

## Minutes

<b>Board meeting</b>	Public session
<b>Date</b>	2 August 2022
<b>Venue</b>	Watercare Services, Level 3 Boardroom, 73 Remuera Rd, Remuera and via Microsoft Teams
<b>Time</b>	9:15am

Attendance		
Board of Directors	Watercare staff	Guests
Dave Chambers (Acting Chair) Brendon Green Graham Darlow Hinerangi Raumati-Tu'ua Julian Smith  <b>Via Microsoft Teams</b> Frances Valintine Wi Pere Mita (Board intern)	Jon Lamonte (CE) Jamie Sinclair (Chief Corporate Services Officer) Mark Bourne (Chief Operations Officer) Rebecca van Son (Head of Strategy, for item 7) Tim Scheirlinck (Operations Manager – Northern Networks, for item 8) Andrew Lester (Water Resources Manager, for item 8) Emma McBride (Co-Head of Legal and Governance) Pinaz Pithadia (Legal and Governance Advisor)  <b>Via Microsoft Teams</b> Kuiarangi Paki (Te Kaiurungi, Senior Lead & Strategic Māori Advisor for items 1 to 6) Sarah Phillips (Acting GM – People & Capability, for items 1 to 6) Bronwyn Struthers (Head of Health, Safety and Wellbeing, for items 1 to 6)	<b>Via Microsoft Teams</b> Trudi Fava, CCO Programme Lead, Auckland Council

1.	<b>Opening karakia</b> Graham Darlow opened the meeting with a karakia.
2.	<b>Apologies</b> Apologies were received from Margaret Devlin, Nicki Crauford, and Councillor Linda Cooper.
3.	<b>Quorum</b> The Acting Chair confirmed that a quorum was established.
4.	<b>Minutes of the previous meeting</b> <i>The Board <b>resolved</b> that the minutes of the public session of the Board meeting held on 5 July 2022 be confirmed as true and correct.</i>
5.	<b>Public deputations</b> There were no public deputations.
6.	<b>Chief Executive's report</b> The CE highlighted the following topics from the report: <b><i>Current significant issues</i></b> <ul style="list-style-type: none"> <li>Recent extreme weather events put increased pressure on Watercare's frontline staff and appreciation goes to them for their work over the period.</li> <li>Auckland's dams are nearly full.</li> </ul> <b><i>Key performance measures</i></b> <ul style="list-style-type: none"> <li>Two SOI measures were not met in June: <ul style="list-style-type: none"> <li>The medium response time for attendance at sewerage overflows resulting from blockages or other faults was 62 minutes in June (target is 60 minutes or less). The target was missed as rainfall was above normal with high numbers of staff on sick leave with cold/flu and Covid-19.</li> <li>Watercare achieved 95% for the SOI measure on formal engagement with mana whenua of Tāmaki Makaurau as compared to the target of 100%, which overall is a positive result.</li> </ul> </li> </ul>

- Whilst two SOI measures were not quite achieved, the Board recognised the excellent results that were achieved in FY22, sometimes in unprecedented circumstances due to ongoing Covid-19 restrictions.

***Community stakeholder relationship***

- Kuirangi Paki noted that the feedback had been positive from the students enrolled for the engineering apprenticeship programme.

***Water resources update***

- Mark Bourne noted that a geotechnical investigation was undertaken for Mangakura Dam 1 to help assess the extent of the remedial work required. This investigation identified further deficiencies in the lower spillway and the scope of work has therefore increased. This has resulted in an increase in cost and time to address the further deficiencies. However, the first pieces of work approved through the capex programme are already underway.
- Mark noted that the work methodology will be peer reviewed by Dam Safety Intelligence (DSI).
- At the request of the Board, Mark will provide a more detailed update on our dams and dam monitoring systems.

***People***

- Current headcount differs from the number of employees set out in the health, safety & wellbeing (HSW) update as the HSW update uses the number of total people, rather than FTEs. The Board noted that cost is driven by total headcount, rather than FTE, so they are keen to see that number. For consistency, next month's report will have alignment on these numbers.

***Health, safety and wellbeing***

- Bronwyn Struthers noted that the ACC audit was completed in July. Feedback was positive although the auditor noted gaps in record keeping and visibility of records. To address this, we are implementing a document management system and also enhanced HSW software solution – due for implementation by December 2022.
- In relation to the car accident in Penrose, Bronwyn advised that there was no vehicle failure (WOF and Registration were up to date and E-Road system was working). The cause of the accident remains under investigation by the Police, and we are awaiting the findings. The worker is being supported by the HSW team and we are working on a return-to-work plan with the employee. The Board and Management had a robust discussion around the controls in Watercare's fleet and reputational risks associated with such events.
- The CE confirmed that when serious injury is suffered by a worker, the Board and Mayor are notified. They are also notified when the injury is less serious, but it could cause reputational risk to the company.
- The Board requested that future HSW updates are to include a commentary around the critical risk exposures events (ie focus on one theme per month and our learnings).
- The graphs on Lost-time injury frequency rate (LTIFR) and total recordable injury frequency rate (TRIFR) are to be broken down to show the number of critical risk exposure events.

	<i>The Board <b>noted</b> the report.</i>
<b>7.</b>	<p><b>Scanning the Horizon</b></p> <p>The CE spoke to the report. The Board and Management discussed the following points:</p> <ul style="list-style-type: none"> <li>• Construction of Auckland Light Rail (ALR) and Auckland's second harbour crossing, will necessarily have an impact on our AMP. For example, roads will be closed, and we may need to re-jig the AMP to coordinate with this project.</li> <li>• The Board and Management discussed the learnings from the Wellington Water fluoridation inquiry and the need to ensure a company's culture allows people to feel safe reporting bad news up. Rebecca van Son noted Watercare has been directed to fluoridate some of our supplies. The Board requested an update on the water treatment plants where Watercare has emerging issues relating to fluoridation. This will be done at the Board Development Day.</li> <li>• Rebecca van Son is to update the Board on the commercialisation of EMERGE® fertiliser before the end of the year.</li> </ul> <p><i>The Board <b>noted</b> the report.</i></p>
<b>8.</b>	<p><b>Strategic focus: We have a resilient water supply</b></p> <p>Graham Darlow introduced the agenda item. He explained the consequences of a single point of failure in our network and the catastrophic impacts it could have. He illustrated this with the example of Auckland's electricity failure in 2006 resulting from a missing D-Shackle.</p> <p>Mark Bourne introduced his team. The presentation had three sections: Andrew Lester spoke to production resilience; Tim Scheirlinck spoke to distribution resilience; Mark spoke to water treatment resilience.</p> <p><b><i>Production resilience</i></b></p> <p>Andrew noted that work was undertaken with NIWA (The National Institute of Water and Atmospheric Research) and Tonkin + Taylor to analyse the future yield under various climate change scenarios. Peak usage and population growth are driving our next water source.</p> <p>Mark noted the factors impacting water production resilience such as: extreme weather events; plant and equipment failures; Covid-19; staffing issues; supply chain; cost increases; and the new water services regulator.</p> <p>Mark explained various measures are in place to build water production resilience such as: long-term procurement contracts wherever possible; lead time monitoring on supply chain; increased storage; built in redundancies in critical spare parts; maintenance programmes; multiple raw sources of water flowing into water treatment plants.</p>

	<p><b><i>Distribution resilience</i></b></p> <p>Tim discussed several critical points of failure in the network. One example is the two 1960s watermain running under the Auckland Harbour Bridge that service a huge population in the north. The watermain are aging, are in need of major maintenance, and are also reaching capacity. To mitigate this risk, Watercare has maintenance underway and a good plan in place to isolate one of the two watermain. We also maintain three reservoirs on the north shore to provide resilience, which would be combined with restrictions in the case of a failure. A future third watermain across the harbour will be separated from the existing two watermain.</p> <p>Tim highlighted other water distribution resilience and planned improvements in place to the north, south and west of Auckland.</p> <p><b><i>Water treatment resilience</i></b></p> <p>Mark noted that it is a challenge to recruit and retain skilled staff. The operations team has about 30 open vacancies. There are high expectations on the operations team with an on-call requirement and out of hours work with shutdowns. Watercare is working on career development programmes, hiring staff for the long term, providing staff with varied job opportunities, job rotation, and upskilling of new staff.</p> <p>Mark noted that having a large source of water north of the Harbour Bridge would increase our resilience. As there is no natural source to the north, this would need to comprise possibly a reuse facility at Rosedale waste water treatment plant or utilisation of the Riverhead site for large scale water storage.</p> <p>The team also does simulations to practice responses to various failures.</p> <p>The Board requested Management to consider what further education the Board requires in this area, so it can possibly be included in the 4 October 2022, Board Planning Day.</p> <p>The Acting Chair thanked the team for their korero.</p>
9.	<p><b>Board planner</b></p> <p>The Acting Chair requested that the agenda for the Board Planning Day be drafted.</p> <p><i>The Board <b>noted</b> the Board planner.</i></p>
10.	<p><b>Directors' meeting attendances</b></p> <p><i>The Board <b>noted</b> the report.</i></p>
11.	<p><b>Disclosure of Directors' and Executives' interests</b></p> <p>Julian Smith has sent update directorship detail to the Governance Team and noted the following:</p>

	<ul style="list-style-type: none"> <li>• Director and Shareholder of JTB Enterprises Limited</li> <li>• Committee member of Institute of Directors – Auckland Committee</li> <li>• Committee member of Institute of Directors – Northland Sub-Committee</li> <li>• Committee member of Body Corporate Chairs Group NZ – Auckland Committee</li> <li>• Body Corporate Chair – The Residences, Auckland</li> <li>• Body Corporate Committee member – The Connaught Residential Apartments, Auckland.</li> </ul> <p>The Acting Chair advised that he has resigned from Living Clean NZ Limited.</p> <p>Hinerangi Raumati-Tu’ua advised that she has been appointed as a director of Reserve Bank of New Zealand and Pouarua Farms Limited. She also advised that she has resigned from Te Rere O Kapuni Limited.</p> <p><i>The Board <b>noted</b> the report.</i></p>
<b>12.</b>	<p><b>General business</b></p> <p>The meeting closed at 10.58am.</p>

CERTIFIED AS A TRUE AND CORRECT RECORD

.....  
Dave Chambers, Acting Chair