

Minutes

Board meeting	Public session
Date	24 June 2025
Venue	Watercare House, Level 4 Boardroom, 73 Remuera Rd, Remuera and via Microsoft Teams
Time	9:45am

Attendance		
Board of Directors	Watercare staff	Guests
Geoff Hunt (Chair) Frederik Cornu Andrew Clark John Crawford Karen Sherry Rukumoana Schaafhausen Via Microsoft Teams Graham Darlow (Board member)	Jamie Sinclair (Chief Executive) Dave Chambers (Outgoing Chief Executive) Mark Bourne (Chief Operations Officer) Angela Neeson (Chief Financial Officer) Richie Waiwai (Tumuaki Rautaki ā-Iwi me ngā Hononga) Meg Wiltshire (Chief Corporate Affairs Officer) Sarah Phillips (Chief People Officer) Priyan Perera (Chief Strategy and Planning Officer) Andrew Mercer (Head of Health, Safety and Wellbeing) (from the start until the end of item 7) Suzanne Lucas (General Manager Capital Delivery) Emma McBride (Head of Legal and Governance) Nigel Toms (General Manager Risk and Assurance) Via Microsoft Teams Tracey Carter (Legal and Governance Business Partner)	Via Microsoft Teams Trudi Fava (Principal Advisor, CCO Governance & External Partnership, Auckland Council)

1.	<p>Opening karakia</p> <p>Karen Sherry opened the meeting with a karakia.</p>
2.	<p>Apologies</p> <p>Julian Smith sent his apologies for both the public and confidential sessions.</p>
3.	<p>Quorum</p> <p>A quorum was established.</p>
4.	<p>Declaration of any conflicts of interest</p> <p>Andrew Clark noted his usual conflict of interest when it comes to tax issues, as he is the CFO of Ports of Auckland Limited.</p> <p>No other conflicts of interest were noted.</p>
5.	<p>Minutes of the previous Board meeting of 27 May 2025</p> <p><i>The board resolved that the minutes of the public session of the board meeting held on 27 May 2025 be confirmed as true and correct.</i></p>
6.	<p>Public deputations</p> <p>There were no public deputations.</p>
7.	<p>Health, safety, and wellness update</p> <p>Andrew Mercer presented the report which was taken as read. The following key points were made:</p> <p><i>Details of events with very/high potential of harm</i></p> <ul style="list-style-type: none"> • A small quantity of chemicals was accidentally mixed, resulting in the formation of a chlorine gas. While the volume was minor and the risk low, the incident was still reported to WorkSafe. WorkSafe took no further action following the notification. • Andrew confirmed that following the incident, a review of the chemicals involved was conducted, including checking correct labelling was applied to all chemicals and the Standard Operating Procedures were reviewed with a strong focus on critical risks. The incident has since been used as a training scenario for the entire Western Water team, and the lessons learned will also be extended to the Southern Water team. • The board queried about an incident involving a lifting strop that snapped under load. The strop was undersized for the load being lifted. The load failed safely into the exclusion zone. The board queried whether this incident was indicative of a broader pattern of errors by this contractor and emphasised the importance of maintaining the contractor's credibility, which will require further follow-up. While Watercare must continue to raise its own standards, it is also essential that rigorous questions are asked of the contractor to ensure accountability and capability.

	<ul style="list-style-type: none"> • There have been several vehicle-related incidents, all of which were low-speed and low-energy in nature. The team has an increased focus on high-speed driving performance to ensure safe behaviours across all driving conditions. • The board queried whether Watercare provides defensive driving training. Management confirmed that while widespread defensive driving training is not currently in place, E-Road reporting is now being used to monitor driving behaviour. Defensive driving has been considered and while not rolled out across all drivers, support and training is available for individuals that require it. <p>Investigation review of the Dunkirk pump station</p> <ul style="list-style-type: none"> • The board expressed concern that this issue should have been identified during commissioning. • The Programme Delivery team is compiling a list of other recently commissioned works and conducting checks to ensure this was an isolated incident. • The CE noted that health and safety is number one priority within Watercare. • The outgoing CE noted that there is a good reporting culture at Watercare. <p><i>The board noted the report.</i></p>
<p>8.</p>	<p>Final Draft of Watercare’s Statement of Intent 2025-2028</p> <p>The CE introduced the report. The following key points were made:</p> <ul style="list-style-type: none"> • The draft Statement of Intent (SOI) has been updated to incorporate the feedback from Council and must be submitted by 31 July 2025, accompanied by a cover letter. If there are matters requiring further explanation or context, they can be addressed in that letter. • The board raised a question about the Board of Inquiry (BOI) consent that are mentioned in the SOI. Management will review the Kawenata and BOI consent to ensure they align with and are consistent with the requirements set out in the draft SOI. <p><i>The board approved the final draft of the SOI (excluding financials) and delegated final sign-off to the board Chair and the Audit and Risk Committee Chair.</i></p>
<p>9.</p>	<p>Chief Executive’s report.</p> <p>The CE introduced the report, which was taken as read. The following key points were made.</p> <p>Key performance measures</p> <ul style="list-style-type: none"> • In response to questioning about attendance at sewerage overflows, the response time measure is increasing to 90 minutes in FY26. The measure is the median of our P1 and P2 overflows. P1 incidents have a 60 minutes attendance time target, while the P2 target is 4 hours. The Long-Term Plan (LTP) target set by Council remains unchanged at 75 minutes. The updated SOI measure of 90 minutes (for both P1 and P2) should be met and reported to both the Council and the Commerce Commission. • Regarding our customers, communities, and stakeholders, the board was updated on the current engagement metrics. In May 2025, the engagement score remained high, currently sitting at 53 against a target of 55. Meg Wiltshire will provide a more detailed update on the drivers behind the trust score at a future board meeting, including the drivers of trust.

Customers

- We engaged residents on population growth, ageing infrastructure, and climate change to shape the Metropolitan Servicing Strategy and this has provided useful insights. During the lunch break, the board will be able to meet with our staff who have been working on this Strategy and consulting with the community.

Iwi and mana whenua engagement

- Te Rua Whetū will begin meeting with river iwi next week, starting with Te Arawa.
- Several iwi are actively involved in growth and development across South Auckland, including their own housing projects – such as those led by Ngāti Paoa.

People

- A recent staff engagement survey delivered pleasing results, with a high participation rate and a notable uplift in overall engagement. The engagement score increased from 7.8% to 7.9%, and the employee NPS lifted to 36.
- Health and safety sentiment also improved, significantly, reflecting growing staff confidence in reporting and discussing health and safety matters.
- The results are encouraging, but areas for improvement remain – including feedback related to the total reward package, confidential conversations about pay and dissatisfaction with tools and equipment. The board will receive a full update at the next board meeting.
- A question was raised by the board regarding sick leave and whether it should be capped at all. Further consideration will be given to this matter. All staff have income protection insurance and trauma cover. We know that our staff value this coverage, as when they leave, they wish to take the policy with them.
- The board inquired about the 58 current vacancies and whether this presented any concerns. Management noted that the current market is particularly challenging with lots of applicants, but difficulty finding skilled staff.

Operations

- The current water storage is at 82.8%, which is 6% above the historical average. Demand is as expected. Overall, we are in a strong position heading into the winter, then summer.
- The board queried Taumata Arowai's reporting portal and the use of the term "Acceptable Solution". Mark explained that Watercare does not use the Acceptable Solution method, opting instead for a more sophisticated and robust compliance system. The board recommended that Watercare engage with Taumata Arowai with a suggestion that they update this table to make it clearer that Watercare is complying with the rules.
- Nigel Toms provided an update on the risks posed by Gold Clams, an invasive species in the Waikato River. Watercare has taken protective measures and lobbied authorities for wider action, concerned about the Gold Clams spreading to Auckland lakes. Discovered in May 2023 near Watercare's intake, the clams prompted notifications to Ministry of Primary Industries (MPI) and increased maintenance. There are concerns about spread to the Hūnua Lakes, with iwi seeking support and potential risk factors like bird movement under review. Management believes MPI should lead containment efforts. The board asked about costs, which are currently estimated at \$100-120K (maintenance costs). The board have requested regular updates.
- Watercare has agreed with Auckland Transport that the completion of the Mayoral Drive section is to be deferred to ensure there is no interruption to the opening of the CRL. In response to the board's inquiry about the implications, Management explained that this means the works will be reprogrammed,

	<p>with associated construction delays, potential cost increases due to inflation, and the possibility of adopting alternative methodologies. The board noted it is important to ensure this decision, and the implications are noted formally to Auckland Transport and the shareholder.</p> <ul style="list-style-type: none"> • There are currently 120 projects in design or construction. Programme Delivery team regularly releases its 18 month forward works programme to the market. We will share this information with our local and national stakeholders. <p><i>The board noted the report.</i></p>
10.	<p>Review Economic Regulation Committee</p> <p>The board considered the feedback from two members of the Economic Regulation Committee (ERC) who recommended that the Terms of Reference be amended so that two Committee members are a quorum, rather than a majority of members (3/4 members).</p> <p><i>The board approved the updated Terms of Reference, changing the quorum to two members.</i></p>
11.	<p>Asset Management committee meeting update</p> <p>Graham Darlow, Chair of the Asset Management Committee (AMC), advised that the AMC met on 6 June 2025 and the meeting covered the following:</p> <ul style="list-style-type: none"> • The Ardmore Water Treatment Plant (WTP), the Western Water Programme, the Waikato Water programme, and the Metropolitan Servicing Strategy. • The paper on Capital Infrastructure Delivery was well-prepared, with all completed projects delivered to a high standard. • Rob Burchell, Programme Manager, is providing strong leadership on the Snells Beach Wastewater Treatment Plant (WWTP) construction project. It was also commendable to see his proactive involvement to engage with the oyster farming community. • The dashboards continue to show steady improvement. Establishing consistency across these tools is critical to ensuring effective and reliable delivery. While the AMC is performing effectively, there remains ongoing opportunity for refinement and continuous improvement.
12.	<p>Economic Regulation Committee meeting update</p> <p>John Crawford, Acting Chair of the Economic Regulation Committee (ERC), advised that the ERC met on 17 June 2025. The meeting focussed on reviewing the draft reports for submission to the Commerce Commission, including operational and capital expenditure Plan, and the template quarterly report.</p>
13.	<p>Board Planner</p> <p><i>The board noted the Board planner.</i></p>
14.	<p>Directors' appointment terms, committee memberships and meeting attendances</p> <p><i>The board noted the report.</i></p>

15.	Disclosure of Directors' and Executives' interests The Chair noted that he has resigned from J Scott and Company Limited and PSP Limited, effective 30 May 2025. <i>The board noted the report.</i>
16.	General business There was no general business. The public session closed at 11:17am.

CERTIFIED AS A TRUE AND CORRECT RECORD

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Geoff Hunt, Chair