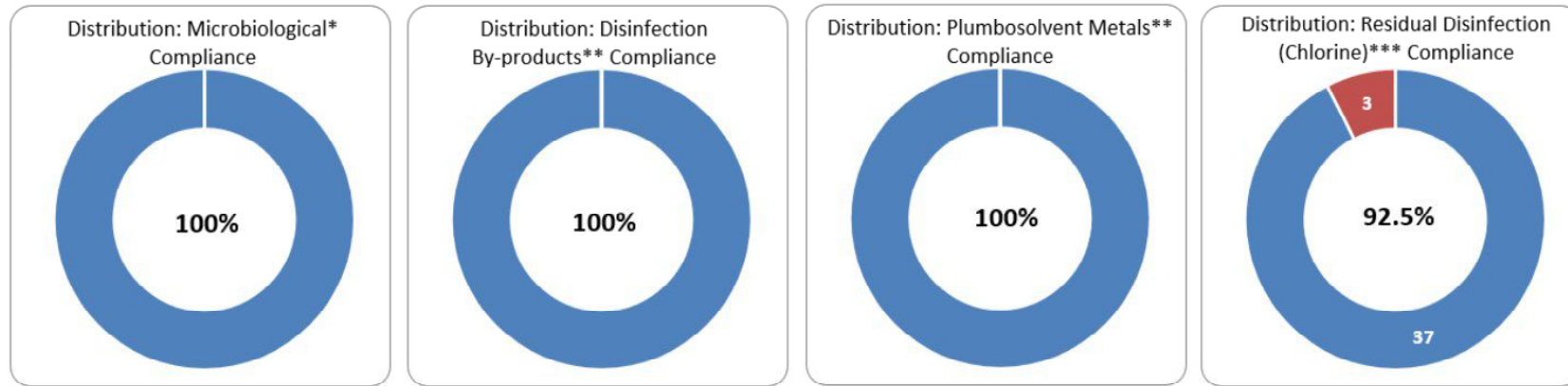
Low Residual Chlorine (FAC) and elevated Disinfection By-products (Trihalomethanes (THMs) Investigation progressing with water age modelling to assess water age contributions to THMs formation and low FACs is progressing well. This will determine next steps, with operational improvements and capital investment likely required. The isolation of the Hill Reservoir in Pukekohe has successfully improved FAC this summer. A chlorine booster station in Waiwera will shortly be commissioned and improve FAC in this zone. To improve FAC and turnover in Te Henga, a watermain will be constructed prior to the 2025 summer period.

The Water Quality Science team is looking into global trends for emerging contaminants for the trends and developments that Watercare should be aware of.

The water quality report for February 2024 is set out below.

Scorecard





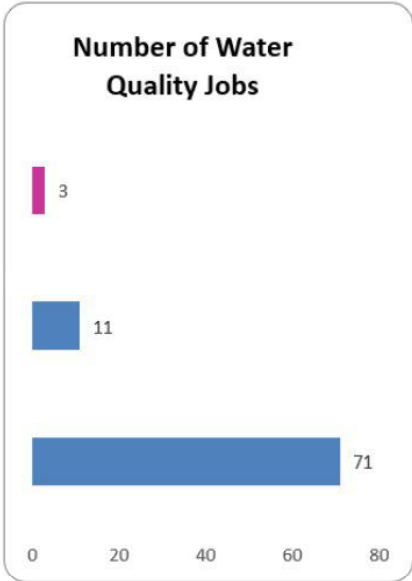
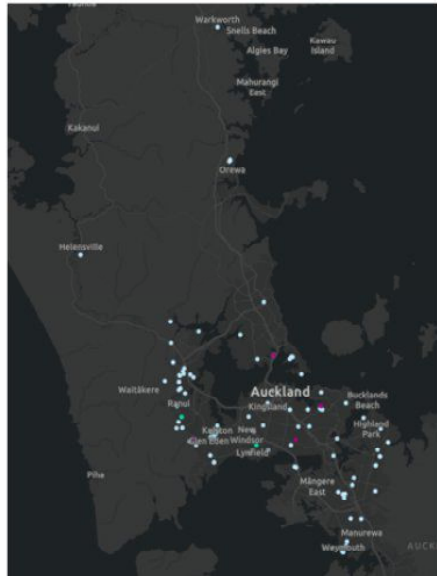
*At the WTPs bacterial compliance is assessed on continuous monitoring results. In the distribution network microbiological compliance is based on *E. coli* monitoring to indicate the probable presence of bacterial contamination of water supply.

** Chemical compliance: At the WTPs determinands associated with chemicals dosed during the treatment process are monitored. In the distribution network disinfection by-products (DBPs) are monitored in each zone, and chlorates monitored in four zones where chlorine booster stations are utilised as best practice monitoring.

Fluoride dosing not available at the Huia WTP while the bulk HFA tank is being replaced and associated works completed. Updates were provided to the Ministry of Health as required by Health (Fluoridation of Drinking Water) Amendment Act 2021. Reporting to Taumata Arowai is not required because we did not breach the MAV for fluoride.

*** Residual disinfection – 85% of free available chlorine samples in a month must be >0.20mg/L in each distribution network zone, with no results <0.1mg/L. This was not achieved in the Otahuhu, Te Henga and Westford zones. Out of these zones, two had results <0.1mg/L free available chlorine (FAC)– Otahuhu (one result <0.1mg/L), Westford (2 results <0.1mg/L). However there was chlorine residual detected in all results. Proactive network flushing has been implemented in the short term to improve turnover, whilst medium to long term solutions are being implemented.

Customer complaints



Actions Taken

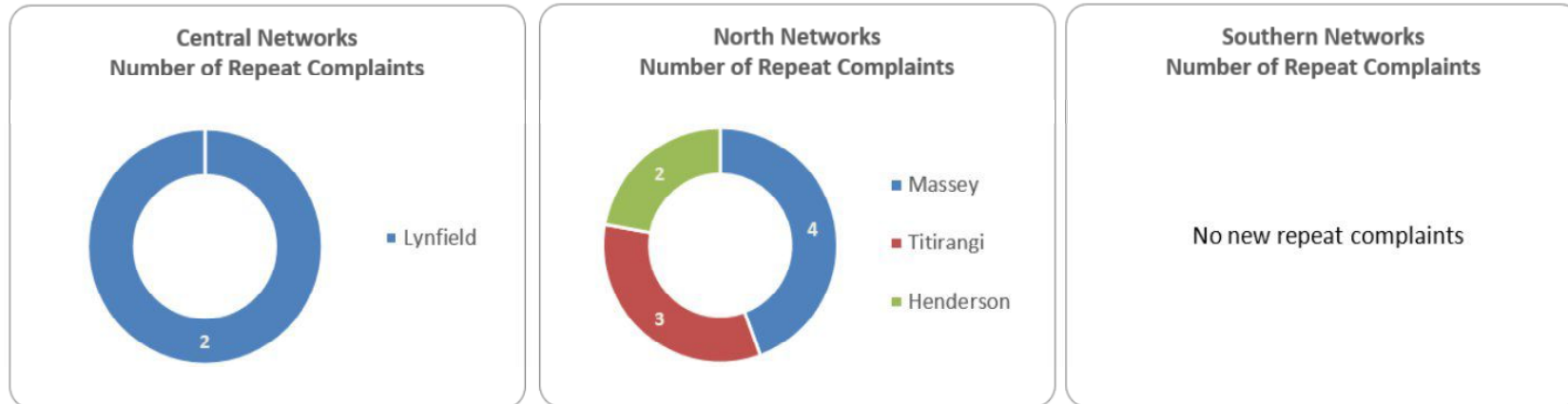
Illness Complaints*: Pre-emptive network flush, provision of WQ compliance data to customer;
Main cause: Unrelated health issue

Tainted Water: Network flush, field FAC testing if required;
Main causes: (1) Various taste & odour issues (chlorine/sewage/"chemical"), (2) black particles

Discoloured Water: Network flush
Main causes: Multiple complaints in Massey on 18 and 19 February, still for investigation of root cause; for other areas, mineral and sediment build-up coming off pipes

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

Repeat water quality complaints – September 2023 to February 2024



Actions taken for repeat complaints*

Central:

Iberia Place, Lynfield – Repeat complaints of discoloured (white) water from 1 customer due to air in the line. Neighbour also affected. Repeat flushing from the nearest fire hydrant resolved the issue.

North:

Gallony Avenue and Mamuku Drive, Massey – Multiple complaints of discoloured water in Massey on 18-19 February, but only 2 were logged as repeats coming from the same address. Other affected streets were Sunnyvale Rd, Sunline Ave, Waimumu Rd, Tatyana Pl, Cyclarama Cr, Paina Cr, Carnelian Ct, Lazurite Dr, Widmore Dr, Kaimai Ave. Network flushing was done for all complaints and seems to have resolved the issue. For investigation of root cause.

Others:

Flushing from nearest FH was done in the following areas – Park Road, Titirangi, Henderson Valley Road

**Repeat complaints – Complaints from one customer for the same WQ issue within the last six months.*

5.7 Water resources

The leak management programme is ongoing. Since the start of the programme approximately 23,500 kms have been surveyed to date with 14,900 leaks found. Since the start of the leak management programme over 26.5 MLD of water savings have been achieved.

6. Our infrastructure

6.1 Central Interceptor

Construction continues across all sites, with three sites undergoing final reinstatement (Dundale, Miranda and Haycock). Monthly highlights are as follows:

- The Main Tunnel TBM advanced 517m in February 2024, with a total length of 9,579 installed at month end. The next shaft breakthrough will be at Haverstock, due in mid-March 2024.
- Southern tunnel works – TBM services strip-out, cleaning, HDPE welding and Keith Hay Park and PS23 tunnel/shaft connection work in progress.
- MTBM pipe jacking for the final LSB drive from Rawalpindi to Norgrove commenced in February 2024, due to be complete in May 2024.
- MTBM at Keith Hay Park pipejacking for CC9 collector sewer in progress.
- Mt Albert adit works in progress. HDPE welding works on Link Sewer B (LSB) from Mt Albert to Norgrove in progress.
- Sewer chamber connection work in progress with the live interceptors exposed at Confluence Chamber, PS23, Haycock, PS25 and Haverstock.
- Permanent in-situ concrete lining works in progress at Lyon Ave, Haverstock Rd and Western Springs.
- Continue excavation work for the shaft at Tawariki St, this is the last of the main tunnel shafts to be excavated for the CI scheme (excluding the Pt. Erin extension).
- Māngere Pump Station (MPS) MEICA works continuing to progress. All six suction pipes installed between dry well and wet well. Electrical works ongoing in the switchroom building and the second one of the two main switchboards will be delivered in March 2024. Electrical platform installed at the bottom of the dry well. Benching work in progress in the wet well. Completed backfilling of the rising main section from the pump station to underneath the Western Interceptor. Software development for the control system in progress.
- Demolition of Western Interceptor at confluence chamber area complete, construction of the new confluence chamber in progress. Temporary over-pumping system installed in December 2023.



7. Risk and compliance

7.1 Initial notification – vacuum regulator SCE failure at Ardmore Water Treatment Plant

On the afternoon of Sunday, 17 March 2024 at Ardmore Water Treatment Plant (WTP) a small chlorine gas leak was detected on sensor B1 in the west bank of the chlorine drum room, fluctuating from 0.0 to 1 ppm.

In response, two operators equipped with breathing apparatus entered the drum room to identify the source of the potential leak. Due to the low concentration and fluctuation of readings between 0 and 1 ppm, it was not possible to identify the exact source of the leak at the time. As a precautionary measure, the B1 drums in the west bank were vacuumed down, isolated, and taken out of service. Upon further preliminary examination on Monday, 18 March 2024, it was determined that the source of the leak originated from a faulty vacuum regulator, classified as a Safety Critical Element (SCE), on drum 1 in the B1 drum room, west bank.

If the chlorine alarm was in the range of 1-6ppm for more than six minutes, the Chloguard (emergency gas shut-off system) would operate to shut the drums in the room down. At the same time, the extraction fans that take gas from the room to the scrubber (which neutralises the chlorine) would activate to provide a safe environment. Given the low level of chlorine over short periods there was no Chloguard shutdown, and the site Emergency Response Plan was not activated.

As all safety procedures and engineering controls were followed, there were no injuries incurred during this incident. For context, 1ppm of chlorine STEL (Short-Term Exposure Limit) is the Worksafe limit over a 15-minute time-weighted average to not be of harm to health.

Worksafe investigation

Worksafe has a formal approach to notification and investigation. The form ([WKS-14-notifiable-incident-major-hazard-facility-form.pdf](#)) assists in meeting the requirements for notifiable incidents in accordance with Section 56 of the Health and Safety at Work Act 2015 and regulations 33 and 34 of the Health and Safety at Work (Major Hazard Facilities) Regulations 2016 (the Regulations). In summary, this means:

An operator of a MHF facility must notify WorkSafe of any notifiable incident declared under regulation 33 of the Regulations, as soon as possible after the occurrence becomes known to the operator.

- Initial notification – Inform Major Hazard Unit – This has been completed.
- Initial written report (within 7 days) on a Worksafe prescribed form – This was completed on 22 March 2024, with an update below.
- Detailed written report (within 30 days) – This will be completed by Monday 15 April.

Initial written report

At this initial stage of the investigation, we believe that debris in the vacuum regulating valve caused the venting of chlorine gas. How this debris accumulated is being determined as we have observed a significant accumulation of debris in the drip leg (the section that connects the drum to the vacuum regulating valve). A specialist metallurgist is being engaged to confirm if there is an issue with the metal corroding that makes up the drip legs as it would appear (at this early stage) that the new drip legs have more corrosion than the older drip legs. The drip legs are renewed every two years. Investigations with the contractor that supplies the drip legs is ongoing. The other significant area to investigate is the chlorine drums themselves to see if they are the source of debris. Drum history, quality checks, and maintenance are being investigated with the supplier.

As a precaution and to provide further information while the investigation continues, we are stripping apart each drip leg (24 in total) and cleaning these. Until there is a more definitive answer, the cleaning should minimise any debris accumulating in the future.

At this stage of the investigation, we believe this is a new cause of failure and is unrelated to the events of October 2023. The incidents are related to the same SCE (vacuum regulator) but the route cause and contributing factors are different. The event in October 2023 was due to an external maintenance provider having not effectively tightened up a yoke that attaches the vacuum regulator to the chlorine drum. The event of 17 March 2024 appears to show that the yoke was adequately tightened but the regulator itself vented indicating a cause internally within the vacuum regulating valve.

The cause of this will be worked through during the investigation. Importantly the recommendations arising from October 2023 have been implemented and this ensured that staff followed all processes in place.

Next steps

We now need to submit a detailed written report to Worksafe by 15 April 2024. This report will follow the internationally recognised Incident Cause Analysis Method (ICAM) and is supported by a PEEPO (People, Environment, Equipment, Procedures, Organisation) Chart, Incident Tree & 5 Whys that includes:

- The main causal factors
- Contributory factors (mistakes or conditions that, if corrected, could have prevented the incident from occurring or would have significantly prevented its consequences)
- Underpinned by Root Causes (underlying organisational factors that lead to the failed controls and the contributory factors).
- Recommendations

Once sent to Worksafe, feedback is often received, or forms part of the annual audit, or site investigations they choose to carry out.

7.2 Enterprise risk management

- The Risk Management Policy was approved by the Board in March 2024.

- The new Project Risk management training sessions have commenced. These training sessions covering Project Risk principles and use of the RiSOLVE risk system are mandatory for project managers who want to use the Project risk module in RiSOLVE.
- Initial detailed climate change risk assessment workshops have commenced, assessing entity level risks. Council Group level risks requiring Watercare input have been identified, with assessments planned for completion by May 2024.
- The Risk team visited Auckland Emergency Management and Auckland Transport's control centres to help to better understand their operations and enhance communication with their incident controllers, to foster better collaboration in future major incidents.

7.3 Privacy Act 2020

In February 2024, we had one privacy breach covering 17 of Watercare's customers that was reported to the Privacy Commissioner (PC). This related to an administrative error which caused 17 customers' physical bills to be sent to one customer. The error has been advised to PC, with an initial assessment of "unlikely to cause serious harm". We are currently assisting the Privacy Commissioner with their investigation and responses to the PC were sent by the deadline of 15 March 2024.

7.4 LGOIMA requests

In February 2024, we received 13 requests for information under the Local Government Official Information and Meetings Act 1987 (the Act). Four of these requests were transferred to us: two from Auckland Council, one from Ministry of Health and one from Crown Infrastructure Partners.

We processed 12 requests in accordance with the Act and responded within 20 working days. At the time of writing this report, we are preparing a response for the remaining request.

7.5 Non-RMA related legal actions

- There is currently one claim for \$1.2m for alleged damage to a residential property from a burst watermain. The matter is being handled by our insurers. A technical meeting was held with the plaintiff's experts, and Watercare's experts in late February 2024. The next step is a mediation, which should hopefully occur in the next few months.
- In February 2023, Watercare was served with a copy of proceedings lodged in the Māori Land Court by Te Runanga o Ngāti Whatua, Ngāti Manuhiri Settlement Trust concerning the legal status of the Hōteu Awa bed. Watercare owns property in Wellsford that adjoins the awa and draws water from it. Watercare filed a notice of intention to appear in late March 2023. Further updates that will involve Watercare are not expected for some time (i.e. possibly years).

7.6 Whistleblowing

The PwC operated Whistleblower line received no disclosures since the last Board meeting. All disclosures are reported to the Audit and Risk Committee on a quarterly basis.

7.7 Non-compliance with resource consents

Auckland

Overall consent compliance for Operations is improving from January, only two sites had full non-compliances and the majority (84%) of non-compliances were technical. Non-compliance issues at Hays Creek related to compensation flows and have been resolved. At Kingseat WWTP the resolution is ongoing, as the settling improved with further alum dosing.

The technical non-compliances remain relatively high because of single conditions triggering multiple consents. Procedural issues continue to affect the eight wastewater network discharge consents and an associated pump-station consent with very similar conditions, and at Clarks beach WWTP the technical non-compliance is due to historical exceedances affecting the 12-month average results.

One technical non-compliance for Infrastructure is related to an overdue Arborist report and should be resolved in the upcoming days.

The grading Watercare applies in the detailed breakdown of full non-compliance is consistent with Auckland Council's criteria. The grading is below:

Rating	Detail
Category 1	Watercare has complied with the consent condition.
Category 2	Watercare has not complied with the consent condition. Watercare has assessed the non-compliance as technical or having no more than a minor adverse effect.
Category 3	Watercare has not complied with the consent condition. Watercare has assessed that non-compliance has the potential to result in minor adverse effects on the environment. Alternatively, since the last audit, there is evidence of repeat Category 2 non-compliance.
Category 4	Watercare has not complied with the consent condition. Watercare has assessed the non-compliance as having the potential to cause significant adverse effects on the environment. Alternatively, since the last audit, there is evidence of repeat Category 3 non-compliance.

The details on the significant non-compliance for February 2024 are set out below.

Facility/Asset	Consent	Condition(s)	Issue(s)	Commentary	Resolution	Significance
Kingseat WWTP	DIS60401948	13	E coli and TSS exceedance	E coli and TSS exceedance above the consent limit for this month	Ongoing. Operators are still adjusting alum dosing accordingly. Faulty Uv sensor replaced.	Minor (Grade 2): Potential environmental effects mitigated by buffering capacity in discharge environment.
Hays Creek Dam	WAT80317020	18	No compensation flow	No compensation flow for five days as the valve tripped on torque and alarm wasn't seen.	Resolved.	Minor (Grade 2): Potential environmental effects mitigated by flows from wider catchment.

Active resource consents in February 2024

370

Consents with non-compliances in February 2024

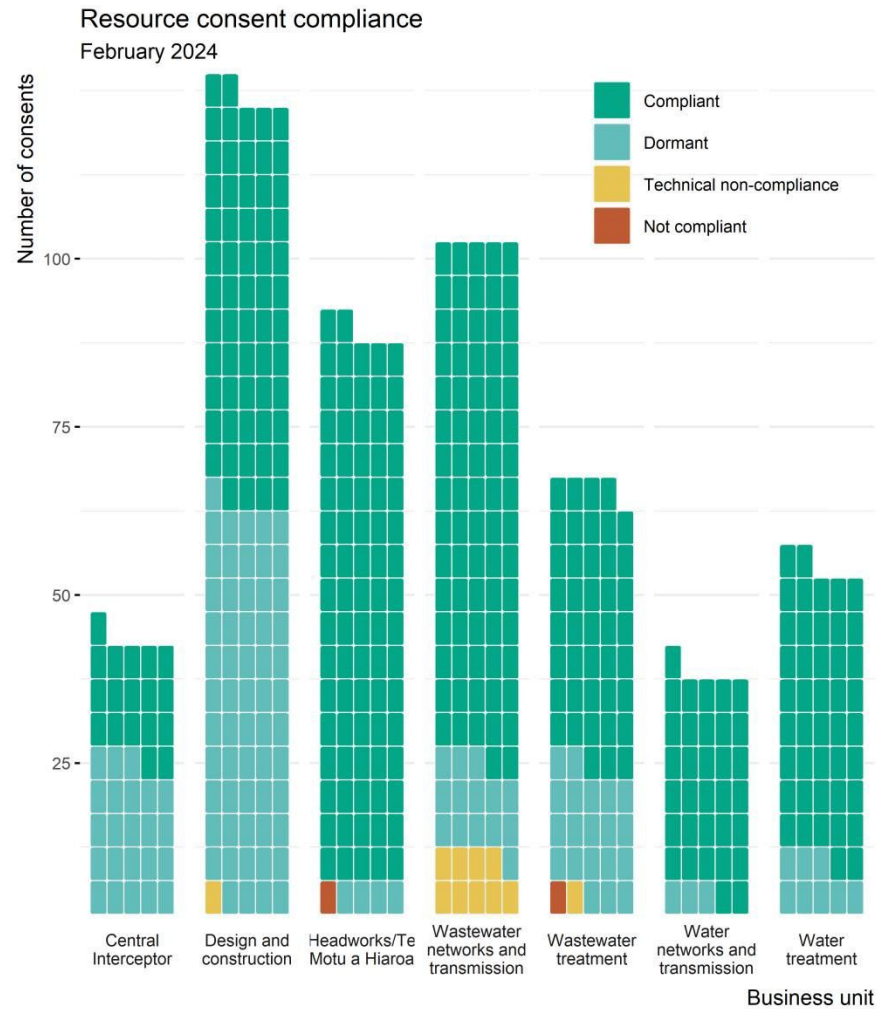
13 ↓

Rolling 6-month average (non-compliant consents)

19 ↓

Consents under enforcement in February 2024

0 -



Waikato

Further to an update provided at the March 2024 Board meeting regarding the breach of resource consent for Raglan Wastewater Treatment Plant, attached letter along with the Formal Warning was received from Waikato Regional Council (WRC) ([attachment 3](#)). As per WRC's processes, this letter was also sent to the Watercare Board.

8. Climate change delivery and sustainability update

Working towards the greenhouse gas reduction targets continue to be a priority and a challenge. For the current statement of intent target the data to date shows that we are on track and that is led by a decrease in electricity consumption. However, the target to reduce emissions by 50% off the 2017/18 baseline is getting closer and closer. The Decarbonisation Roadmap will require a refresh in 2024/25 as feasibility studies have shown some projects are not possible and other water/wastewater projects that support emission reductions may also be delayed. Internally a Decarbonisation Roadmap Database and tracking dashboard have been created to make sure this information is visible across the business and aligned with our infrastructure project management software.

Resource Recovery Manager Rob Tinholt was recently awarded with the Watercare Sustainability Champion award and presented with a taonga to recognise the incredible strides he has made with the Emerge[®] fertiliser and more broadly getting action on the reuse of biosolids in Aotearoa New Zealand. Rob has been a dedicated champion to sustainability outcomes and was also quick to pass praise on to others, including Wastewater Production Manager South, Jon Piggot.

The Watercare team continue to work through the requirements of the Climate Related Disclosure with the Council group and have started the detailed risk assessment step. The first workshops have been on drought and the next will be on sea level rise. These will be shared with the board in coming months and used to support next steps of financial quantification and then establishment of mitigation steps.

A final note of thanks from outgoing Head of Sustainability Chris Thurston for the Board's support and ongoing commitment to brave sustainability and climate change actions.

9. Matters for noting

9.1 Significant meetings attended by the CE

- Group CE's fortnightly meeting

- The State of Auckland: Making progress on Auckland's Priorities event – Hon Simeon Brown MP
- Meeting with Cr Desley Simpson
- GSS CE Deep Dive Session – Auckland Council
- Meeting with WSAA
- Governing Body Workshop – 'Local Water Done Well' Auckland Implications
- Waikato District Council meeting
- Water NZ meeting
- Media meeting – Sunday Star Times
- ARUP meeting.

10. Delegated authority to Chief Executive

In accordance with the authority delegated to the Chief Executive by the Board for the month of February 2024:

- there were three documents required to be signed by the Chief Executive in relation to deeds, instruments and other documents.
- there were no documents signed by the two members of the Watercare Board.
- there were no capex approvals signed below a threshold of \$50m.
- there were no contracts approved over \$100,000.



Dave Chambers
Chief Executive

Attachment 1



Memorandum

To: CCO Direction and Oversight Committee

From: Watercare Board

Subject: Update on Waikato District Council Contract

Date: 15 March 2024

7.1

Purpose

1. To respond to a request from the CCO Direction and Oversight Committee for more detail on why the Waikato District Council (WDC) contract (the Contract) will cease on or before 30 June 2026.

Summary

2. Since 2019 Watercare has had a contract with WDC for three waters services.
3. The original Contract was for 29 years, split into two distinct stages: transition (2 years) and operation (27 years).
4. In July 2020, one year into the two-year transition period, water reform was announced by the then government. During this period of uncertainty, the parties to the Contract mutually agreed to extend the transition period until the direction of water reform became clearer, noting that under the proposed Three Waters (Affordable Water) reform, WDC would have sat within the regional based Entity B, rather than novate to the proposed Entity A.
5. With the change in government, and move to the Local Water Done Well policy, the Board and Management have been reviewing the likely impact on Watercare across a number of areas, including:
 - The need to rebuild Watercare following the disruption of the previous water reform programme;
 - The future organisational structure; and
 - The future financial structure,
 to ensure that Watercare is fit for purpose and fit for the future, with that future focus firmly being on the delivery of services to Aucklanders.
6. Following a number of meetings between Watercare and the WDC Water Governance Board, the parties mutually agreed that the Contract would come to an end on or before 30 June 2026, and not enter the operational stage.

Background

7. In August 2019, following an approach from WDC, Watercare entered into the Contract for three waters services. This was seen as beneficial at this time as:
 - In line with Council direction, Watercare was seeking to expand its revenue sources.

- The Contract was also seen as a way to demonstrate that Watercare could provide services outside its current geographical boundaries.
8. Key terms of the Contract were as follows:
 - In line with Council direction, Watercare was seeking to expand its revenue sources.
 - The Contract was also seen as a way to demonstrate that Watercare could provide services outside its current geographical boundaries.
 8. Key terms of the Contract were as follows:
 - The Contract is for a period of 29 years, split into two distinct stages: a transition period of two years, and an operational period of 27 years.
 - WDC continued to own all the assets, while Watercare managed the water, wastewater, and storm water infrastructure above and below ground.
 - During the transition period, Watercare provided asset operating and maintenance services, infrastructure planning services, and capital delivery, with WDC retaining all customer obligations.
 - During the operational period, Watercare would essentially replicate the services it provides to Aucklanders in the WDC region. Watercare would be providing water, wastewater, and stormwater services, as well as customer billing and revenue collection, customer management, and the development and delivery of the asset management plan. Watercare would fund the costs of the arrangement over the life of the contract from the revenues collected.
 9. In July 2020, one year into the two-year transition period, water reform was announced by the then government. During this period of uncertainty, the parties to the Contract mutually agreed to extend the transition period and delay entering into the operation stage of the contract until the direction of water reform became clearer.
 10. In late 2023, the government announced its intention to repeal the Three Waters reform legislation and replace it with Local Water Done Well.

7.1

Discussion

Why Watercare is exiting the Contract

11. With the change in government policy, the Board and Management's position was for Watercare's focus to be on the impact of the change in policy, whilst continuing to deliver to Aucklanders.
12. The Contract does deliver benefits to both parties – it delivers profit to Watercare of \$2-\$4m per annum, and savings to WDC in the order of \$28m over the first ten years. The revenue generated by the contract of approximately \$60m, also assists Watercare with its debt to revenue ratio.
13. A review, prior to moving from the transitional stage of the Contract into the operational phase, was always anticipated. Entering the operational phase requires further time and cost commitments, including public consultation with our Auckland customers, which would require dedicated Watercare resources. This comes at a time when Watercare's resources (time and money) are already stretched and our focus should be on our core business, and the next iteration of Watercare e.g. financial independence under the *Local Water Done Well* policy, or as a more integrated Auckland CCO eg GSS.
14. Under the operational phase of the contract, Watercare would be responsible for funding the required capital programme for WDC. While the intention is that this would be largely financed by customer revenue, there is increased financial risk, and an increase in debt for Watercare over time, offsetting any overall debt to revenue benefit. Watercare would need to prioritise WDC projects within its overall funding envelope as provided for from Auckland Council LTP alongside Watercare's Auckland projects

(i.e. at 340% debt/revenue for Watercare the available level of capex dollars is unchanged but WDC projects would need to be scheduled as well).

15. With the change in government, and move to the Local Water Done Well policy, the Board and Management have been reviewing the likely impact on Watercare across a number of areas, including:
 - The need to rebuild Watercare following the disruption of the previous water reform programme;
 - The future organisational structure; and
 - The future financial structure,
 to ensure that Watercare is fit for purpose and fit for the future, with that future focus firmly being on the delivery of services to Aucklanders.
16. At the Board meeting, the Board agreed to reach out to WDC and the WDC Waters Governance Board to discuss the status and future of the Contract. Following various meetings between Watercare and the WDC Water Governance Board, the parties mutually agreed that the Contract would come to an end on or before 30 June 2026, and not enter the operational stage. Revenue and costs from the WDC Contract will continue to flow to Watercare so long as the transition period continues.

Engagement with Auckland Council

17. An exit from the Contract was discussed at a Governing Body workshop on “Local Water Done Well” on 21 February 2024. At that meeting, questions were asked about the treatment of the WDC Contract under a new financial structure for Watercare, and a very clear message was received from Councillors that Watercare’s focus was to be on the next iteration of Watercare.
18. On 23 February 2024, the Mayor’s Office was advised that Watercare was exiting the WDC Contract and focusing on the challenges of building the next iteration of Watercare for Auckland.
19. On 27 February 2024, Watercare Management discussed the decision and financial implication with Auckland Council finance including the Acting Group CFO. It was accepted and understood that the loss of the WDC contract revenue would impact Watercare’s debt ratio and the LTP position for Watercare will be updated to ensure we remain within Auckland Council’s debt limit expectation. Watercare is planning for there to be no deterioration in the Council’s debt position, as a result of this decision, however there will be an amendment to the price path from FY27 onwards to adjust for the loss of WDC revenue.

Next Steps

20. WDC has agreed to enter a disengagement period, ending on or before 30 June 2026, where Watercare will work with them under the same transitional period terms and conditions that we operate under today, and eventually transfer the contract to another party, or back to the WDC itself, or to a new Waikato based water entity.
21. Our teams currently delivering services for WDC will continue to be employed by Watercare, with the intention of transferring to the new service provider on 30 June 2026, whether that be WDC itself, another third party, or a new Waikato based water entity.
22. Watercare is committed to ensuring that our WDC-Watercare staff are looked after over the next two years and are set up well to transition on or before 1 July 2026.
23. Our people and capability team will start the process for employment transition by working directly with our Waikato teams to ensure a seamless transition.

Attachment 2



Memorandum

To: The Governing Body

From: Watercare Board

Subject: Freshwater Gold Clam Detection at Waikato Water Treatment Plant

Date: 12 March 2024

7.2

Purpose

1. To advise the Governing Body of detection of Freshwater Gold Clams (Gold Clams) at the Waikato Water Treatment Plant (WTP).

Summary

2. Gold Clams (*Corbicula fluminea*) have been detected in the Waikato WTP.
3. This invasive species can clog water-based infrastructure.
4. Gold Clams do not pose a risk to water quality and drinking water continues to be safe to drink.
5. Watercare is implementing increased monitoring, maintenance, and disinfection procedures to address the threat.

Context

6. The [Freshwater gold clam](#) (*Corbicula fluminea*) is native to eastern Asia and is widely established in North and South America and Europe. Gold clams were first discovered in the Waikato River, near Lake Karāpiro, by the Ministry of Primary Industry (MPI) in early May 2023.
7. Gold clams reproduce rapidly and form large populations. They can clog water-based infrastructure, such as electricity generation plants, irrigation systems, and WTPs. The Gold Clam has been given the legal status of an Unwanted Organism under the Biosecurity Act 1993.
8. Overseas, Gold Clams have proved difficult to control and eradication has never been achieved. MPI's Technical Advisory Group advise that eradicating Gold Clams in the Waikato River is not feasible with current technologies, but a strategy of containment and suppression is feasible.

Discussion

9. Watercare has been aware of the approaching risk from upstream, and engaged expert advice in August 2023 to provide technical input regarding the potential effects of the Gold Clam on Watercare's water infrastructure. Following investigation, it was considered highly likely that the Gold Clam would enter Watercare infrastructure.
10. In late February 2024, clam shells were detected in the sand separators at the Waikato WTP. Subsequently, MPI has confirmed the clam shells are in fact, Gold Clams.
11. Due to their small size, Gold Clam larvae are likely to be transported through the water treatment train and end up accumulating within waste sand and sludge material. It is too soon to determine what operational issues Gold Clams will/could cause within the new water intake and WTP, aside from the potential need for targeted maintenance, and possible risk of damage to the centrifuge inlet pumps.
12. Watercare has an obligation under Section 52 of the Biosecurity Act to ensure that any Gold Clams entering our infrastructure are not inadvertently spread to other catchments. Therefore, an ongoing monitoring and control programme will be needed. This will require: updated procedures around the treatment of the raw water, sand and/or sludge, which could contain the Gold Clams; more regular

monitoring of the pipework and other infrastructure to ensure that any problem areas are identified promptly; and a proactive monitoring regime of the raw water network.

13. On positive detection of the Gold Clams at the Waikato WTP, Watercare stood up a Level 2 incident to respond, monitor, and manage the issue. The incident team is now tasked with putting the appropriate measures in place to facilitate the continued operation of the Waikato WTP and ensure that Watercare meets all obligations with respect to preventing the further spread of the species in line with MPI advice. Several measures have already been put in place to meet these objectives (e.g. surveys of existing pipework and wet wells, disinfection protocols, etc) and further measures will be implemented as more information is gathered.
14. It is important to note that Gold Clams do not pose a risk to water quality. The treated water continues to be safe to drink.
15. The Waikato Water Treatment is located within the Waikato Region and is therefore not a direct regulatory matter for Auckland Council.

Next Steps

16. Watercare is implementing increased monitoring, maintenance, and disinfection procedures to address the threat. This will lead to a minor ongoing increased costs for the treatment of water from the Waikato WTP.
17. Watercare will continue to work closely with MPI and follow all biosecurity requirements.
18. Whilst Watercare has taken immediate steps to limit spread from its operational activities, Auckland Council is also monitoring high risk water bodies within the region and have increased engagement with recreational groups known to move between Waikato and Auckland. Staff from council are working closely with MPI on recent incursions including any wider controls required manage the risk of spread to high-risk sites.



Attachment 3

File No: 60 66 83A
Document No: 28478773
Enquiries to: Shantelle Bromell



28 February 2024

Watercare Services Limited
73 Remuera Road
Remuera
Auckland 1050

Private Bag 3038
Waikato Mail Centre
Hamilton 3240
New Zealand

waikatoregion.govt.nz
0800 800 401

7.3

Dear Sir/Madam

Outcome of investigation – Raglan Wastewater Discharge

As discussed during a meeting with representatives of Waikato District Council (WDC) and Watercare Services Limited on 12 February 2024, Waikato Regional Council (WRC) has completed its investigation in respect of the two occasions of unlawful discharges of treated wastewater into the Whāingaroa Harbour in October 2023.

WDC hold a consent with WRC for the discharge of treated wastewater to water (AUTH971390.01.01) which is managed on behalf of WDC by Watercare Services Limited.

On 10 October 2023, a programming error in the tidal data at the wastewater treatment plant resulted in an out of sequence discharge of treated wastewater on the incoming tide. This is in contravention of the limitations set out in condition 11 of the consent and therefore a breach of Section 15(1)(a) of the Resource Management Act 1991. Efforts were made to cease further out of sequence events and the remaining October data was checked and validated to ensure other errors were not present.

On 25 October 2023 a further error in the tidal data occurred, resulting in two out of sequence discharges on the incoming tide. It was determined this was due to human error when conducting validation checks of the remaining data in the system.

Council has considered the circumstances and a decision has been made on this occasion to issue a Formal Warning to Watercare for the discharges which occurred between the 25th and 26th of October 2023.

Please find this Formal Warning (EAC9617) enclosed.

WRC would like to acknowledge and commend the actions taken by Watercare immediately following the incidents and the level of co-operation shown through the course of the investigation. Some of those actions have been outlined below:

- Signage was erected and notifications were made to notify the public as soon as possible.
- A community meeting was held on the 2nd of November to address the incidents and answer any queries from the public.

He taiao mauriora ▲ **Healthy environment**

He hapori hihiri ▲ **Vibrant communities**

He ōhanga pakari ▲ **Strong economy**

- Prompt incident reporting to WRC with findings of the internal investigations and resulting action points.
- Sampling was conducted at various locations within the harbour to determine any environmental impact.
- Alarms were installed within the programme to detect anomalies to prevent any further out of sequence discharges.

Please be aware this Formal Warning will be considered, and may be referred to, should there be any further offending.

A copy of this letter and warning has been sent to each director of Watercare Services Limited and Mathew Telfer in his position as Operations Manager.

Please do not hesitate to contact me if you have any further queries on 07 949 7160 or via email shantelle.bromell@waikatoregion.govt.nz

Yours faithfully



Shantelle Bromell
Investigator
Investigations Team
Waikato Regional Council

Formal Warning

To:	Watercare Services Limited
Address:	73 Remuera Road Remuera Auckland 1050
Date Of Birth:	N/A

You are considered to have contravened the Resource Management Act 1991 (RMA), as follows:

Section of RMA Contravened:

Section 15(1) being an offence against section 338(1)(a) of the RMA.

Nature of Breach Resulting in Formal Warning:

Contravened Section 15(1)(a) of the Resource Management Act 1991 in that you permitted the discharge of a contaminant, namely treated municipal wastewater, into water, namely the Whāingaroa Harbour, Raglan on the incoming tide, when that discharge was not expressly allowed by a national environmental standard or other regulations, a rule in a regional plan, or a resource consent.

Location: Raglan Wastewater Treatment Plant outfall, Whāingaroa Harbour

Date of Offence: Between 25 October 2023 and 26 October 2023

File No: 60 66 83A

Warning No: EAC9929

The circumstances of the offence have been considered and it is deemed appropriate to deal with this matter by way of formal warning.

You are formally warned as a result of the above offence.

Please note that this formal warning now establishes, or contributes to, a history of non-compliance associated with the entity named in this formal warning. It will be considered and may be referred to should further breaches against the RMA be detected in the future.

If you wish to raise any matter relating to circumstances of the alleged offence, you should do so by writing to the council officer who issued the formal warning at the address shown on the covering letter of this notice within 14 days of receipt of this warning.

Signature of Enforcement Officer:



Shantelle Bromell

Waikato Regional Council

Date of Issue: 28 February 2024

7.3

IMPORTANT INFORMATION

It is important to note that offences against the RMA can be dealt with by other measures such as infringement notice, or in more serious cases, by way of prosecution.

Infringement notices issued under the RMA currently carry penalties of between \$300 and \$1000.

Penalties available to the Court when dealing with RMA prosecutions include:

- in the case of a 'natural' person, to imprisonment for a term not exceeding 2 years or a fine not exceeding \$300,000;
- in the case of a person other than a natural person (such as a company), to a fine not exceeding \$600,000.

Under the Resource Management Act, "Person" is defined as including the Crown, a corporation sole, and also a body of persons, whether corporate or unincorporate.

Board meeting | 9 April 2024
Public session



Health, safety, and wellbeing update

For discussion

Te pou whenua tuhinga / Document ownership

Prepared by

Paula Luijken | Andrew Mercer
Acting | Head of Health, Safety, and Wellbeing

Reviewed by

Jamie Sinclair
Chief Corporate Services Officer

Submitted by

Dave Chambers
Chief Executive Officer

1. Te tūhunga / Recommendation

We recommend that the Board notes and discusses this report.

2. Whāinga / Purpose

This report provides a comprehensive overview of health, safety, and wellbeing at Watercare.

3. Kōrero pitopito / The details

Key points

- A detailed update on the six critical risk events for contractors from January has been included with the February contractor information.
- Plans to implement the HSE Global recommendations will be in place by 1 July 2024.
- Andrew Mercer was appointed Head of HSW starting from 1 April 2024.
- An update on the Alma Road contractor incident is included in this report.
- There continues to be a good reporting culture at Watercare with many events where there was either a) no personal injury; or b) first aid only, which allows improvements to be made before any serious injury.

3.1 HSW metrics – February 2024**Lead Indicators – Executive HSW KPIs**

KPI	Description	Target	December 2023	January 2024	February 2024	Commentary
HSW Climate	The team targets a HSW climate rating of $\geq 8/10$ in each six-monthly Watercare climate survey	> 8	8.1	8.1	8.1	This survey was done in November 2023. The next full survey will be in June 2024.
Open iCare cases	This number is the % of open cases raised in the last 12 months, that are currently open, and have been open over 30 days.	< 5%	360 8%	525 12%	627 13%	Coaches and business partners have been working with their teams to make sure actions are completed and closed
Leadership walks	All leaders in the business are to complete leadership engagement walks as per schedule determined by their business unit leadership team	By business unit	156/127 123%	85/127 67%	95/127 75%	There is continues focus for these to be completed.
Reward & Recognition	Each business unit has a Reward and Recognition programme which is reported on at the monthly performance hui	By business unit	108	53	103	This is done via the reward and recognition app and business unit/site internal programs. The numbers reported here are for recognition made via the Teams app.
Training – Induction	All kaimahi complete and maintain a current online Watercare HSW Induction within two months of starting with Watercare	100% of kaimahi	84.57%	86.51%	88.42%	Automatic Push notifications were sent out in early March.
Training – Safety L-ship in Action	All people leaders complete training in leadership engagement interactions	100% of leaders	27.69%	34.17%	38.08%	Training is half a day in person training. We are working with Fletchers to put on some extra sessions to help ensure everyone can complete the training by the end of June 2024.
Permit audits per site	Every month, a minimum of one permit audit is conducted per project/plant.	One per site	15/36	15/36	34/36	

3.2 Watercare incidents

February 2024 recordable Incidents

- Further to the update provided to the Board at the February 2024 board meeting, on 1 February 2024, a sampler from the lab was sprayed with caustic soda liquid, which got into their eye and on their arm and leg. They were expecting to take a post clarifier water sample and were in the incorrect location and opened a caustic dosing pipe instead.

The injured person has since returned to work at full capacity. Worksafe have confirmed no action will be taken. 17 of the 21 actions have been completed with the remaining three being longer term actions of reviewing the design standard, sample point segregation from process, and reviewing the chemical labelling at all sites.

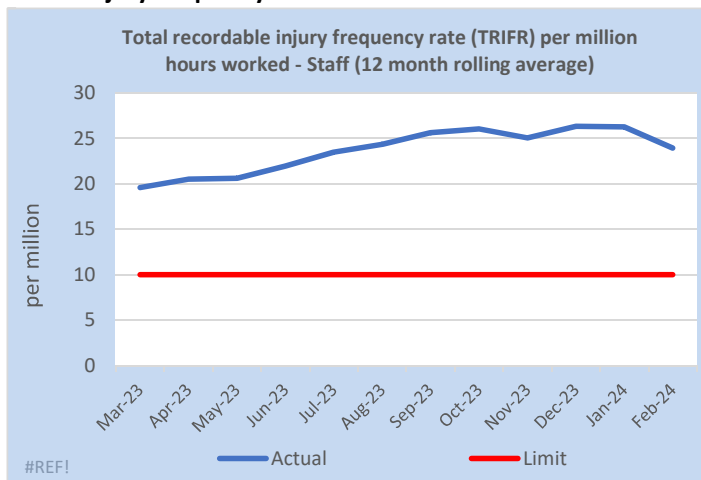
- 7 days light duties: A chemist at the lab experienced shoulder pain after working in the laboratory. They were placed on seven days of light duties.

Critical events

There were 47 events raised for Watercare, two of these involved a critical risk.

- Working with suspended loads: While lifting a pump out of pump chamber the crew noticed the main shackle pin was unwound and not properly connected to the main chain. As this was spotted early, it meant that controls could be put in place for this lift, and others. The team who found this were nominated as safety champions for “keeping it real”.
- Working with Hazardous Materials: This incident involved the with the sampler who got caustic soda in their eye, as noted above.

Graphs for lost time injury Frequency Rate (LTIFR) and total recordable injury frequency rate



The LTIFR is currently 7.68 and TRIFR is 23.95

3.3 Contractor incidents for February 2024

Metric	February 2024
Total recordable frequency rate	12.87
Total recordable injuries	7
Lost time injuries	0
Restricted work injury	7
Medical treatment	0
Notifiable incidents	0
Critical risk/All incidents for month	10/31
High potential critical events	0

Seven restricted duties injuries, four of these involved a critical risk.

- Working with Mobile Plant: Seven days light duties. Injured person was stacking a tremie pipe into the tremie track using a 36t digger. The operator's shirt caught on the control, causing the digger's arm to swing and hit the forearm of the worker who stacking the tremie pipe.
- Working at heights: Six weeks light duties. Sprained thumb. While going through a vertical ladder, the Injured Person slipped from the steps and hit their right-hand thumb against the upper-level floor.
- Working in excavations: Seven days light duties. After excavating the eastern side, the Injured person began to clean and clear the surrounding area when some loose material fell and impacted their back.
- Working with suspended loads: Seven days light duties. While removing sheet pile the injured person's hand was hit by the crane hook, which was lowering at the same time.
- Four weeks light duties: Fractured metatarsal. Whilst walking to back to vehicle, worker twisted right foot in a pothole/ uneven ground.
- 15 days light duties: Bruised elbow. While walking through site, a worker tripped over a steel rebar. The worker landed their right elbow on a piece of timber.
- Seven days light duties: During replacement of walkway handrail, the handrail fell on the worker's left hand.

Incidents involving critical risks.

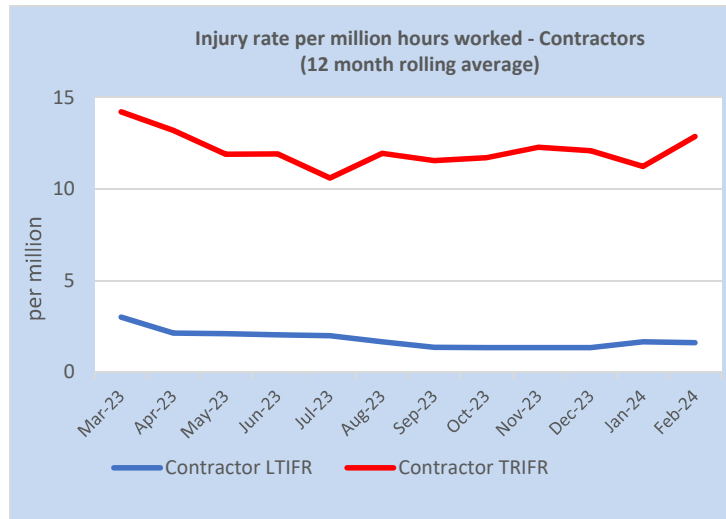
In January 2024, there were six contractor events involving critical risks.

- Working with fixed plant and equipment: While cutting reinforcing mesh with an angle grinder, a spark from the cut mesh went up under the safety glasses of the Fire Watch, striking the corner of their right eye. The worker cutting the mesh was wearing a full-face shield, and the Fire Watch was wearing safety glasses.
- Working with fixed plant and equipment: After firing a nail the nail gun recoiled and when it came back down it landed on the worker's left finger, resulting in a very small cut at the edge of the nail. They were wearing gloves. As it was caused by the impact from the recoil, there was no chance of the gun being fired and a nail penetrating the finger.
- Working with suspended loads: Crew was unhooking chains from the trench shields. The chain/ hook was left sitting on the top of the shield panel, which was sitting on its side. The next step was to shift the chain and hook it on the inside of the panels to stand it up. The chain fell off the top panel (approx. 1.6m off the ground), and as the hook swung down, it struck a worker in the shin.
- Driving / using vehicles: While entering Puketutu Island weighbridge, an electric truck impacted the weighbridge side rail and overturned onto the adjacent road. The driver was assessed by ambulance on site and no injuries were reported. This event was notified to Worksafe as reported in January.
- Working with or near live energy: Contractor struck gas main when saw-cutting asphalt in preparation for installing new watermain.

- Working at height: An extractor fan knocked through an opening into drywell 3m below. This happened when moving the scaffolding in the new WW pump station. Exclusion zones were in place.

In February 2024, there were ten contractor events involving critical risk. Four of these resulted in a recordable injury and have been covered above.

- Working at height: While the Supervisor was walking around the site, they noticed a worker standing near the exposed edge of a manhole riser, which was approximately three meters deep. Although the worker was wearing a harness, they had not hooked onto the scaffold handrails, risking a potential fall from height.
- Working at height: While cleaning on an A frame ladder, the ladder rung broke, and the injured person slipped from the ladder and fell from an approximately one meter height. They returned to work.
- Working at heights: A person was using a ladder to access a chain lock that was attached to the crown of the tunnel. As they were taking out the shackle the ladder slid slightly. They fell but were not injured. They were immediately assessed by the superintendent. They continued working and were monitored until the end of the shift.
- Working in excavations: MSN contractor was carrying out wastewater pipe repairs. Workers entered an unsupported trench, 1.86m deep.
- Working with suspended loads: Concrete interblock lifting pin failure. The pin sheared off during a lift. The lift failed safely exclusion zone. As this is the second time an interblock has failed (within six-month period) safety alert has been sent to relevant parties.
- Working with mobile plant: During movement of the train from Māngere Inlet shaft towards PS23, a safety chain used for the back shunting of a 1.5T excavator riding on a flat car came in contact and was snagged on one of the rail sleepers. As a result, the train came to a sudden stop causing the flat car and muck car to derail. They contacted and collided with the walkway and tunnel services. The excavator which was on the flat car remained secured to the derailed flat car. Nobody was injured and there was only minor material damage. However, this was considered a serious derailment.



3.4 HSE Global review

Management has accepted HSE Global’s findings of their review. An action plan to implement these findings will be put in place shortly now that the new Head of health safety and wellbeing has started in the role on 1 April 2024. This plan will be in place before 1 July 2024.

3.5 Alma Road contractor incident – update

Construction company March Cato was undertaking work to refurbish our Alma Road Pump Station.

On Tuesday, 11 July 2023, there was an incident on the site which saw a March Cato employee sustain a serious injury.

The worker was spotting for a crane as it moved a container in a restricted area. For an unknown reason, the spotter moved from their position into a position between the crane and the building and they were crushed between the two.

WorkSafe was notified on the day of the incident and was provided with information by March Cato.

We worked with March Cato on an internal investigation (duty holder and ICAM review) and the results were shared with WorkSafe. Based on this, WorkSafe has subsequently advised that they have closed this case.

An incident team was stood up to ensure March Cato received our full support and to wrap care around those Watercare employees involved in the refurbishment project. At completion of the incident, a 'lessons learned' session to identify ways to improve our response and develop a plan of action for contractor management on Watercare sites was completed. This included development and implementation of post incident protocols and a review of Watercare (as client) responsibilities.

He returned to work on light duties two days per week in January 2024, and was on the path to return to full time work, when he suffered a further unrelated issue(hernia). He is currently awaiting surgery, after which he is expected, subject to the time required for recovery from this operation, to return to his normal full-time role. During this period, March Cato are continuing to ensure he receives 100% of his pay, so that he is financially supported.

An update on all the actions from the incident is provided below.

3.5.1 Duty holder and ICAM review

Eighteen of the nineteen actions from the Duty Holder and ICAM Review including 'Issue of a Company/Industry Wide Safety Alert', 'Increase Levels of Understanding of Danger Zones/Blind Spots around Plant and Machinery' and 'Provide Refresher Training for Controlling Critical Risks' have been completed. The remaining action Sensor Zone trial using radar monitoring which is designed to detect and warn of people moving into exclusion zones in proximity to mobile plant, has been completed. March Cato are meeting with the supplier of these sensor units next week to discuss their purchase/hire and are also looking at the practicalities of rolling out this technology at other Watercare project sites.

Pictures of this equipment are shown below:

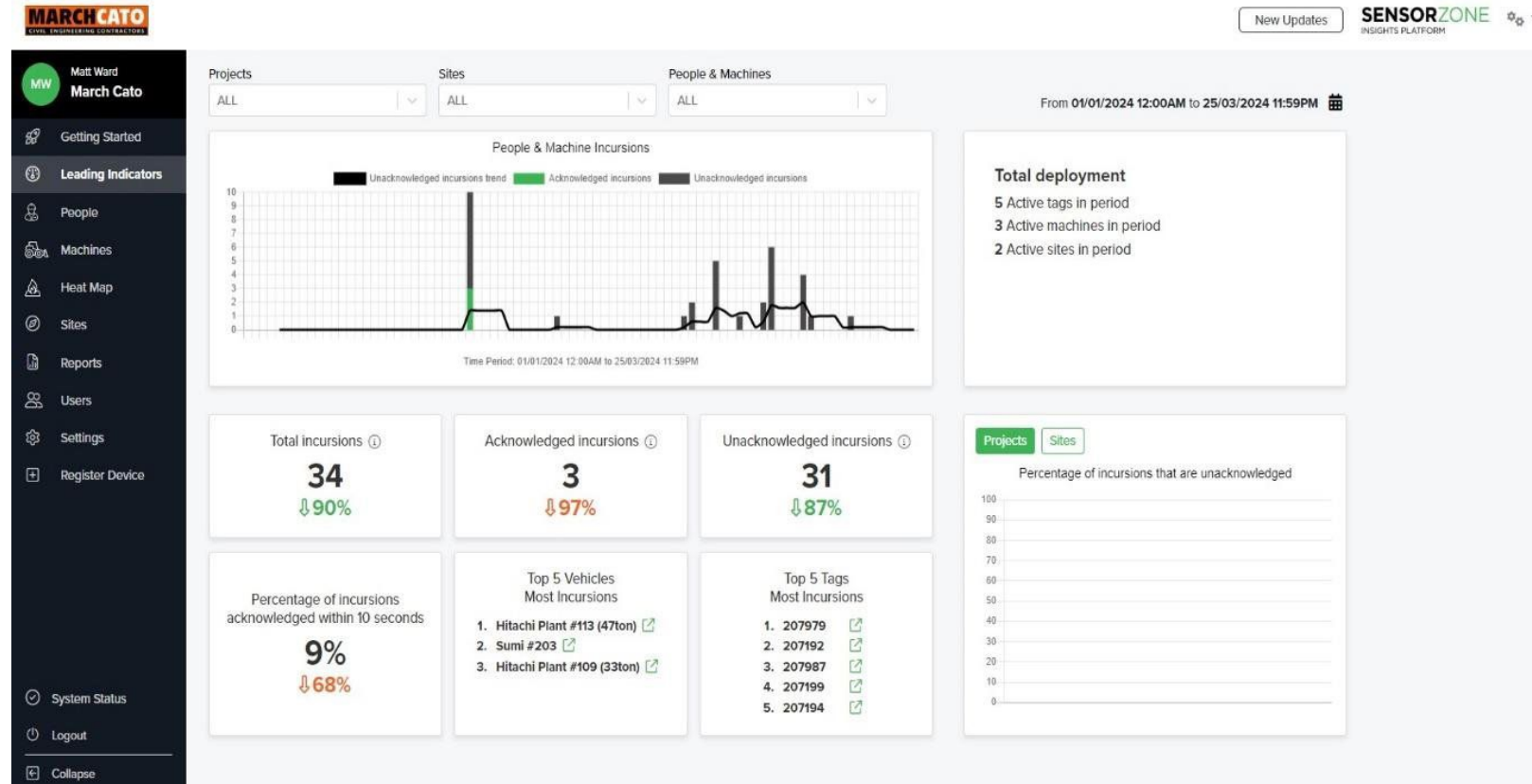
Sensor zone around mobile plant



Sensor equipment fitted in mobile plant



Sensor equipment monitoring and reporting capability



8

3.5.2 Development and implementation of post incident protocols

We have been working with project managers, and now provide permit issuer and receiver training at the training campus. A workshop is being scheduled for late April 2024 covering all Project Manager roles and responsibilities. The post incident Watercare and contractor protocols have been finalised and will be sent to all contractors via the Supply Chain team by 22 April 2024.

3.5.3 Review of client responsibilities

Verification of pre-qualification requirements commenced in February 2024. Watercare's Health, Safety and Wellbeing Contractor Expectations document is now included in all new Tender Documents.



Board - Public Session - Board planner

		Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Meetings	Board	9-Apr	7-May	12-Jun (Statutory Public Meeting) 25-Jun	10-Jul	6-Aug	3-Sep	8-Oct	5-Nov (Statutory Public Meeting)	12-Dec
	Audit and Risk Committee	23-Apr	21-May	21-Jun		Dates TBC			19-Nov	
	Asset Management Committee	23-Apr		26-Jun		5-Aug			20-Nov	
Running the Business	Financial		Approve projected 24/25 price increases	Board approval of Insurance proposal Board approval of 2024/2025 Budget and updated SOI financials	Auckland Council and Watercare to review 30 June Treasury Interest rates	Approve Auckland Council Reporting Pack (via an out-of cycle resolution)	Approve 2023/234 accounts Delegate final sign off of Annual Report 2024		Auckland Council Draft Annual Plan - approve Watercare input	
	Statement of Intent	Q3 Performance Report due to Council by 26 April 2024 (approval via an out-of cycle resolution)	Financial Information for the Statement of Intent 2024-27	Present shareholder SOI feedback at public meeting. Public deputations to be received	Final submission of 2024-2027 SOI to Council on or before 31 July 2024	Final 2024-2027 SOI adopted by Auckland Council Q4 Performance Report due to Council by 30 August 2024		Q1 (FY25) Performance Report due to Council by 25 October 2024	2023/2024 SOI Results to be presented to Board at Public Meeting. Public deputations to be received	2025/26 Letter of Expectations to be received
	Community and stakeholder Relationships	Stakeholder and Iwi Watercare deep dive performance discussion at the CCO Direction and Oversight Committee meeting of 9 April 2024	Progress update from Infrastructure, Operations and Customer teams on the recommendations of the Citizens' Assembly	Stakeholder	Iwi Watercare deep dive performance discussion at the CCO Direction and Oversight Committee meeting of 23 July 2024	Stakeholder	Iwi	Stakeholder	Iwi Progress update from Infrastructure, Operations and Customer teams on the recommendations of the Citizens' Assembly	Stakeholder
	Governance		Q3 Statutory compliance Policy update Enterprise Risk Report Interest Capitalisation policy	Corporate Governance charter Update on Auckland flood recovery Climate Change Governance Workshop	Policy update	Enterprise Risk Report Q4 Statutory compliance	Update on Auckland flood recovery Policy update		Enterprise Risk Report Q1 Statutory compliance Policy update	Update on Auckland flood recovery Delegations to the CE Policy
	Karakia	Julian Smith	Frances Valintine	Margaret Devlin	Nicki Crauford	Graham Darlow	Julian Smith	Graham Darlow	Julian Smith	Graham Darlow
Deep Dives										
Confidential		Waiuku WTP Hula WTP replacement procurement approach Central Interceptor - Point Erin Extension update	CE's KPIs North Harbour number 2 Waikato District Council contract - dashboard and update			A year end progress update for CE's KPIs			CE's KPIs	Waiuku water supply system upgrade
Audit & Risk Committee		Finance process improvement Audit matters update Interest Capitalisation policy Insurance update	Present plan for Year end to A&R A&R Approve Insurance Proposal Approval of 2024/25 Budget & updated SOI Financials Review tax ahead of year end Internal Audit Report Directors' expenses for the quarter ended 31 March 2024			Auckland Council FY24 Reporting Pack Approval of Financial Statements FY24			Delegations to the CE Policy	
Asset Management Committee		North Harbour no. 2 Deep dive on Digital programme Waikato District Council contract - dashboard and update		Deep dive on Enterprise Model		Waikato District Council contract - update Deep dive on Central Interceptor			Waiuku water supply system upgrade Deep dive on Hula Water Treatment Plant	

Board meeting | 9 April 2024
Public session

Directors' appointment terms, committee memberships and meeting attendances

For information

Te pou whenua tuhinga / Document ownership

Prepared by
Emma McBride
Head of Legal and Governance

Recommended and submitted by
Dave Chambers
Chief Executive Officer

1. Te tūhunga / Recommendation

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

2. Take matua / Key points

The key points are:

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

3. Kōrero pitopito / The details

We currently have six directors appointed by Auckland Council. Dave Chambers is on sabbatical from the Board (effective from 7 February 2023) whilst acting chief executive.

3.1 The tenure of the current directors

Director	Original appointment date	End of term
Margaret Devlin (Board Chair)	1 November 2016	4 th term ends at such time as the annual audit of Watercare has been completed for 2024 (estimated to be August/September 2024)
Nicola Crauford	1 April 2014	5 th term ends at such time as the annual audit of Watercare has been completed for 2024 (estimated to be August/September 2024)
Graham Darlow	3 February 2021	2 nd term ends on 31 October 2027
Frances Valintine	1 November 2019	2 nd term ends on 30 June 2024
Julian Smith	1 January 2022	2 nd term ends on 31 October 2027
Dave Chambers	1 November 2019	2 nd term ends on 30 June 2024

3.2 Details of the committees

We have two committees to assist the Board in its corporate governance. Committee Chairs and members are appointed by the Chair. Attendance at Committee meetings by non-members is optional.

Director	Audit and Risk Committee	Asset Management Committee ⁺
Margaret Devlin (Board Chair)	✓	✓
Nicola Crauford	Committee Chair	✓
Graham Darlow	✓	Committee Chair
Frances Valintine		
Julian Smith		
Dave Chambers		
Brendon Green*	✓	
Hinerangi Raumati-Tu'ua*	Committee Chair	

* Resigned on 31 July 2023.

+ This committee was established at the 8 August 2023 Board meeting.

3.3 Directors' attendance at Board and committee meetings

Attended ✓ Did not attend ✕ Not on the committee ■	Attendance at Board meetings												Attendance at Audit and Risk Committee meetings ^x				Attendance at Asset Management Committee meetings							
	25 January 2024	8 February 2024	5 March 2024	9 April 2024	7 May 2024	12 June 2024	25 June 2024	10 July 2024	6 August 2024	3 September 2024	8 October 2024	5 November 2024	12 December 2024	7 February 2024	23 April 2024	21 May 2024	21 June 2024	August 2024	August 2024	19 November 2024	19 February 2024	23 April 2024	26 June 2024	5 August 2024
Margaret Devlin	✓	✓	✓										✓							✓				
Nicki Crauford	✓	✓	✓										✓							✓				
Frances Valintine	✓	✓	✓																					
Graham Darlow	✓	✓	✓										✕							✓				
Julian Smith	✓	✓	✓										✓											
Dave Chambers																								

^x Meeting dates for August 2024 TBC



Board meeting | 9 April 2024
Public session

Disclosure of Directors' and Executives' interests

For information

Te pou whenua tuhinga / Document ownership

Prepared by
Emma McBride
Head of Legal and Governance

Recommended and submitted by
Dave Chambers
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

- Dave Chambers is on sabbatical from the Board (effective from 7 February 2023) whilst chief executive.

DIRECTOR	INTEREST
Margaret Devlin	<ul style="list-style-type: none"> • Director, Waikato Regional Airport • Director, Titanium Park (wholly owned subsidiary of Waikato Regional Airport) • Director, Waimea Water Limited • 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
Nicola Crauford	<ul style="list-style-type: none"> • Director and Shareholder, Riposte Consulting Limited • Trustee, Wellington Regional Stadium Trust • Director and Chair, Burgundy Holdco Limited (owner of StraitNZ Limited) • Director, Lyttleton Port Company Limited
Frances Valintine	<ul style="list-style-type: none"> • Director, The Mind Lab Limited • Director, Tech Futures Lab • Director and Shareholder, Harcourt Jasper Limited • Director and Shareholder, Pointed Tangram Limited • Director and Shareholder, Harper Lilley Limited • Director and Shareholder, On Being Bold Limited • Director and Shareholder, Sandell Trustees Limited • Selection Advisor, Edmund Hillary Fellowship • Board of Trustee, University of Silicon Valley • Shareholder, Thought-Wired Limited • Director, Academy EX Limited • Director, Earth Futures Lab • Director, Edlab Limited
Graham Darlow	<ul style="list-style-type: none"> • Director, Holmes GP ANZ Ltd • Director, Hick Group Ltd • Business Executive, Acciona Infrastructure NZ Limited

DIRECTOR	INTEREST
	<ul style="list-style-type: none"> • Director and Shareholder, Brockway Consulting Limited • Chair, Frequency NZ Limited • Director, Hick Bros. Civil Construction 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 LEAD Alliance Board
<p>Julian Smith</p>	<ul style="list-style-type: none"> • Advisory Board Member Vadam Limited • Board Trustee, Look Good Feel Better Trust • Director and Shareholder of JTB Enterprises Limited • Committee member of Institute of Directors, Auckland Committee • Chair, Institute of Directors Te Tai Tokerau, Northland Sub-Committee • Committee member of Body Corporate Chairs Group NZ, Auckland Committee • Body Corporate Committee member, The Connaught Residential Apartments, Auckland • MyCareerBrand

3.2 Watercare's Executives' Interests Register

EXECUTIVES	INTEREST
Dave Chambers	<ul style="list-style-type: none"> • Director, GB & DD's Outfit Limited • Director, Watercare Services Limited (on sabbatical since 7 February 2023)
Jamie Sinclair	<ul style="list-style-type: none"> • Director and Shareholder, Sinclair Consulting Group Ltd
Shayne Cunis	Nil
Amanda Singleton	<ul style="list-style-type: none"> • Director, Die Weskusplek Pty Limited (South Africa) • Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust • Board member, Burns Support Charitable 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, Te Motu a Hiaroa (Puketutu Island) Governance Trust
Andrew Chin	Nil
Sarah Phillips	Nil
Richard Waiwai	<ul style="list-style-type: none"> • Director, and owner of Te Hautapu Consultants Limited • Trustee of Te Rana Te Araroa Waiwai Whanau Trust • Relatives work for Waikato Tainui
Angela Neeson	<ul style="list-style-type: none"> • Director, Tranquillo Properties Limited

