

Minutes

Board meeting	Public session
Date	3 September 2024
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) Julian Smith Frederik Cornu Andrew Clark Graham Darlow Via Microsoft Teams Margaret Devlin Nicki Crauford	Dave Chambers (Chief Executive) Jamie Sinclair (Deputy Chief Executive) Mark Bourne (Chief Operations Officer) Angela Neeson (Chief Financial Officer) Shayne Cunis (Chief Programme Delivery Officer) Sarah Philips (Chief People Officer) Brent Evans (Acting Chief Customer Officer) Emma McBride (Head of Legal and Governance) Matthew Hill (Senior Legal Counsel) Andrew Mercer (Head of Health, Safety and Wellbeing) (for items 1 to 7) Nigel Toms (GM Risk, Quality and Assurance) (from part of item 8) Via Microsoft Teams Priyan Perera (Chief Strategy and Planning Officer) Richie Waiwai (Tumuaki Rautaki ā-lwi me ngā Hononga)	Councillor Ken Turner (Watercare's Lead Councillor) Via Microsoft Teams Trudi Fava (CCO Programme Lead)

1.	<p>Opening karakia</p> <p>Andrew Clark opened the meeting with a karakia.</p> <p>Richard Waiwai acknowledged the recent passing of the Māori King, Kiingi Tuheitia Pootatau Te Wherowhero VII.</p> <p>Richard noted that he will be an apology for the confidential session as he will be attending the King's tangi this afternoon.</p>
2.	<p>Apologies</p> <p>There were no apologies.</p>
3.	<p>Quorum</p> <p>All directors were present at the meeting, so a quorum was established.</p>
4.	<p>Declaration of any conflicts of interest</p> <p>Andrew Clark noted his employment as CFO of the Ports of Auckland Limited (POAL) and that the financial accounts being presented in the confidential session of the meeting involve subvention tax issues, which involves PPOAL.</p>
5.	<p>Minutes of the previous Board meeting of 14 August 2024</p> <p><i>The Board resolved that the minutes of the public session of the Board meeting held on 14 August 2024 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 wellbeing update</p> <p>Jamie Sinclair introduced the report and noted that lost time injuries and TRIFR are decreasing.</p> <p>Andrew Mercer took the report as read and responded to questioning from the Board. There was a detailed discussion regarding H&S and the following points were made:</p> <ul style="list-style-type: none"> • The new lead indicator for permit audits has started well, and we are meeting the target. To date, there are no specific insights or trends, but we will be working to draw out these insights. • Open iCare cases are continuing to climb. Andrew explained that it is not the easiest system to interact with. For example, you can log a hazard, and it can take some time for that hazard to be permanently fixed and the action closed out in the system. We are moving to the new system, Donesafe, which is used by Auckland Council and should be more user-friendly system. This is 18 months away and part of the Workday software solution being implemented.

	<ul style="list-style-type: none"> • Leadership walks are down. We suspect this is because the reporting period coincided with school holidays, financial end of year, and the organisational changes/restructure. • Councillor Turner provided feedback on the HSW module that staff and visitors to the headworks are to complete before visiting. Cr Turner found the videos unhelpful and condescending and asked the team to review the modules. • In relation to the LTI charts, Andrew confirmed that each part of the business has similar graphs, and these are discussed at the monthly performance hui. In future, HSW reports, the LTI charts will include an explanation of what the business is focussing on at present in response to the LTIs. • The Board queried the eye injury incident. Mark Bourne confirmed that while eye protection was not necessary for the task that the worker was doing originally, the nature of task changed, and eye protection should have been worn. Andrew explained that the teams are currently working through whether the original task should include eye protection as standard PPE. Andrew will advise the Board of the decision taken. • The Board had a variety of questions regarding the critical risk incidents by contractors and there was a robust discussion regarding the various contractors involved. The learnings from incidents 1, 3 and 4 are that the teams did not following the standard operating procedure. The Board considered these incidents to be unacceptable and a red flag that serious injuries could occur in the future. • At the 27 August 2024 contractor forum, Shayne made it very clear to the almost 400 attendees what Watercare’s expectations were regarding safety. In the meantime, Shayne is setting up regular catch ups with our 10-12 main contractors and will meet each of them 1:1, every quarter. They will be expected to report and comment on lead and lag indicators and Watercare staff will also be feeding back our observations. The Board was supportive of this regular engagement. • In response to questioning from the Board, Shayne explained that staff and contractors on the Central Interceptor sites are comfortable stopping work on the project if they feel they are in an unsafe situation. Shayne is now working to see this “psychological safety” maturity extend to all of our other projects. • Andrew explained that the power tool that was “thrown” was not malicious. Rather, the tool was passed to the other worker, but it flew out of their hands. <p><i>The Board noted the report.</i></p>
8.	<p>Chief Executive’s report</p> <p>The CE and Executive team introduced the report, which was taken as read. The following key points were made.</p> <ul style="list-style-type: none"> • The first stage of the organisation restructure went live on 1 August 2024. The restructure directly or indirectly impacted around 1,000 of our people. Physical team moves are now underway, and a few roles have been disestablished. <p>Key Performance Measures (KPIs)</p> <ul style="list-style-type: none"> • The CE reported that the controllable costs in the P&L differ to the controllable costs in the SOI report. However, this is to do with phasing and by the end of the first quarter of FY25, the reporting will be lined up with the LTP. The P&L does not include the WDC costs. <p>Our people</p> <ul style="list-style-type: none"> • Sarah Phillips confirmed that the kaimahi pulse survey have been received, and the results have remained steady. 84% of staff responded to the survey, which is a high level of engagement, and the result of 7.6 has been maintained (same as March 2024 and November 2023). The Staff NPS score has risen slightly from 23 to 25.

	<ul style="list-style-type: none"> Recruitment is underway for the new Chief Corporate Affairs Officer and Head of Sustainability and Innovation, with candidate interviews starting next week, and expected to go through to the end of October 2024. Brent Evans reminded everyone that while local board elections are still a year away, politicians are already starting to campaign and we need to ensure we follow correct protocols leading into the election. <p>Our operations</p> <ul style="list-style-type: none"> Richard Waiwai updated the Board on the operational changes that Watercare will implement on and around Waikato this Thursday for the Māori King's funeral. In response to questioning from the Board, Mark Bourne advised that the dams are currently 83% full, which is 2.5% higher with the recent rain. We are working to our production plan which has us in conservation mode and taking 1/3 of our Auckland's drinking water from the Waikato Awa. Details of our plan were sent to the Board via our stakeholder update last week. There is a typographical error on page 58 of the pack. The Wellsford WWTP has a Category 2 (technical non-compliance). The CE advised the Board that we are noticing more LGOIMA requests from customers regarding fluoridation of drinking water. Fluoridation is mandated by the Ministry of Health. The CE advised that the privacy breach noted on page 61 was not copied or sent externally. <p>Our infrastructure</p> <ul style="list-style-type: none"> Shayne Cunis noted that the CI tunnel boring machine will breakthrough at Western Springs on 11 September 2024. Brent noted that there has been a dip in the trust measure, which has coincided with the new financial year and increased water charges. Our data confirms that when we talk about our projects, our trust measure increases. Shayne noted that the CI Discovery Centre, which visits major events, and museums such as MOTAT, continues to help build trust in the company. <p><i>The Board noted the report.</i></p>
9.	<p>9.1 Committee membership for Audit and Risk Committee</p> <p><i>The Board agreed to appoint Frederik Cornu as a member of the Audit and Risk Committee. The appointment will be temporary until new board members are appointed later this year/early next year, at which time the committee membership will be reviewed.</i></p> <p>9.2 Committee membership Asset Management Committee</p> <p><i>The Board agreed to appoint Geoff Hunt as a member of the Asset Management Committee. The appointment will be temporary, until new board members are appointed later this year/early next year, at which time the committee membership will be reviewed.</i></p>

10.	<p>Audit and Risk Committee meetings update</p> <p>Nicki Crauford, the Audit and Risk Committee Chair provided an update on the two August 2024 meetings held by the Committee. The Committee undertook the following work in August:</p> <ul style="list-style-type: none"> • Reviewing and recommending the end of year Auckland Council reporting pack. • Reviewing and recommending the annual financial statements and statement of service performance (which will be further discussed in the confidential section of the meeting). • Receiving reports from Deloitte regarding their end of year audit. Deloitte noted the significant amount of work done by Watercare to capitalise assets. • Significant debate of the SOI measures and how effective and auditable they are. • Reviewing and recommending the updated Conflict of Interest Policy and Fraud and Corruption Policy. • Receiving updates on dam safety, internal audit projects, and directors' expenses.
11.	<p>Capital Finance Committee meetings update</p> <p>Julian Smith, the Capital Finance Committee Chair advised that the Committee met two times in August and has appointed Jim Reardon as an expert advisor to the Committee. The Auckland Council CFO and Treasurer have also been attending meetings and providing support. The Committee's focus is on finalising the information memorandum, which will then be sent to the credit rating agencies.</p>
12.	<p>Asset Management Committee meeting update</p> <p>Graham Darlow advised that the next Asset Management Committee meeting is on 11 September 2024.</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.	<p>Disclosure of Directors' and Executives' interests</p> <ul style="list-style-type: none"> • Frederik Cornu advised he has started a new role as the Sustainable Solutions Lead at Schneider Electric. • Andrew Clark has resigned from the following roles: <ul style="list-style-type: none"> ○ <i>Trustee of Maritime Retirement Scheme (Fund for the Maritime Union of NZ)</i> ○ <i>Trustee of the Maritime KiwiSaver Scheme (Fund for the Maritime Union of NZ)</i> ○ <i>Chair of Bunker Shipz Ltd (wholly owned subsidiary of Port of Auckland Limited)</i> ○ <i>Chair of Seafuels Ltd (wholly owned subsidiary of Port of Auckland Limited)</i>

	<ul style="list-style-type: none"> The Chair advised he is providing advisory services to GeoStabilization New Zealand Limited. The Chair advised that the company does not appear to do any business with Watercare directly, but may have done some work with for Watercare, via contractors, in the past. <p><i>The Board noted the report.</i></p>
16.	<p>General business</p> <p>The Board Chair noted the huge workload on staff and committee members at present and thanked everyone for the work they have delivered.</p> <p>The public session closed at 11:18am.</p>

CERTIFIED AS A TRUE AND CORRECT RECORD

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Chair