

Minutes

Board meeting	Public session
Date	14 August 2024
Venue	Watercare House, Level 3 Boardrooms, 73 Remuera Rd, Remuera and via Microsoft Teams
Time	9:43am

Attendance		
Board of Directors	Watercare staff	Guests
Geoff Hunt (Chair) Julian Smith Frederik Cornu Andrew Clark Via Microsoft Teams Margaret Devlin	Dave Chambers (Chief Executive) Jamie Sinclair (Deputy Chief Executive) Mark Bourne (Chief Operations Officer) Priyan Perera (Chief Strategy and Planning Officer) Angela Neeson (Chief Financial Officer) Shayne Cunis (Chief Programme Delivery Officer) Richie Waiwai (Tumuaki Rautaki ā-lwi me ngā Hononga) Brent Evans (Acting Chief Customer Officer) Kirsty Cels (Head of People Partnering) (for items 1 to 8) Kevan Brian (Manager – Technology Innovations) (for item 9) Andrew Mercer (Head of Health, Safety and Wellbeing) (for item 1 to 8) Tere Ryan (Security Coordinator) Emma McBride (Head of Legal and Governance) Pinaz Pithadia (Legal and Governance Advisor) Via Microsoft Teams Tanvir Bhamji (Manager – Resource Consenting) (for item 6) Matthew Hill (Senior Legal Counsel)	Trudi Fava (CCO Programme Lead) Councillor Ken Turner (Watercare’s Lead Councillor) Via Microsoft Teams Councillor Shane Henderson (Chair, CCO Oversight and Direction Committee) Members from the public Stephen Logan Jim Jackson David Jackson Jeanette McDonald

1.	Opening karakia Andrew Clark opened the meeting with a karakia.
2.	Apologies Graham Darlow and Nicola Crauford sent their apologies. Andrew Clark will be an apology from midday.
3.	Quorum Majority of directors were present at the meeting, so a quorum was established.
4.	Declaration of any conflicts of interest No conflicts of interest were declared.
5.	Minutes of the previous Board meeting of 10 July 2024 <i>The Board resolved that the minutes of the public session of the Board meeting held on 10 July 2024 be confirmed as true and correct.</i>
6.	Public deputations There were two public deputations. Stephen Logan, a member of the public presented to the Board. Mr Logan made the following key points: <ul style="list-style-type: none"> • Over the years, Mr Logan has been in disputes with Watercare regarding various issues with his drainage, plumbing and leaks. Mr Logan alleges that Watercare crew damaged his property when they were onsite fixing some issues, which is why he has not been paying his bills. • A few weeks ago, given Mr Logan's outstanding debt, Watercare restricted Mr Logan's water supply. Mr Logan advised the Board that he had no water at all from 8pm to 10am the next day, which made life extremely difficult for him and his family, including his 9 year old child with special needs. • Mr Logan also noted his frustrations regarding the price rises by Watercare, Auckland Council and Auckland Transport, as well as the fact that his property has had no actual meter reading for over a year. The Chair thanked Mr Logan for outlining his situation and confirmed that a formal response would be sent to him within seven days. Jim Jackson, a member of the Manukau Harbour Working Group, provided a presentation to the Board (Attachment 1) regarding the current options to treat wastewater from Clarks Beach, Kahawai Point, and Waiuku areas. The Chair thanked Jim for the presentation and confirmed that a formal response would be sent to him within seven days.

7.**Chief Executive's report**

The CE and Executive team introduced the report, which was taken as read. The following key points were made.

June 2024

- Our water supply storage is ~77%. However, due to the ongoing dry winter, and the lower levels of our larger lakes in the Hūnua ranges, earlier this week Management agreed to change the way we abstract water. As the Waitākere dams are nearly full, we are drawing these down so they do not spill, and also pumping more from the Waikato River, which allows us to “bank” the water in the Hūnua ranges.
- The Board asked Management to advise Auckland Council of the operational change for their information.

Key Performance Measures (KPIs)

- For KPIs 14 and 18 (i.e. leakage rates), the reported performance has changed through the year-end auditing process. The reported leakage rates are now 14% and 132.22 l/c/d. Mark noted that an error was identified in the billing data during the audit process. The Board expressed their concerns regarding the variability of the measure. Given the numbers are so variable, the Board asked Management to explain the methodology and advise whether this needs to change to provide more accurate measures in the future.
- The KPI 24 (i.e. ratio of procurement sourced through Māori owned businesses) commentary includes a typographical error. Total spend has increased 34% from last year.
- For KPI 19 (i.e. deliver capital programme in line with the AMP baseline approved by the Board), the Board noted that this measure is being reported to the Asset Management Committee on a quarterly basis. The Board recommended Management provide an insight into the time delays of the projects noted in the commentary.
- For KPI 28, the Board queried whether the term “Ecotricity offset” was the correct term. Jamie explained that the electricity we purchase from Ecotricity has zero emissions and they do the offsetting on our behalf.

Our people

Kirsty Cels provided the following update.

- We are working through the final stage of the organisational restructure.
- We are working with PSA and the wider Auckland Council group regarding a proposed new multi-employer collective agreement for employees not already covered by other agreements.
- We have held a workshop on our purpose and values to obtain feedback from our people regarding what is important to Watercare as an organisation and as employees. Overall, the feedback has been positive.
- We have a pulse engagement survey planned for late August, and a more comprehensive survey planned for late 2024.
- There has been an increase in Māori representation in the organisation, but overall, the proportion remains low compared to the Māori population in Auckland. We do not have accurate data as completing the ethnicity box in our recruitment documentations process is optional.

Our customers

- The Board requested an update on the benefits achieved through the CRM compliance system. The CE confirmed that this update will be provided before the end of year, and will include an update on the overall digital architecture for Watercare.
- A workshop with the engineers from One Mahurangi and local developers has been scheduled for today. It is being facilitated by Roger McRae, an independent expert. The final recommendation regarding the preferred option will be presented to the Board by the end of 2024.

Mana Whenua Kaitiaki Forum Review

- Richard Waiwai reported that a review of the Mana Whenua Kaitiaki Forum has been conducted by HR Kete. Since January 2024, Watercare has also met with 17 of 19 iwi chairs/CEs. The HR Kete review and the 1:1 feedback from iwi leaders is that each iwi want to have discussions directly with the Watercare CE and Chair rather than in a forum setting, and that there are too many other Māori forums in Auckland.
- 67% of forum members considered that the forum should be reset. As a result, the forum is going to be disestablished so we can focus on 1:1 relationships with each of Auckland's 19 iwi.
- The Board asked Management to provide an update on the timeline, agreements, commitments and obligations made under the various relationship agreements. The update should also include a history of the relationship agreements and the next steps.
- Julian Smith noted that he is planning to meet shortly with his counterpart at Waikato Tainui and will report back at a future Board meeting.

Our operations

- In response to a query from the Chair, Mark Bourne noted that the enhanced CCTV cameras required to undertake the failure analysis will provide more accurate results. However, these cameras are currently not available in New Zealand. We are therefore inspecting the sewer using the existing technology. The last portion of our survey will be completed in mid-August 2024 and then the results will be analysed. By November 2024, we will have a clearer view of the condition of our main sewers.
- Waikato WTP was shut down for seven days for maintenance, which was part of the gold clam investigation. Supply was maintained using Waikato 50 WTP. Waikato 50 WTP is not fluoridated, but the water was blended with fluoridated water at Redoubt Road. The Waikato District Council (WDC) and Taumata Arowai (TA) were advised of this event as two zones in Waikato would have got low or very low fluoridation for seven days.
- Regarding the dam safety surveillance update, the team will provide a more recent update to the Audit and Risk Committee on 30 August 2024, including the most recent dam surveillance certificate.

Enterprise Risk Management

- The Board requested further details regarding the learnings made at the simulated cyber attack undertaken at the Ardmore WTP.

Our infrastructure

- The Chair noted he had recently visited the Central Interceptor project and was impressed with the health and safety environment he observed, and the motivation and collaboration of the staff and contractors he met.
- Shayne Cunis noted that the works on Stage 2 of the Ōrākei Main Sewer repair will get underway soon. We will also soon start work on a major wastewater project in Queen Street, Auckland, to align with the completion of the City Rail Link (CRL).

	<i>The Board noted the report.</i>
8.	<p>Health, safety and wellbeing update</p> <p>Jamie Sinclair introduced the report and noted the following key topics:</p> <ul style="list-style-type: none"> • Overall performance of the lag indicators has been positive. • The focus for FY25 will be on improving critical risk control verification and implementing HSE Global’s review recommendations. <p>In response to the questions from the Board, Andrew Mercer noted the following:</p> <ul style="list-style-type: none"> • The KPI on ‘Training – Safety Leadership in Action’ is being reviewed to see if the training can be organised internally. The learnings from the Central Interceptor project are also being reviewed to ensure they are being embedded in this training programme. • No injuries occurred due to the critical risk event where a member of the public crashed a private vehicle into temporary pedestrian walkway (page 120 of the pack). The member of the public departed the scene, and the contractor reported the incident to Police. • The FY24 results for the KPI on ‘Permit Audits Per Site’ was 63% which is an average result as it is often challenging for the leaders to step up. This KPI will be a key focus for FY25 and is included in the new Statement of Intent agreed with Auckland Council. <p><i>The Board noted the report.</i></p>
9.	<p>Wastewater process emissions strategy</p> <p>Jamie Sinclair introduced Kevan Brian and the presentation. The following key points were made:</p> <ul style="list-style-type: none"> • Watercare has emissions reduction targets: achieve 50% scope 1 and 2 emissions by 2030 and net zero emissions by 2050. Wastewater treatment plants generate nitrous oxide (N2O) which is our largest greenhouse gas emission. To achieve our emissions targets, we will need to reduce/mitigate N2O. • As a first step, we are refreshing the decarbonisation roadmap. • Considering nitrous oxide in wastewater treatment processes is a relatively new concept in the industry. There are only few early adopters and therefore an understanding of the science and knowledge regarding how to measure this greenhouse gas, what equipment to use, and where to use the equipment, is still being developed. • Management noted that the cost of this work will be considered as the project develops such as when we redesign our Māngere WWTP. • In response to questioning from the Board as to why Watercare is trying to be a world leader in this uncharted area, Management noted that Watercare has environmental commitments to meet, nitrous oxide is our largest emitter, and we need to work at pace to find ways to reduce it so we can deliver on those emission reductions commitments. • In the meantime, the Board asked Management to ensure we are upfront with Council regarding our GHG emissions trajectory and the work we are doing in this area. • The Chair noted that with N2O reduction technology as yet undeveloped globally it seemed unlikely that the target of achieving 50% reduction in GHG emissions by 2030 could be met. The Chair also queried the achievability of infrastructure emissions reduction target of 40% by 2025.

10.	<p>Asset Management Committee meeting update</p> <p>Ahead of the Board meeting, Graham Darlow sent the following written updates to the Governance Team:</p> <ul style="list-style-type: none"> • The most recent Asset Management Committee (AMC) meeting was held on 5 August 2024. • The AMC reviewed the change request for Queen Street Wastewater Diversion Project. The AMC provided their feedback and recommended an updated report be presented to the Board for approval at today’s confidential session of the Board meeting. • A final version of the programme delivery strategy was provided to the AMC. • The AMC reviewed the dashboards for major projects and acknowledged that these are a work in progress. • The AMC appreciated the higher level of transparent reporting against the original business case programme and budget. • The AMC received a report on the Capital Expenditure against the Asset Management Plan and the Waikato District Council Capital Infrastructure.
11.	<p>Capital Finance Committee meeting update</p> <p>There were no updates provided to the Board for the Capital Finance Committee meeting.</p>
12.	<p>Board planner</p> <p><i>The Board noted the Board planner.</i></p>
13.	<p>Directors’ appointment terms, committee memberships and meeting attendances</p> <p><i>The Board noted the report.</i></p> <p>13.1 Appointment of Audit and Risk Committee Chair</p> <p>On 29 July 2024, at the Board only session, the Board approved the following.</p> <p><i>The Board appointed Andrew Clark to be the new Chair of the Audit and Risk Committee meeting, once Dr Nicola Crauford has discharged her duties as the Committee Chair for the FY24 year (estimated to be approximately 18 September 2024).</i></p>
14.	<p>Disclosure of Directors’ and Executives’ interests</p> <p><i>The Board noted the report.</i></p>

15.	<p>General business</p> <p>There was no general business.</p> <p>The public session closed at 11:25am.</p>
-----	---

CERTIFIED AS A TRUE AND CORRECT RECORD

.....
 Geoff Hunt, Chair