

Minutes

Board meeting	Public session
Date	6 September 2022
Venue	Watercare Services, Level 3 Boardroom, 73 Remuera Rd, Remuera and via Microsoft Teams
Time	10:15am

Attendance		
Board of Directors	Watercare staff	Guests
Margaret Devlin (Chair) Dave Chambers Nicki Crauford Graham Darlow Hinerangi Raumati-Tu'ua Julian Smith Frances Valintine Via Microsoft Teams Brendon Green (for items 6 to 14)	Jon Lamonte (CE) Jamie Sinclair (Chief Corporate Services Officer) Mark Bourne (Chief Operation Officer, for items 1 to 6) Steve Webster (Chief Infrastructure Officer, for item 9) Amanda Singleton (Chief Customer Officer, for item 9) Richie Waiwai (Tumuaki Rautaki ā-lwi me ngā Hononga, for items 1 to 6) Nigel Toms (Acting GM – Finance, for item 7) Harsha Mistry (Finance Manager, for item 7) Bronwyn Struthers (Head of Health, Safety and Wellbeing, for items 1 to 6) Rebecca van Son (Head of Strategy, for item 8) Emma McBride (Head of Legal and Governance) Pinaz Pithadia (Legal and Governance Advisor) Via Microsoft Teams Sarah Phillips (GM – People & Capability, for items 1 to 6)	Councillor Linda Cooper, Auckland Council Liaison Councillor Via Microsoft Teams Trudi Fava, CCO Programme Lead, Auckland Council (for items 6 to 14)

1.	<p>Opening karakia</p> <p>The Chair noted that although this item was on the Public agenda, Julian Smith opened the confidential meeting with a karakia earlier this morning.</p>
2.	<p>Apologies</p> <ul style="list-style-type: none"> • Apologies were received from Wi Pere Mita. • Brendon Green was an apology for items 1 to 5.
3.	<p>Quorum</p> <p>The Chair confirmed that a quorum was established.</p>
4.	<p>Minutes of the previous meeting</p> <p><i>The Board resolved that the minutes of the public session of the Board meeting held on 2 August 2022 be confirmed as true and correct.</i></p>
5.	<p>Public deputations</p> <p>There were no public deputations.</p>
6.	<p>Chief Executive's report</p> <p>The CE took the paper as read and highlighted the following key topics from his report:</p> <p><i>Current significant issues</i></p> <ul style="list-style-type: none"> • July rainfall was double the usual amount. As a result, there were a high number of faults and overflows, which had a consequential effect on the delivery of two of Watercare's Statement of Intent (SOI) measures. • Watercare was invited to appear at the Government's Finance and Expenditure Committee on 31 August 2022 to present on the Water Services Entity Bill (Bill 1). The CE and Dave Chambers attended the session in Wellington. Questions from the Committee concerned: pricing; working with the Northern Councils; Watercare's relationship with the Waikato District Council; and Watercare's SOI. • Health, safety and wellbeing requires attention. Incidents are higher than our targets. The "Back to Basics" campaign is a positive next step but has only recently been rolled-out so it will take time to see the results. We are encouraging our people leaders to do more safety walks and be on the ground, interacting with field staff. The Board requested that Management develop a metric which reflects the benefit of the leadership walks.

Water resources update

- Mark Bourne noted that at the end of August 2022, dam storage reached 100%. Water is now being drawn heavily from our gravity sources to minimise the level of spilling.
- A wet July resulted in an increased level of wet weather overflows compared to previous months.
- In response to a query from Councillor Cooper regarding Watercare's ability to meet the targets, Mark noted our mitigation measures included: an ongoing programme of works to identify illegal stormwater discharges to our wastewater network; and larger infrastructure projects such as the Northern Interceptor and the Central Interceptor.
- The 7-day rolling demand is 404MLD, marginally below our production budget of 405MLD. Demand is higher than last year because in 2021 we had the ongoing effects of the restriction programme suppressing demand. The Board urged the business to ensure messaging continues around water efficiency and water literacy.

People and Communities

- Staff turnover has been increasing by 1% each month. The Executive Team is keeping a close eye on the levels and will take proactive action to protect key people.
- A dawn blessing was held to open the Watercare Training Campus on 14 July 2022. The site has proven popular already with our contractors. Fulton Hogan has already trained 100 staff at the Campus and March Cato has booked the Campus for its people as well.

SOI Measures – water quality

- In response to a query from the Board, Mark Bourne explained the PFAS were found at low levels at the Onehunga Water Treatment Plant. This is being closely monitored. If PFAS levels increase, solutions could include: closing this plant; adopting a new type of treatment at this plant; or diluting this plant's water with water from Southern sources.

Watercare dam safety monitoring and surveillance training

The Board had a query regarding dam safety and training. Immediately following the meeting, Mark provided the Governance team with the following information for inclusion in these minutes to answer the Board's question:

- Dam safety monitoring and surveillance training is provided by Dam Safety Intelligence in accordance with the New Zealand Society on Large Dams (NZSOLD) Guidelines.
- Watercare retains a full list of trained staff and copies of certification.
- Watercare keeps a record of other job specific training for Headworks staff.
- Internally, Watercare provides initial dam safety training for new Dam Technicians or Dam Safety Staff, so they are aware of the dam safety monitoring and surveillance requirements. We undertake annual Emergency Preparedness Plan Training. We also send dam safety staff to NZSOLD / ANCOLD (The Australian National Committee on Large Dams) organised workshops, conferences, courses and field trips.

Water quality

- In response to a query from Councillor Cooper, Mark noted that Taumata Arowai's final Drinking Water Quality Assurance Rules require monitoring and reporting to be undertaken. This will result in additional operational cost. Implementing this reporting is a broader programme that will occur in tranches. Additional surveillance will be undertaken by the Watercare Laboratory Services. We are also installing more online instrumentation.

Risk and compliance update – National Hazard Model (GNS)

- In relation to the National Hazard Model, Nicki Crauford noted her conflict of interest and advised that she is the Chair of GNS Science Limited.

Key performance measures

- Net Promoter Score has been changed to Customer Net Satisfaction Score from FY23. The title of the chart needs to be renamed.
- The Board requested a copy of the methodology behind the SOI measure on 'Ratio of procurement sourced through Māori owned businesses'.
- The SOI measure on 'Culture and Leadership' (leadership walks by people leaders) is to be reported to the Board monthly, with the reporting to show the benefits of the leadership walks.
- The Board raised their concerns with the four-month lag in reporting the leakage performance. Mark explained the reasons around the lag and noted that implementing the smart meter programme will provide immediate leakage information and help manage leakage to the Economic Level of Leakage.
- The Chair requested that the Board-to-Board hui with the Waikato River Authority be scheduled after the election but ideally before Christmas.
- There was a typographical error on page 22. The contracts listed were signed by the CE in July, not June.

Health, safety and wellbeing

Bronwyn Struthers spoke to the HSW update.

In response to the Board's request for a break-down of injury frequency rates at the 2 August meeting, Bronwyn shared a presentation (Attachment 1) and highlighted the following key points for the Board:

- The cost of each injury is falling, meaning injuries involve less time away from work and fewer medical costs.
- Our TRIFR target is 10, which works out to less than 2 injuries per month. MSN and the Lab account for 50% of all injuries. Operations account for around the other 50%. Around 430 people work in Ops, and around 180 in MSN and Lab. MSN & Labs have fewer people, but a higher proportion of injuries than Ops. The Board noted it would be useful to know the proportion of hours within each business unit.
- Slips, trips and falls account for 1/3 of all injuries.

	<ul style="list-style-type: none"> • Dave Chambers suggested that the HSW team should talk with the people who do not get injured on the job and find out what they do to avoid injuries. Learnings from these staff can help drive down injury rates. • The Board requested a deep dive into MSN injury rates, and to be updated on the action plan. <p><i>The Board noted the report.</i></p>
7.	<p>Sensitive expenditure policy – update</p> <p>Hinerangi Raumati-Tu'ua, the Chair of the Audit and Risk Committee (ARC), noted that this policy was reviewed by the ARC at its meeting held on 29 August 2022. Hinerangi noted that the updated policy provides more clarity around the pre-approval criteria.</p> <p>Harsha Mistry spoke to the report and noted the key changes for the Board.</p> <p><i>The Board accepted the ARC's recommendation and approved the updated Sensitive Expenditure Policy.</i></p>
8.	<p>Scanning the Horizon</p> <p>Rebecca van Son introduced the report, which was taken as read. The Board and Management discussed the following points:</p> <ul style="list-style-type: none"> • Climate change, and how the company will make big leaps. This, and our innovation fund initiative, are to be discussed at the Board Development Day. • The Office of Auditor-General's (OAG) recommendations on the City Rail Link (CRL), demonstrate that on large infrastructure projects, it is good to be brave and invest at the start of the project. Upfront investment could have avoided later stage mitigation costs on the CRL. <p><i>The Board noted the report.</i></p>
9.	<p>Strategic focus: Our communities trust and respect us</p> <p>Julian Smith began the agenda item with a karakia and thanked Steve Webster and Amanda Singleton for their mahi in preparing this item.</p> <p>Amanda provided an overview of the Customer team. Watercare's contact centres are a combination of back office and front-line office staff. Significant efficiency improvement has been achieved in terms of contact centre spend per connected properties.</p> <p>Amanda highlighted three key focus areas for the team over the next two years: working smarter; embedding te mana o te wai principles; and embedding customer centricity.</p>

Working smarter

- The key to unlocking further efficiencies is through digital enablement, process improvement and staff development. However, digital development is uncertain whilst we transition through three waters reform.

Embedding te mana o te wai principles

- The Watercare purpose is strongly rooted in the principles of te mana o te wai. It drives everything Watercare does such as capital investment programmes, corporate narrative, and the customer engagement framework.
- Over the last two years, Watercare has spent around \$3m a year on customer education.

Embedding customer centricity

- Customer centricity is an articulated expectation in the Water Services Bill (Bill 1) as will be a key aspect of economic regulation (protecting customers against monopoly behaviour).
- Watercare has an obligation to ensure that the services it provides, represent value for money.
- The Board also noted that we must always be conscious that our decisions are intergenerational and will impact today's children in the future.

Three key segments of customers – commercial, residential and developers

- Our channel model for residential customers is designed to deliver an optimal customer experience through digital engagement for most customers (high volume, low emotion), with human interactions reserved for low volume, high emotion issues.
- Our commercial customer strategy allows for a segment specific servicing model for optimal trust and collaboration on a tiered basis. During the drought, Watercare worked closely with our commercial customers to achieve collective objectives.
- A customer satisfaction measure has been developed for the commercial segment.

The recent customer satisfaction survey of the developer segment

Steve Webster provided the insights from the recent customer satisfaction survey of the developer segment. Steve noted the following initiatives undertaken by Watercare to improve developer services:

- Proposed CRM implementation will improve process consistency.
- Better Faster Consenting (BFC), once implemented, will improve developer / Watercare / Council's visibility of consent application lifecycle.
- We are working with Council on traffic management constraints and cost.
- Collaboration with the Customer team is currently underway to review where improvements can be implemented.

	<p>The Board recognised a need for proactive improvement in serving our developer community and noted the ongoing actions undertaken by Management. The Board requested a quarterly update on the NPS score for developers to be provided through the CE's report.</p> <p>The Chair thanked the team for their korero.</p>
10.	<p>Audit and Risk Committee update</p> <p>Hinerangi Raumati-Tu'ua, the Chair of the Committee, provided an update to the Board on the most recent ARC meeting on 29 August 2022. At the meeting, the ARC:</p> <ul style="list-style-type: none"> • reviewed the end of year financial statements and financial report; • discussed Deloitte's external audit update; and • reviewed the updated Sensitive Expenditure Policy ahead of its approval by the Board.
11.	<p>Board planner</p> <p>The Board Planning Day has been scheduled for 4 October 2022 and therefore, there will be no Board meeting in the month of October.</p> <p><i>The Board noted the Board planner.</i></p>
12.	<p>Directors' meeting attendances</p> <p><i>The Board noted the report.</i></p>
13.	<p>Disclosure of Directors' and Executives' interests</p> <p>Julian Smith advised of his conflict of interest and noted that:</p> <ul style="list-style-type: none"> • His spouse's business has been contacted by Watercare to provide professional services. • He has no interest in his spouse's business and has not been associated with the business in any way. • The contract value is less than \$3,000. <p>The Board noted and confirmed with Julian that:</p> <ul style="list-style-type: none"> • Julian has not been involved in any decision making relating to the contract. • The contract value is low which will be continued to be monitored by the Internal Audit team. • Julian's conflict of interest is disclosed in the governance register and mitigating actions will be documented by the Internal Audit team.

	<p>Nicki Crauford advised: she is no longer a director of CentrePort Limited Group; she has been appointed as a Chair of Burgundy Holdco Limited (owner of StraitNZ Holdings Limited).</p> <p><i>The Board noted the report.</i></p>
14.	<p>General business</p> <p>Trudi Fava noted that Watercare's Statement of Intent for 2022-2025 was approved by the CCO Oversight Committee meeting earlier this morning.</p> <p>In closing, the Chair recognised that, with the upcoming local body elections, this will be Councillor Cooper's last meeting as Watercare's Liaison Councillor.</p> <p>Councillor Cooper extended her thanks to the Watercare team and the Board for their support during her term.</p> <p>The Chair recognised Councillor Cooper's great influence on helping to build strong relationship between Council and Watercare.</p> <p>The meeting closed at 12.13pm.</p>

CERTIFIED AS A TRUE AND CORRECT RECORD



Margaret Devlin, Chair

1 November 2024

Injury Frequency Rates Review and Investigation

6 September 2022

Calculation

$$\frac{\text{LTI} + \text{MTI} + \text{RDI}}{\text{Total hours worked}} \times 1,000,000$$

- Rolling 12

Key Numbers wrt TRIFR

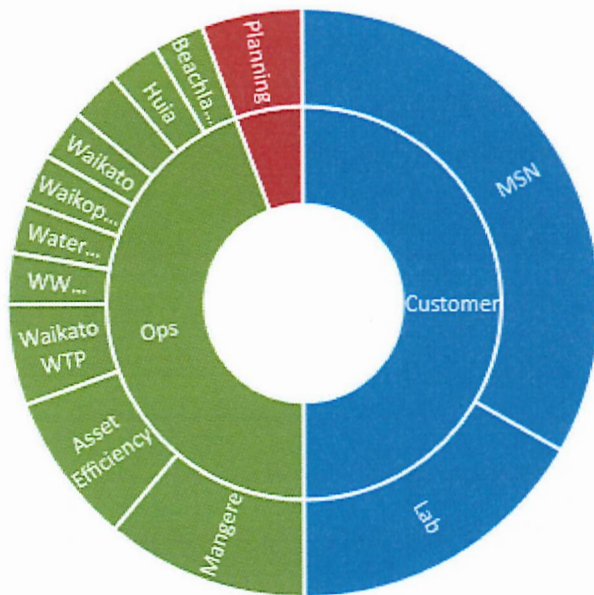
Ave Rec Injuries pm	Watercare		Contractor	
2020-2021	2.83	(1.8)	2.91	(1.8)
2021-2022	2.67	(1.8)	3.66	(2.2)

Ave hours pm	Watercare		Contractor	
2020-2021	176320		182930	
2021-2022	186271		220944	

Our target number is 10 and to achieve that we must have less than 2 recordable injuries per month

Injuries by business unit

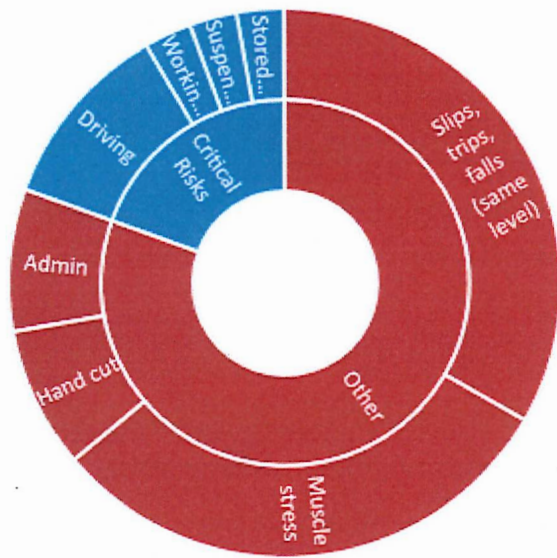
Recordable Injuries 2021-2022



Customer	MSN	12
	Lab	6
Infrastructure	Planning	2
	Asset Efficiency	3
Ops	Beachlands	1
	Huia	1
	Mangere	4
	Muruwai WTP	1
	Waikato	1
	Waikato WTP	2
	Waikophai PS	1
	Water Value	1
	WW Pump Station	1
		36

Injuries by type and mechanism

Recordable Injuries 2021-2022



Critical Risks	Driving	4
	Stored Energy	1
	Suspended Load	1
	Working at Height	1
Other	Admin	3
	Hand cut	3
	Muscle stress	11
	Slips, trips, falls (same level)	12
		36

Notes

- Focus on the right things
- Increased support for MSN
- Focus on muscle stress through APHIRM programme
- STF – work with design team & increase planning and situational awareness
- Driving – work with Fleet Manager and drivers