

Board meeting | 12 December 2023

Public session



Venue	Watercare Services, Level 3 Boardroom, 73 Remuera Rd, Remuera and via Microsoft Teams
Time	10am to 11:30am

Meeting administration		Spokesperson	Action sought	Supporting material
1	Opening Karakia	Chair	-	Verbal
2	Apologies	Chair	Record apologies	Verbal
3	Quorum	Chair	Three directors required	Verbal
4	Declaration of any conflicts of interest	Chair	For noting	Verbal
5	Minutes of the previous meeting of 7 November 2023 Board meeting	Chair	For approval	Minutes
6	Public deputations	Chair	For information	Verbal
Items for information, discussion and approval				
7	Chief Executive's report	Dave Chambers	For discussion	Report
8	Health, safety and wellbeing update	Paula Luijken	For discussion	Report
Governance				
9	Audit and Risk Committee meeting update	Nicki Crauford	For discussion	Verbal update
10	Asset Management Committee meeting update	Graham Darlow	For discussion	Verbal update
11	Board planner	Chair	For information	Report
12	Directors' committee memberships and meeting attendances	Chair	For information	Report
13	Disclosure of Directors' and Executives' interests	Chair	For information	Report
14	General business	Chair	For discussion	Verbal update
Date of next meeting		Thursday, 8 February 2024		



Karakia Timatanga (To start a meeting)

1. Whakataka te hau ki te uru

Whakataka te hau ki te tonga

Kia mākinakina ki uta

Kia mātaratara ki tai

E hī ake ana te atakura

He tio, he huka, he hau hū

Tihei mauri ora!

*Cease the winds from the west
Cease the winds from the south
Let the breeze blow over the land
Let the breeze blow over the ocean
Let the red-tipped dawn come with a sharpened air.
A touch of frost, a promise of a glorious day.*



2. Tukua te wairua kia rere ki ngā taumata

Hai ārahi i ā tātou mahi

Me tā tātou whai i ngā tikanga a rātou mā

Kia mau kia ita

Kia kore ai e ngaro

Kia pupuri

Kia whakamaua

Kia tina! TINA! Hui e! TĀIKI E!

Allow one's spirit to exercise its potential

To guide us in our work as well as in our pursuit of our ancestral traditions

Take hold and preserve it

Ensure it is never lost

Hold fast.

Secure it.

Draw together! Affirm





Minutes

Board meeting	Public session
Date	7 November 2023
Venue	Watercare Services, Level 3 Boardrooms, 73 Remuera Rd, Remuera and via Microsoft Teams
Time	10am

Attendance		
Board of Directors	Watercare staff	Guests
Margaret Devlin (Chair)	Dave Chambers (CE)	Members from the public
Julian Smith	Mark Bourne (Chief Operations Officer)	Jim Jackson (for item 6)
Graham Darlow	Shayne Cunis (Exec Programme Director CI)	Mark Gasson (for items 1 to 6)
Nicola Crauford	Amanda Singleton (Chief Customer Officer)	Tessa Gasson (for items 1 to 6)
	Sarah Phillips (Chief People Officer)	David Jackson (for items 1 to 6)
Via Microsoft Teams	Steve Webster (Chief Infrastructure Officer) (except for item 9)	Luke Niue, Parnell Community Committee Chair (via Microsoft Teams) (from item 6)
Frances Valintine	Richie Waiwai (Tumuaki Rautaki ā-Iwi me ngā Hononga)	Members from Auckland Council
	Chris Thurston (Head of Sustainability) (for items 1 to 6)	Trudi Fava (CCO Programme Lead) (via Microsoft Teams)
	Paula Luijken (Acting Head of Health, Safety and Wellness) (for items 9 and 10)	
	Nigel Toms (General Manager Risk, Quality and Assurance) (from item 8)	
	Nikora Wharerau (Kaihautū Matua Rautaki Māori) (from items 1 to 8)	
	Tere Ryan (Security Coordinator) (for items 1 to 6)	
	Helen Jansen (Stakeholder Liaison Advisor) (for items 1 to 6)	
	Emma McBride (Head of Legal and Governance)	
	Pinaz Pithadia (Legal and Governance Advisor)	
	Via Microsoft Teams	
	Kevan Brian (Technology Innovation Manager) (for items 1 to 6)	

<p>1.</p>	<p>Opening karakia</p> <p>Frances Valintine opened the meeting with a karakia.</p> <p>Meeting administration</p> <p>The Chair congratulated the winners from the WaterNZ Conference. The Chair also congratulated Jenny Wigley, customer insight specialist for winning the planning award for Citizen’s Assembly pilot at the IAP2 Australian Core Values Awards.</p> <p>The Chair noted that Graham Darlow will need to leave the confidential session at 2:15pm.</p>
<p>2.</p>	<p>Apologies</p> <p>Councillor Ken Turner, Watercare’s Lead Councillor sent his apologies.</p> <p>Councillor Shane Henderson, Chair, CCO Oversight and Direction Committee sent apologies for the public meeting, but indicated he planned to attend the confidential session.</p>
<p>3.</p>	<p>Quorum</p> <p>All directors were present at the meeting, so a quorum was established.</p>
<p>4.</p>	<p>Declaration of any conflicts of interest</p> <p>No conflicts of interest were noted.</p>
<p>5.</p>	<p>Minutes of the previous meeting of 10 October 2023</p> <p><i>The Board resolved that the minutes of the public session of the Board meeting held on 10 October 2023 be confirmed as true and correct.</i></p>
<p>6.</p>	<p>Public deputations</p> <p>Mark Gasson, a member of the public introduced himself and provided a presentation (Attachment 1).</p> <p>Mark noted that he has an engineering background and used to work for the NZ Steel mill in Waiuku for many years.</p> <p>Mark’s presentation outlines an opportunity he sees for Watercare’s Waiuku WWTP to work closely with NZ Steel’s mill, and in turn, reduce each plants' greenhouse gas (GHG) emissions. He made the following key points:</p> <ul style="list-style-type: none"> • NZ Steel has received \$300m from the government to shrink its carbon footprint. • NZ Steel uses lots of water, and whilst much is recirculated, 2% is rejected each time. • Currently, NZ Steel has resource consenting issues around taking additional water from the Waikato River.

	<ul style="list-style-type: none"> NZ Steel has cogeneration plants and 60% of its electricity is generated on site. Mark spoke to the map that showed how close various operators were, which gave the various neighbours (Watercare, NZ Steel, Transpower, Vector Natural Gas, BOC and others) opportunities to work together. Mark stated that whilst it is nice to measure N₂O, the ultimate aim should be to reduce it, given its carbon footprint. Mark's ultimate idea is for the wastewater from Southwest wastewater treatment plant be used by NZ Steel, and for that N₂O to be used in cogeneration of electricity and ultimately be released into the atmosphere as Nitrogen. Wastewater would ultimately be released into the atmosphere as steam (so wastewater would be turned into water vapor which would then eventually become rain). Mark noted that Watercare has said that it needs more projects to achieve our Decarbonisation Roadmap – this project is an ideal candidate. In terms of resourcing, Mark is retired and willing to work for a period of time, not indefinitely, the concept on a volunteer basis. <p>The Chair thanked Mark for the presentation and confirmed a formal response would be sent to him, following consideration of the points raised in his presentation.</p>
<p>7.</p>	<p>Our performance under the 2022 – 2025 Statement of Intent</p> <p>Emma McBride took the report as read. The following key points were made:</p> <ul style="list-style-type: none"> The Equal Justice Project law students are busy with exams, so they are planning to submit a presentation for the December 2023 meeting. In FY23, Watercare had a total of 32 Statement of Intent (SOI) measures, with eight measures not met. Helen Sadgrove from HSE Global has been appointed to undertake an independent review of how Watercare approaches Health and Safety and our performance for Total Recordable Injury Frequency Rate (TRIFR). Our customer net satisfaction score was not achieved. However, despite the uncertainty around reform, floods, cyclones, and infrastructure damage, our community trust score and voice of the community scores remained strong. This highlights our responsiveness during the extreme weather events. The Chair noted that the SOI measures that were not achieved mainly related to staff, customer and asset performance. <p><i>The Board noted the report and the presentation.</i></p>
<p>8.</p>	<p>Te Reo Māori Policy</p> <p>Richie Waiwai and Nikora Wharerau introduced the report. The following key points were made:</p> <ul style="list-style-type: none"> An exemplar in this area is Auckland Council. Their commitment to the Māori language can be seen in various documents such as bilingual signage, dual naming of facilities, digital platforms, intranet pages, publications and digital learning platforms. There is both a good quantity and quality of Māori language at Council. Richie noted that Watercare has made incremental steps, but it is a long journey. It was noted that it is everybody's job at Watercare to integrate the Te Reo Māori language and Māori culture into the fabric of the organisation so it is seen, heard, spoken and learned. The policy is to be driven by the Executive Leadership team. <p><i>The Board approved the Te Reo Māori Policy 2023.</i></p>

9.	<p>Chief Executive's report</p> <p>The CE introduced the report. The following key point were made:</p> <p><i>Our people and customers</i></p> <ul style="list-style-type: none"> • Efforts are continuing to reach a positive resolution to the one outstanding collective agreement currently in the bargaining process. The agreement covers around 80 staff in a trade collective. This therefore remains a potential risk. • The NTU has reached agreement with all relevant unions. However, these agreements will drop away if water reform does not proceed. • The dams' storage level was at 99%. Whilst the supplies look good for this summer, a risk remains for the summer 2024/2025. We are closely monitoring rainfall forecasts and customer demand. In the meantime, we are continuing to encourage Aucklanders to be water efficient. <p><i>Progress update on Ōrākei main sewer failure</i></p> <ul style="list-style-type: none"> • Watercare is in a process of applying for retrospective resource consent for both the discharge and the ongoing sewer repair construction works at 79 St Georges Bay Road. • An independent reviewer has been appointed and the report is likely to be received in early 2024 and will be made public. • The incident level was reduced from level 3 to a level 2 + incident on 18 October 2023. This means the Operations team is leading the response and our stakeholders are getting weekly updates. • The bypass solution is working well. There have been no overflows into the harbour over last 12 days, including when it has rained. • The noise issue for neighbours remains a concern as the pump station must be ventilated and cannot be fully enclosed. Marshall Day, acoustics experts, are helping to minimise noise to surrounding neighbours. • We are keeping lines of communication open with neighbours concerning noise and disruption to businesses and parking. • The designs for rehabilitation of sewer are progressing. The sewer is going to be relined with a GRP (glass reinforced plastic) liner being manufactured in Dubai. The designs are being peer reviewed and we are working out how much of the sewer needs to be rehabilitated. Currently, accessing the sewer can only be done up until the blockage, with drones, and we have not been able to get workers into the sewer. Boulders as large as 800-900mm are blocking the way into the sewer and need to be removed. Accessing the site safely and minimising the risk of further collapse remain key concerns. • We continue to keep Ngāti Whātua Ōrākei informed of developments and the rahui has reduced. • We are also keeping Auckland Council/Healthy Waters informed, who manage SafeSwim. • In response to a query from the Board, the CE noted that a weekly stakeholder update is being circulated to Auckland Civil Defence, the Mayor's office, Auckland Councillors and Local Board members, mana whenua, key stakeholders, neighbours to the sinkhole site and Watercare Board. In addition, Nathaniel Wilson, Environmental Care Manager will be interviewed by RNZ to discuss opportunities to contribute to environmental initiatives that will protect and restore the Waitemātā Harbour. • In relation to the retrospective resource consent, Mark noted that the consent relates to our emergency construction activities. • In response to a query from a Board member regarding emergency overflows, Mark noted that our network discharge consent allows for overflows under certain parameters. The scale and duration of the overflows in this instance were outside of these parameters. Accordingly, a retrospective resource consent is being sought to legitimise these overflows. The overflows have stopped so arguably there is no need for the consent. However, the application will still be lodged for the regulator (Auckland Council) to make their final decision on whether a consent is required.
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- The Board noted the weather forecast for *El Nino* and its impact on ground stability and increased fire risk. Mark confirmed that during dry weather, breaks increase, so this is something that is on our radar for the coming summer, especially after such a wet year. Mark also confirmed that “hot work permits” are required before doing any work that presents a fire risk to our catchments, including works such as lawnmowing.
- The Board thanked Management for their open and transparent communication in relation to the Parnell incident, including to the media throughout the incident.

Privacy breach

- Management confirmed that we are assisting the Privacy Commissioner regarding the alleged privacy breach, including providing further information as directed by the Commissioner.

Legal action related to Huia Water Treatment Replacement Plant

- Negotiations with the appellants are ongoing.
- By 17 November 2023, the parties need to update the Environment Court (EC) regarding the mediation.
- We anticipate that we are unlikely to achieve positive outcomes via this process.
- The next step would be to go the EC, which will likely to be in late 2024.
- The debate on the appropriate treatment of Kauri Dieback is ongoing.
- The Board asked for an update in the next CE’s report, which includes the risks associated with further delays to this project due to prolonged legal action. In particular, the update should make clear for the Board and our stakeholders/community what further delays mean in terms of service delivery (operational risks), and risks to our infrastructure investment. The update should also detail if there any other options to fast-track the legal proceedings.

Update on the recommendations of the Citizen’s Assembly

- In response to a query from a Board member, Mark noted that the timing for purified recycled drinking water is 2040. This is the water source after the Waikato River, and we have an obligation to Waikato Tainui to reduce our reliance on the Awa. However, to reach this point, we need to take the community and regulator on a journey. In particular, regulatory changes will need to be done in three tranches which involves working with Taumata Arowai, Auckland Council, and Community.
- Watercare meets regularly with the Taumata Arowai, and at a high level discusses purified recycled drinking water as a potential future water source option. It is expected that conversations will become more focused as our 10-15 year recycled water programme advances. In the meantime, there are “stepping stones” to get to this point, including non-potable recycled water reuse/non-contact use of recycled water.

Non-RMA related legal action

- In relation to the \$1.2m damages claim, a mediation is scheduled for December 2023. Further update should therefore be available in early 2024.

Non-compliance with resource consents at Army Bay wastewater treatment plant

- In relation to a UV non-compliance at Army Bay wastewater treatment plant (WWTP), Mark noted that this was the non-compliance he is most concerned about. The non-compliance occurs when there are high flows, in particular in wet weather. The AMP covers an interim screen upgrade in

	<p>2024, but the final upgrade is not scheduled in the AMP until 2030. In the meantime, there remains a public health risk and a risk that the upgraded screens do not address the issue, and that a full upgrade is required to achieve consent compliance.</p> <p>Statement of Intent measures</p> <ul style="list-style-type: none"> • Controllable cost target is red. However, if we exclude reform, flood and WDC costs the result is favourable to budget YTD. • The correct numbers for debt to revenue ratio are – target: ≤ 3.35, and September 2023 result: 3.38. The Ōrākei Sewer Main break and delay in insurance revenue for the flood events have placed pressure on our cash position. We are currently determining the right corrective action as part of our Q1 forecast process. • The Chair requested that the methodology for the SOI target on ‘reactive maintenance spend v’s proactive renewals spend’ be addressed as a matter of urgency. <p>People dashboard</p> <p>Sarah Phillips noted that:</p> <ul style="list-style-type: none"> • Hiring is slightly down for the month; staff turnover continues to trend down; and average leave liability remains high. • Our next staff engagement survey is scheduled for November. <p>Water quality</p> <p>Mark noted that:</p> <ul style="list-style-type: none"> • We have achieved 100% compliance for all parameters for all water treatment plants and distribution zones. • The repeat complaints are down for September 2023. • Backflow testing is a regulatory requirement. We have a robust process in place. The test results are not concerning. <p><i>The Board noted the report.</i></p>
<p>10.</p>	<p>Health, safety and wellbeing update</p> <p>The CE and Paula Luijken noted the following key topics:</p> <ul style="list-style-type: none"> • An independent reviewer has been appointed. A report with actionable recommendations is expected before Christmas. • While our number of incidents is higher than 2022, the number of days of incapacity per injury is down. • Our ACC costs are down. Lost time injury frequency rate is decreasing slightly. • All incidents are reported at executive huis. • The Chair noted that our messaging to staff, ahead of Christmas, should be to stay focused on their wellbeing rather than rushing to get things done. • Paula noted that the BOD scalar machine was a desktop sampling machine. A machine is awaiting review from maintenance contractor. • Digger control instrument broke off during use on job site. The team stopped work straight away and met at the safe area. All other diggers were checked for similar issues.

	<ul style="list-style-type: none"> • The targets for leadership walks for each business units have been established and will be reported to the board from next month. • Reward and Recognition programme has been launched. This will be reported from next month. • Training-Safety Leadership in Action is a half day training course for all of our people leaders, done in conjunction with Fletchers. 18.99% of people leaders have done the course, and the target is 100%. • The contractor who returned a non-negative drug and alcohol has been enrolled in a rehabilitation programme to help them stay safe at work. • In relation to the incident involving traffic management, Watercare liaised with the school staff and the parents. The school has also brought up road safety and traffic awareness at the school's assembly. <p><i>The Board noted the report and Critical Risk Review deep dive on Working at Height.</i></p>
11.	<p>Asset management committee meeting update</p> <p>Graham Darlow, the Chair of Asset Management Committee (AMC), provided an update to the Board on the AMC meeting held on 20 October 2023. He noted that the AMC discussed:</p> <ul style="list-style-type: none"> • AMP financials and funding envelope; • The AMP run rate, which needs to lift if we are to meet our budget for the year; • Traffic light reporting, including the projects that are “red” on time and cost; • The recommendation to go to the Board for approval for ‘Archboyd Ave PS and associated pipelines – WW0001357’; • The Assets Upgrades and Renewals programme; • Deep dive on Enterprise Model and Major projects ; • Lessons learnt from the Southwest Scheme; and • Statement of Intent measure on capital programme.
12.	<p>Board planner</p> <p>The Chair and Nicki Crauford will visit the Papakura Water Treatment Plant on 8 November 2023.</p> <p>The CCO Direction and Oversight Committee visit to Watercare previously scheduled for 3 November 2023 will be rescheduled for 2024.</p> <p>The Board asked Governance Team to reschedule the 21 November 2023 Asset Management Committee meeting.</p> <p>The Board will hold both public and confidential Board meeting on 12 December 2023 with a lighter public meeting agenda.</p> <p><i>The Board noted the Board planner.</i></p>
13.	<p>Directors’ committee membership and meeting attendances</p> <p><i>The Board noted the report.</i></p>

14.	Disclosure of Directors' and Executives' interests <i>The Board noted the report.</i>
15.	General business Trudi Fava confirmed that a workshop on Long Term Plan process is scheduled on 9 November 2023. Trudi noted that she is confirming whether the Board Chair's attendance is required. Luke Niue confirmed he did not wish to make any comments. The public session closed at 11:46am.

CERTIFIED AS A TRUE AND CORRECT RECORD

.....
Margaret Devlin, Chair

DRAFT

Attachment 1

5.1

Introductions

Watercare/NZ Steel Co-location Opportunities



5.1

MEDIA RELEASE



Date: 21 May 2023

5.1

New Zealand Steel partners with Government in \$300M co-investment to shrink carbon footprint of Glenbrook steel mill

Renewably generated electricity and local scrap steel supply are core to the plan to almost halve New Zealand Steel's carbon emissions and secure the future of domestic steel making in New Zealand.

800,000 tonnes of carbon eliminated – equivalent to approximately 300,000 cars off the road or 1% of NZ's total emissions.

New Zealand Steel will build a new \$300M Electric Arc Furnace at its steelworks at Glenbrook within the next three years as part of the move to lower carbon production.



Water - An Essential Resource

At the Glenbrook Steel Mill each day around 1 million tonnes of water is in circulation throughout the steelmaking and finishing operations.

Typically each day, 20,000 tonnes of fresh water is added to these water circuits to replace discharged water. To achieve maximum conservation, water is cleaned, cooled and recirculated many times in each process. Much of the water used in the steelmaking and finishing processes is drawn from the Waikato River, 18 kilometres away. River water is supplemented by the large volume of stormwater collected from across the industrial site. Water is vital for two operations: the transportation of ironsand from the Waikato North Head mine to Glenbrook Mill and for the steelmaking processes at the Glenbrook Mill.

- Transporting the ironsand requires around 7,000 tonnes of water each day. The Waikato River water is mixed with the ironsand to form a slurry which is pumped to Glenbrook 18 km away through an underground pipe.
- At the Glenbrook Mill water is used for cleaning waste gases, producing steam in the boilers, cooling, spraying and rinsing product, conveyance of solid wastes and general plant cleaning.

<https://www.nzsteel.co.nz/sustainability/our-environment/water-an-essential-resource/>



Returning Water To The Environment

Without recycling the Glenbrook operation would require a massive 1 million tonnes of fresh water each day, with a similar volume being discharged into adjacent waterways. However, of the total volume of water in the steel mill's water circuits, less than 2% is discharged to the Waiuku Estuary each day.

Exploring Alternative Water Supplies

New Zealand Steel has undertaken extensive research into the possibility of obtaining water from other sources. However, the studies showed that none of the proposed options would be able to be successfully implemented and would result in greater adverse environmental effects than the current abstraction of Waikato River water. Alternatives considered were -

<https://www.nzsteel.co.nz/sustainability/our-environment/returning-water-to-the-environment/>

Where does NZ Steel get secondary water from?

- Waikato River via slurry line ca. 7000 m³/day.
- Recycled Secondary water.
- This water is transported by a DN200 pipe ca. 18 km in length.
- Considerable electrical power is required for pumping.
- NZ Steel requires regular consents to take this water from the river.

Co-generation at NZ Steel

5.1

- 112 MW of co-generation located on the NZ Steel site.
- Cogen facility burns low-pressure waste gases from the Iron Plant.
- Cogen facility uses large quantities of water.
- When NZ Steel commissions the new arc furnace 50% of cogen's fuel will disappear.



Waste Energy Recovery

New Zealand Steel has developed a way of using one of the by-products of the ironmaking process, to provide an electrical energy source. This reduces its reliance on electricity purchased from the national grid. Hot waste gases are produced by the multi-hearth furnaces in the ironmaking process. New Zealand Steel has since the late 1970s taken advantage of this hot waste gas to produce energy for the production process, in what is called a Cogeneration plant. The Cogeneration process involves the multi hearth furnace waste gas being burnt in an afterburner to provide heat for the boilers. This superheated steam from the boilers drives two steam turbines to produce electricity. The Cogeneration plant provides approximately 20% of the site electricity requirements. In 1997 the company commissioned a second Cogeneration plant, taking waste hot gases from another part of the ironmaking process, the rotary kilns. This now means up to 60% of the steel mill's electricity is generated on site. The Cogeneration facility is an example of how New Zealand Steel makes better use of resources and by products. New Zealand as a whole benefits from Cogeneration at the steel mill as emissions from thermal power stations, such as Huntly and New Plymouth, are reduced and there are savings of coal and gas.

Struvite

Nitrogen cap guidance for arable cropping, forestry and horticulture

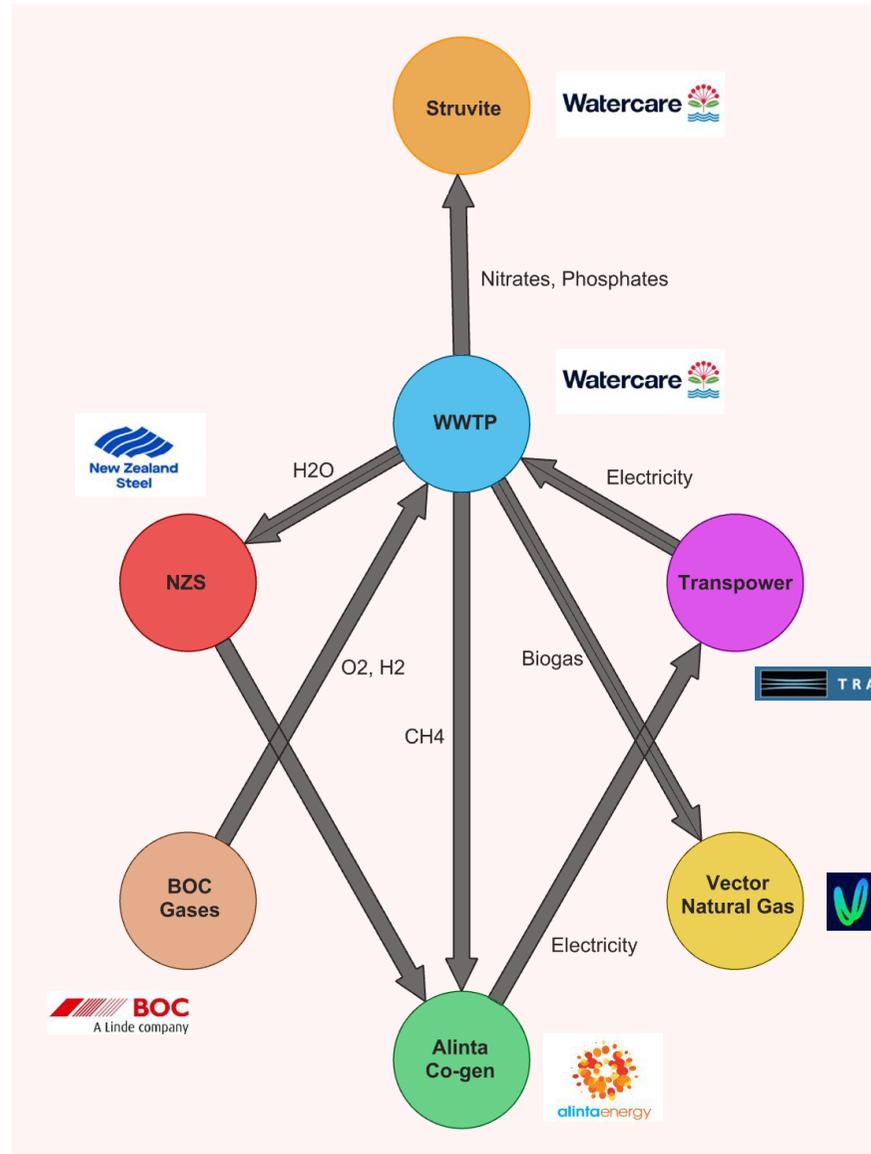
Explaining sections 32–36 of the National Environmental Standards for Freshwater 2020

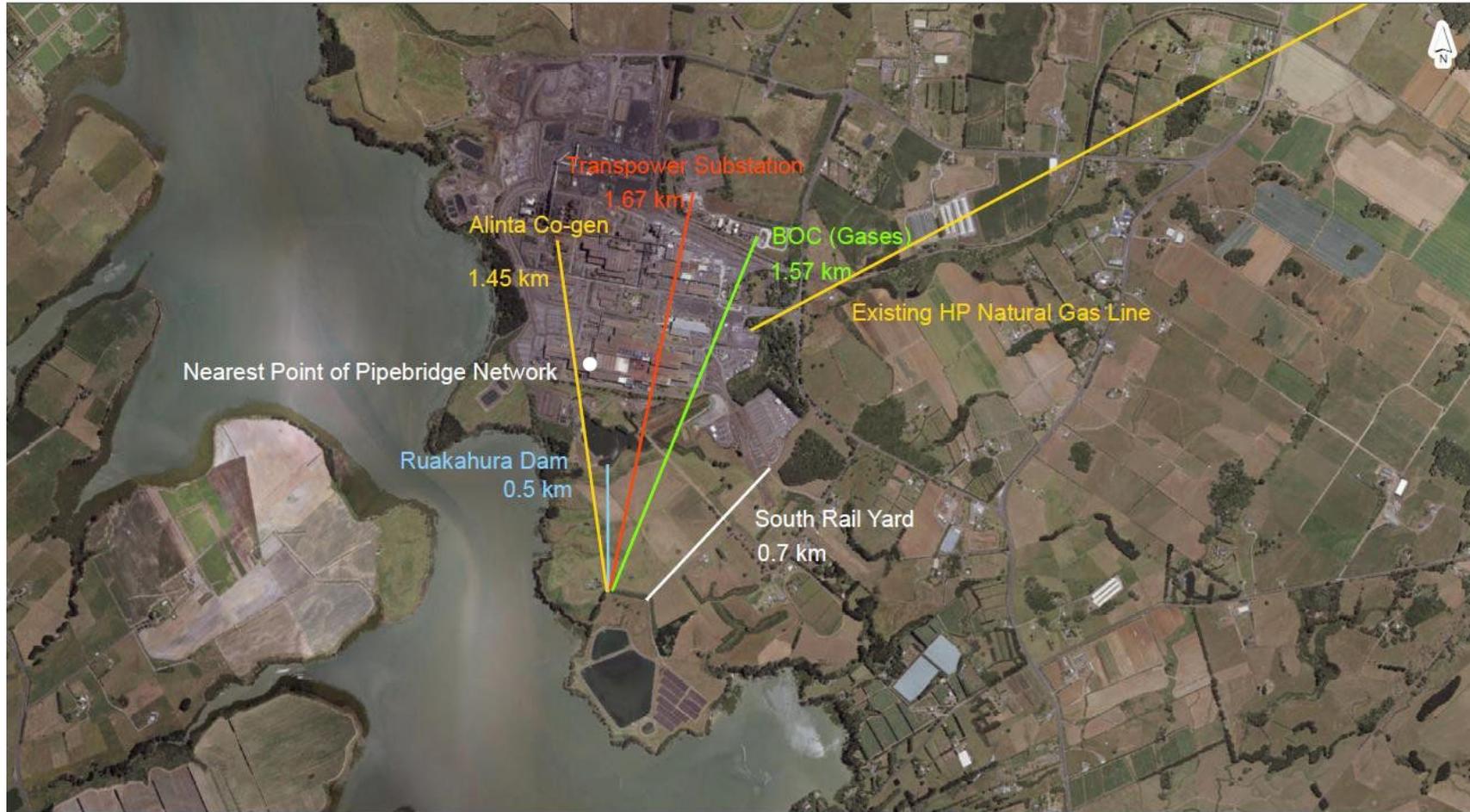
Biological and mixed fertilisers

Biological nitrogen fertilisers are not covered by the nitrogen cap. These are any solid or liquid substance applied to plants or land in which the nitrogen comes from animals or plants. Or humans?

Synergy

5.1





5.1

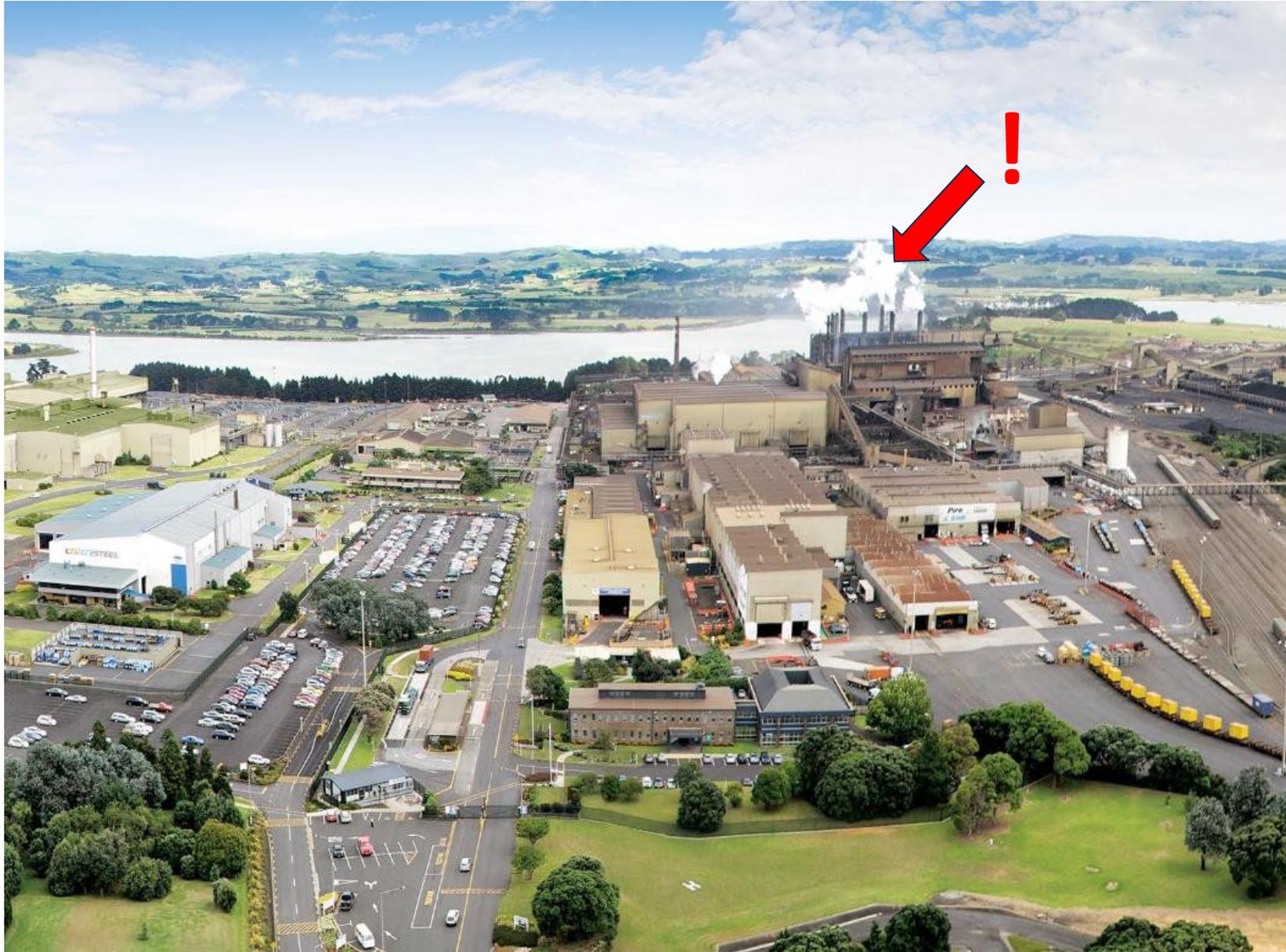
DISCLAIMER:
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Services Available to/from New Zealand Steel to Watercares Waiuku WWTP

Map overlays © Mark 4 Design Ltd 2023

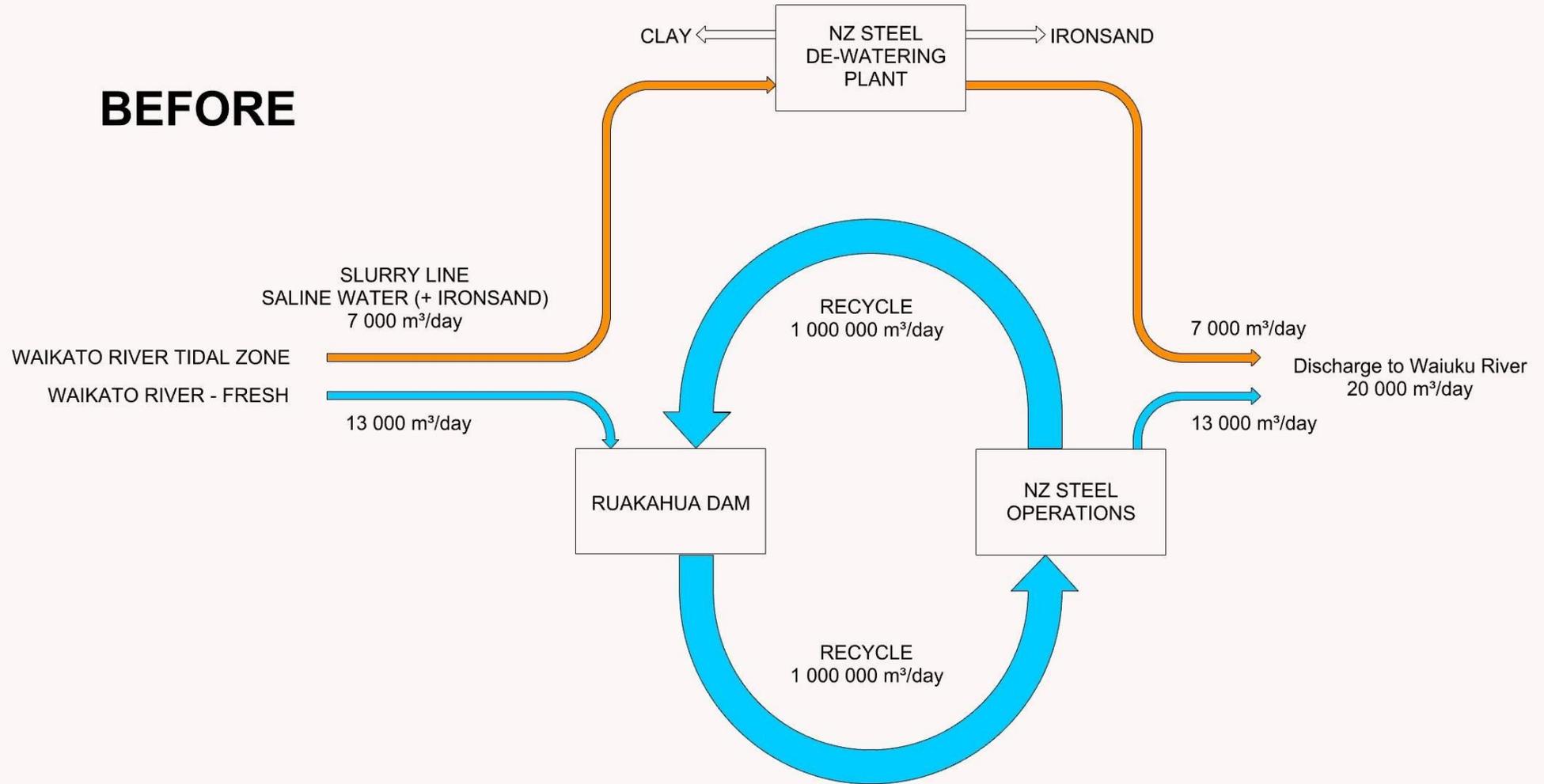
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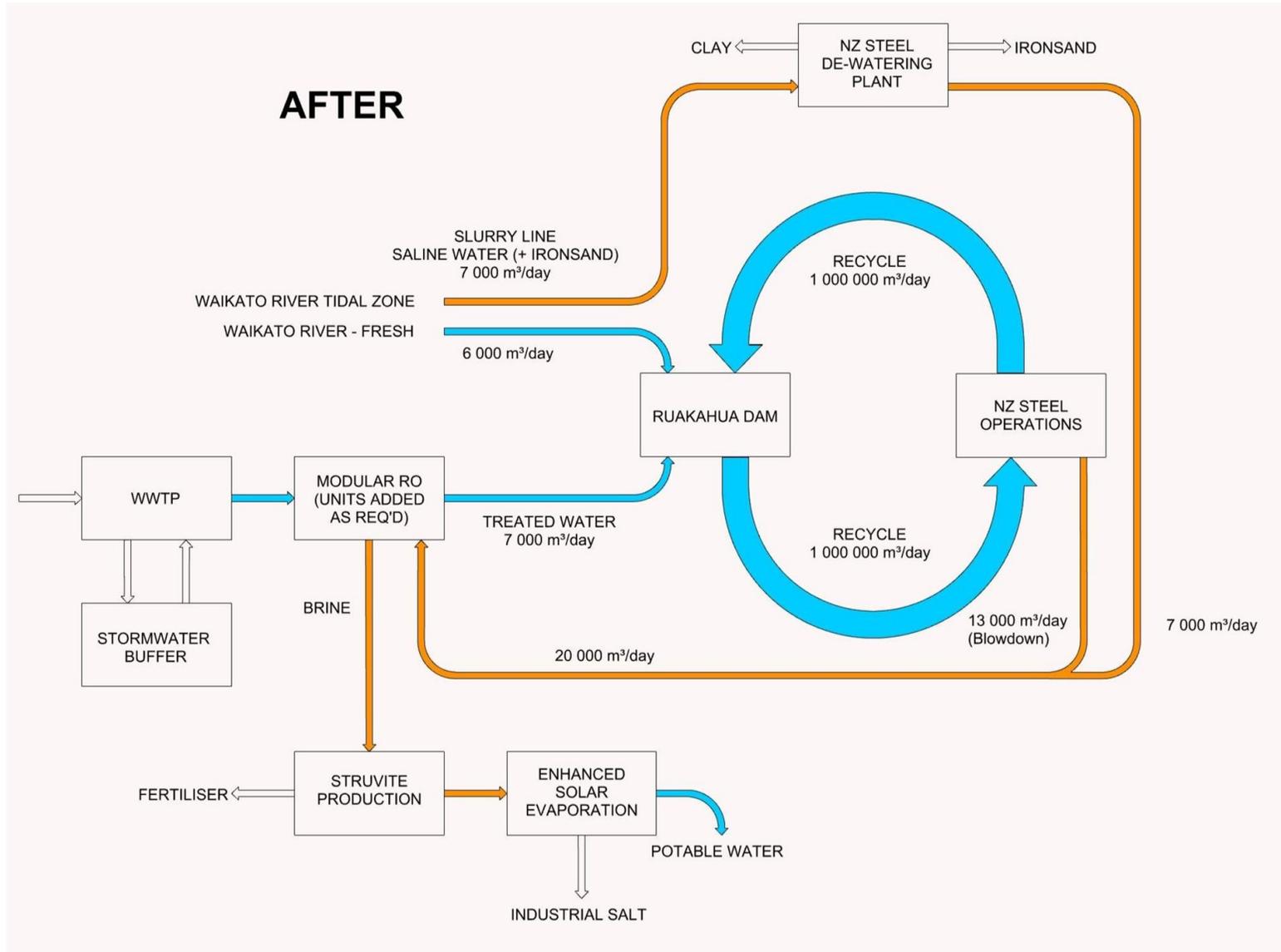




5.1

BEFORE





Watercare climate change summary 2023

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Decarbonisation road map

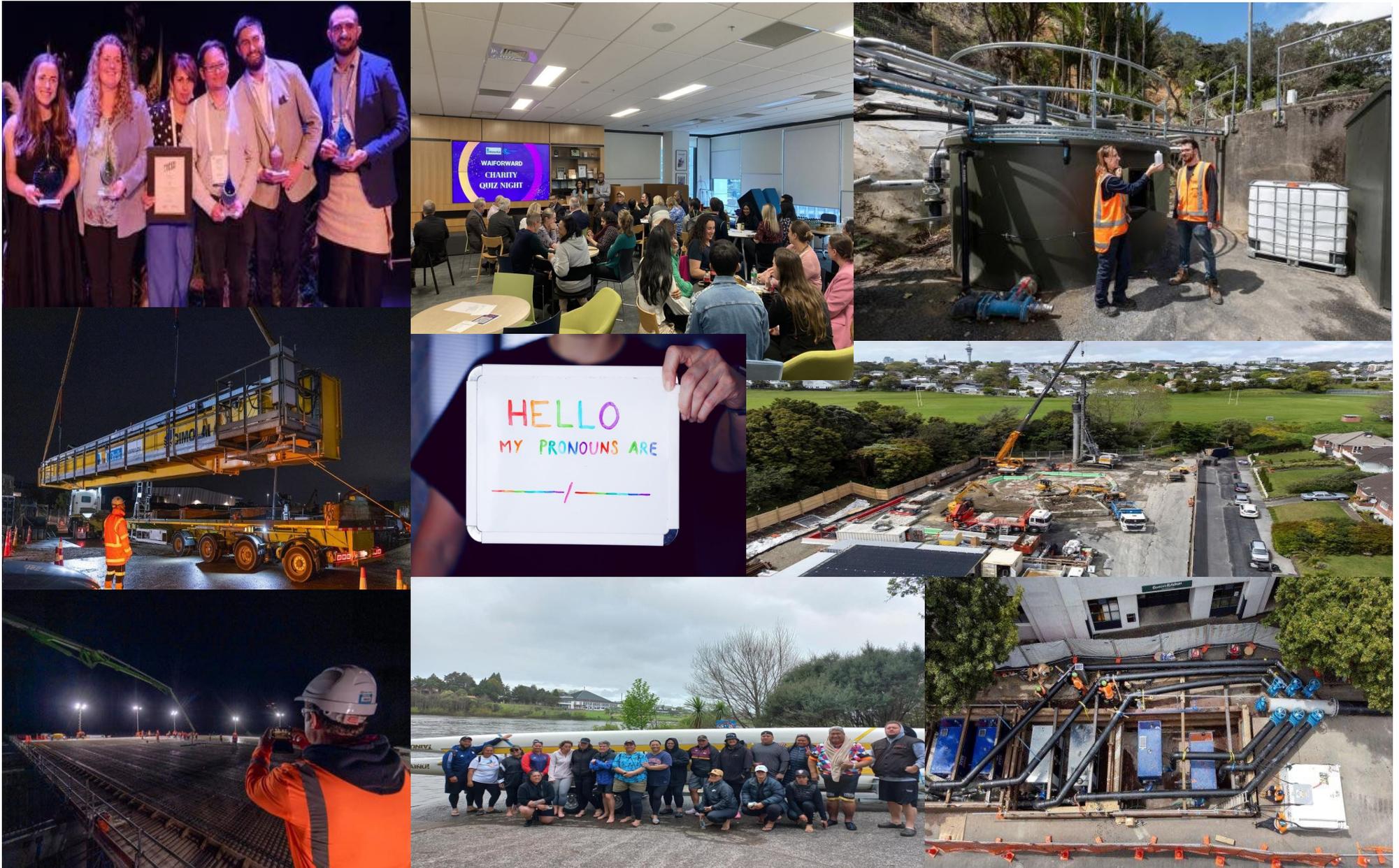
To meet our target of 50 per cent reduction in operational emissions (scope 1 and 2) by 2030, a Decarbonisation Roadmap was established in June 2022. This comprises of a list of 39 projects, as well as enabling factors, and was developed through a combination of internal value streams and external support from consulting partners Beca. The roadmap will change as the feasibility of projects is further developed and new projects are identified. At present, the roadmap requires more projects, higher emissions reductions or a lower projection to meet the target and this is being actively worked on. The roadmap considered five potential reduction scenarios based on abatement potential, marginal abatement cost, resourcing, certainty and existing projects in planning or feasibility phase. Scenario 5 was selected to use as the Watercare roadmap as shown in Figure 3.

The roadmap acknowledges that emissions will grow without intervention. The primary drivers for this are population growth, leading to the delivery of more services, and more stringent environmental discharge requirements which lead to more intensive technology solutions that increase emissions.

5.1

Chief Executive's report – December 2023

Presented by: Dave Chambers



7

1. October 2023 update

October for Watercare can be accurately summed up by two words – uncertainty and resilience – with the official election results not due until early November and the direction for water services reform remaining unclear. But our people rallied and retained their focus on our core purpose – safe and reliable services for Auckland, while staying safe and well.

Following the Parnell sinkhole (September) and the successful commissioning of the wastewater bypass (October) to divert the flows from the Ōrākei main sewer, we are continuing to monitor the water quality in the impacted area. Monitoring includes routine water quality sampling at multiple locations in the Waitematā Harbour along with regular oyster sampling to check for any accumulations of heavy metals or bacteria. The bypass is operating well and has significantly reduced overflows into the harbour.

On the water side, we returned our Muriwai Water Treatment Plant to service eight months after it was damaged by slip during Cyclone Gabrielle, which buried and damaged part of the plant and reservoir. This reinstatement was extremely challenging because of the surrounding environment and the need to minimise disruption to customers – credit to the team for finishing this work safely and effectively.

We underwent the ISO 45001 audit of our HSW systems successfully. We have been recommended for this certification, on the condition that we fix eight identified non-conformances within six months. Many parts of the organisation were involved in preparing for this audit and their efforts must be acknowledged.

October also saw great industry recognition – a number of our people presented at the Water NZ Conference and quite a few of them emerged as winners (list below):

- Paper of the year – Te Tuanui Paki and Kui Paki
- Young Author of the year - Jane Kubala
- Young Water Professional of the Year – Sifa Pole
- Water Trainee of the year – Ashleigh Crewe Brown
- Operations award – Thomas Tran

Congratulations to all the winners.

2. Key performance measures

[Attachment 1](#) sets out Watercare's performance against the current Statement of Intent (SOI) measures for October 2023.

[Attachment 1.1](#) sets out an update on our progress regarding the development of a methodology for the SOI measure on 'Reactive maintenance spend v's proactive renewal spend.'

3. An update on recent incident at Ardmore WTP and a subsequent Improvement Notice issued by Worksafe

WorkSafe has issued Watercare with an improvement notice and two directives following an incident on 26 July 2023 where a contractor was replacing a service line that normally supplies super-chlorinated dose water for disinfection at the Ardmore water treatment plant. The contractor was selected to carry out the work due to their experience and specialist knowledge in the area.

Prior to the replacement of the service line, appropriate measures were taken to ensure that the chlorine gas system that is used to make the super-chlorinated water was isolated, and the service line was flushed with clean water to ensure no residual super-chlorinated water remained in the line.

As a safety precaution, the service line is double contained (i.e. the service line is contained in a duct). When the contractor proceeded to cut into the duct and service line to remove the old line, it appears that small amounts of chlorine gas/water, which had formed in blisters in the old service line, were released. These travelled down the ducting, into the chlorine room, which in turn triggered the chlorine alarm in the room and a site wide evacuation.

On the second occasion, additional steps were taken to plug the secondary containment line to prevent air travelling back into the chlorine room via the secondary containment. Extra flushing of the dose line was completed, but residual gas did manage to make its way into the chlorine room and triggered another evacuation.

It should be noted that all chlorine drums and the chlorine system in the room that was being worked on were not in service, and all had been isolated. The release was from a very small amount of chlorine gas/water that had formed blisters in the service line and nobody was affected or injured.

Activation of a site wide evacuation at a major hazard facility is a notifiable event to Worksafe. On investigation of the incident Worksafe has issued an Improvement notice to Watercare.

The notice directs Watercare to:

- review the control of work system;
- determine means to improve the management of:
 - non-routine work.
 - two directives, namely:
 - to review the management of change (MoC) process and determine the reasons for the inconsistency on implementation of the MoC procedure, relating to like for like replacements; and

- to review the incident investigation procedures to include the requirement to identify underlying systemic matters and to ensure that personnel that carry out incident investigations have the necessary knowledge and skills, are trained and competent in the chosen investigation methodology.

The review is underway, and the outcome will be reported back to Worksafe along with any planned improvements by 29 February 2024.

4. Our people

In October, a team from Watercare participated in the Winnovators challenge and were named overall winners of the WaterAid Winnovators programme. The team comprised a cross section of employees who worked together to solve a real-world water, sanitation and hygiene challenge currently faced by the country partner Timor-Leste. During the challenge team members learnt new skills, thought outside the box, and raised valuable funds for WaterAid. The team designed a solution for healthcare waste management challenges for rural healthcare facilities in Timor-Leste whilst also fund raising \$5000.

To acknowledge International Pronouns Day the People team held a presentation by Pride Pledge about how to create a more inclusive workplace. From this, the team developed a guide for Watercare to explain the importance of pronouns, cover some commonly used ones, and address how to ask someone what their correct pronoun is.

We hosted a presentation from Xabilities founder Tamara Grant about understanding neurodiversity and in conjunction with World Dyslexia Day. A panel from Watercare shared personal stories of their own experience of neurodiversity and discussed different ways of communicating. They also explained how neurodivergent brains are wired, and how we can learn to work with each other without judgement. This has led us reviewing our learning programmes and developing standard practices to be inclusive of neurodivergent learners.

These initiatives are part of several planned activities aimed at breaking down barriers and continuing to ensure we have an inclusive workplace.

The People dashboard for October is in [Attachment 2](#). Metrics show turnover has continued to trend downward with the 12-month rolling turnover dropping a further 0.7% compared to the previous month.

Staff engagement survey results

Our engagement score from our recent staff engagement survey has moved up since June 2023 to an average score of 7.6 and eNPS of 27. This is a significant shift upward and against an uncertain business environment is tremendous. In the same period, last year results showed an average score of 7.1 and eNPS of 4. Participation also remained high for this survey with a response rate of 82% overall, up slightly from 81% in June 2023.

This is an encouraging result which, combined with our lower staff turnover, indicates that the work we have undertaken around reward, health and wellbeing, and collaboration are taking us in the right direction and providing a good foundation for 2024.

Most business units also saw an improvement compared to the June 2023 results and some significant upward changes since November 2022.

Feedback from the survey tells us areas we need to work on are around communicating strategy and allowing for more autonomy and challenge for people in their roles. Some of this may be due to the reform and the uncertainty it has brought to our work. We will be looking into the survey data to understand the themes and developing our 2024 business plan to further improve performance.

5. Operations

5.1 Water resources

The leak management programme is ongoing. Since the start of the programme approximately 21,700 kms have been surveyed to date with 13,500 leaks found. Since the start of the leak management programme over 24MLD of water savings have been achieved.

5.2 Water quality

Monthly compliance reporting to Taumata Arowai continues with reporting systems operational.

Microbiological and chemical compliance has been achieved for the month of October for all water treatment plants (WTPs) and distribution zones (DZs).

Residual disinfection Free Available Chlorine (FAC) compliance has also been fully achieved for all distribution zones.

Watercare's Drinking Water Safety Plans are currently undergoing annual review.

Networks are implementing summer Free Available Chlorine (FAC) and trihalomethanes (THMs) improvement strategy together with Hydraulic modelling in the distribution network for long term outcome towards FAC and THMs improvements.

[Attachment 3](#) sets out water quality report for October 2023.

5.3 A letter of enquiry from the Environmental Protection Agency

On 17 November 2023, the Laboratory received a letter of enquiry from the Environmental Protection Agency (EPA). The letter sought information regarding the supply and storage of persistent organic compounds (POPs) currently held by Watercare Laboratory Services, to assess for compliance with the Hazardous Substances and New Organisms Act 1996 (HSNO).

It appears that this EPA letter was prompted following the Watercare Laboratory's application for a new approval to import and use POPs.

POPs are used as analytical standards to enable the detection of these substances in samples analysed by the Laboratory. Watercare orders and securely stores very small quantities of POPs. Our current stock holding being 56.7mg (a mg is 1000th of a gram, for comparison 1 gram of water is a teaspoon).

Watercare purchases POPs through several New Zealand suppliers.

Watercare Laboratory discovered that our prior EPA approval had expired in 2018. This was discovered after a supplier asked us to verify that we had an EPA approval to import and use POPs. Since 2018, no other supplier had sought to verify our possession of an approval whenever we purchased POPs. On discovering the previous approval had expired, the Watercare Laboratory immediately applied for a new approval, on 17 October 2023, and the approval was subsequently issued on 27 November 2023 for five years.

The Watercare Laboratory has updated its compliance management records to specifically note and track this approval, and requirements to notify the EPA of all purchases and disposals of POPs.

In the letter of enquiry, the EPA sought information regarding the past and present purchase, disposal and use of POPs. With the oversight from Legal and Compliance, supported by Simpson Grierson, the Watercare Laboratory responded to the EPA letter of enquiry by the 1 December 2023 deadline. The EPA response is presently awaited and will be notified in due course. However, as noted above, an EPA approval has been granted for five years in the meantime, and our compliance systems updated.

6. Central Interceptor

Milestones continue to be achieved across the project as construction continues across all sites. Monthly highlights are as follows:

- Norgrove site awarded “Beacon Site” status to add to the other sites that had previously achieved the status – Western Springs, Mt Albert and Rawalpindi. This initiative is being used to drive exemplary site standards for Health, Safety and Wellness.
- The Main Tunnel TBM advanced 64m in the month, with a total length of 8,035m installed at month end. Planned stoppage commenced for the TBM after successful break through into May Rd Shafts A and B in September 2023. TBM site establishment works are progressing well at May Rd, with TBM due to commence the Northern Tunnel works in mid-November 2023.
- MTBM works on Link Sewer B from Mt Albert to Norgrove continues to make good progress – completion of this drive due late November 2023. MTBM at Keith Hay Park completed first drive for Branch 9b sewer. Directional drill complete to install the Branch 9b sewer under SH20.
- Sewer chamber connection work in progress with the live interceptors exposed at Confluence Chamber, PS23, Haycock and PS25. Installation of stop plates commenced at Haycock.

7. Risk and compliance update

7.1 Privacy legislation

Further to an update provided to the Board in last month's CE's report regarding a complaint from a community member, at the time of writing this report, nothing further has been received from the Privacy Commissioner in relation to their investigation.

7.2 Privacy Act requests

In October 2023, we received two requests for information under the Privacy Act 2020. One of these requests was transferred to us from Auckland Council.

Out of the two requests received, one request was responded within 20 working days (in accordance with the Privacy Act 2020) and we extended the time to respond the remaining request by additional 20 working days. This extension was necessary because the request necessitated us to collate information relating to our correspondence to them and about them. At the time of writing this report, we are processing their request in accordance with the Privacy Act 2020 and are aiming to respond to them within the extended deadline.

7.3 Enterprise risk management

- Following Board feedback at their meeting in October 2023, we revised the risk submission to Auckland Council. We are looking at ways to improve the presentation of the current Enterprise Risks and consider the complexity of individual Enterprise level risks in more depth. This will be an iterative process over the coming months.
- Following the Level 3 Ōrākei Main Sewer incident, a Lessons Learnt session has been completed and feedback from members of the incident team gathered. A report on the incident, which will incorporate improvement actions, will be completed in December 2023.
- Risk and Resilience team has engaged with Auckland Lifeline in November 2023 to discuss ways to work more closely in the future, including attendance and involvement in each other's incident exercises.
- A second two-day Coordinated Incident Management System (CIMS) training course specifically tailored for Watercare staff, was completed on 1 December 2023. Further training is being scheduled for February to June 2024.

7.4 LGOIMA requests

In October 2023, we received 24 requests for information under the Local Government Official Information and Meetings Act 1987 (the Act). Six of these requests were transferred to us from Auckland Council. We processed all 24 requests in accordance with the Act and responded within the 20 working days.

7.5 Complaints via the Office of the Ombudsman

During October and November 2023, we received three inquiries from the Office of the Ombudsman.

Current status of the three enquiries is as follows:

- one enquiry was closed as the complainant withdrew their complaint.
- for one of the enquiries, we are assisting the Ombudsman with their investigation and are providing information to them as and when requested.
- for the remaining enquiry, we have supplied the requested information to the Ombudsman to assist their investigation and we are currently waiting on their findings.

7.6 Legal action

- RMA related:
 - Huia Water Treatment Replacement Plant: The first Environment Court (EC) mediation on these appeals was held in September 2022. The second EC assisted mediation session was concluded on the 29 and 30 June 2023. We are in discussions with the appellants though the issues have been narrowed down. An update on any further developments in the meantime will be provided to the Board at the Board meeting.
- Non-RMA related:
 - There is currently one claim for \$1.2m for alleged damage to a residential property from a burst watermain. The matter is being handled by our insurers. A mediation is scheduled for 20 December 2023. Further update should be available in early 2024.
 - In February 2023, Watercare was served with a copy of proceedings lodged in the Māori Land Court by Te Runanga o Ngāti Whatua, Ngāti Manuhiri Settlement Trust concerning the legal status of the Hōteo Awa bed. Watercare owns property in Wellsford that adjoins the awa and draws water from it. Watercare filed a notice of intention to appear in late March 2023. The two iwi are now filing their proceedings and the Court will decide how it wishes to hear the case. Watercare now need to decide if it wishes to continue to participate in the proceeding. Further updates that will involve Watercare are not expected for some time (i.e. possibly years).

7.7 Whistleblowing

The PWC operated Whistleblower line received a call regarding to allegations of asbestos contamination of the Auckland water supply, with management and governance of Watercare being actively involved, in conjunction with Watercare's insurer, in concealing the asbestos contamination from water users.

We are currently investigating the matter and further updates will be provided to the Audit and Risk Committee in the February 2024 meeting.

7.8 Non-compliance with resource consents

Overall consent compliance was similar to September, although most non-compliances were technical. For the first time since December 2022, the Army Bay wastewater treatment plant was fully compliant with no UV issues. Similar issues at the Omaha wastewater treatment plant have also been resolved. On-going non-compliances at the Huia water treatment plant and the Warkworth wastewater treatment plants relate to on-going issues that planned capital upgrades will resolve in the short-to-medium-term.

The technical non-compliances are also inflated by single conditions triggering multiple consents, such as a technical issue with inspection records, which continue to affect all eight wastewater network discharge consents. The other driver of technical non-compliance are historical issues that affect annual calculations, at the Māngere, Clarks Beach, Omaha, Wellsford, and Helensville wastewater treatment plants. The design and construction non-compliances relate to challenges in progressing riparian restoration at the Waikato treatment plant where a solution that does not include herbicide is required.

[Attachment 4](#) sets out the details on the significant non-compliance for October 2023.

8. Climate change delivery and sustainability update

Watercare were delighted to receive the Going Circular award at the National Sustainable Business Awards for our Emerge® branded fertiliser. Resource Recovery Manager Rob Tinholt accepted the award on behalf of Watercare and in doing so, recognised the vision of operational staff and the hard work to get it from a waste product to an accepted sustainable fertiliser. This win, from a large category of impressive projects and organisations, demonstrates the vision of Rob and the role Watercare can play in supporting others to be more sustainable whilst also working towards our biosolids strategy of beneficial use on land.

Watercare has been working closely with Auckland Council staff members on the Auckland Waste Management Plan, which is a key document for the upcoming 2024 Auckland Waste Management Strategy. In particular, biosolids are being incorporated into the strategy and plan for the first time. This acknowledges the potential significant impact that biosolids will have on landfills in the next 10-15 years. It also supports opportunities for enhancing Watercare's strategy to achieve beneficial application to land for biosolids so they do not end up in a landfill.

There is an emerging focus on credible claims in the sustainability space to ensure consumers are not misled and organisations are being transparent in their claims. In recent years, in an attempt to ensure that greenwashing does not occur, the Commerce Commission has released [guidelines on environmental claims](#). There have now been over 50 instances of the Commerce Commission issuing information or compliance advice to organisations as well as two cases of prosecution. There are more cases of litigation being announced and initiated, especially in New Zealand through a group called Lawyers for Climate Action (who have filed proceedings against First Gas, Climate Change Commission and most recently Z Energy). The United Nations also launched a High-level Expert Group report – [Integrity Matters](#) that includes 10 recommendations for credibility and accountability for net zero commitments of non-state entities. These include the following key focus areas and have been reviewed by Watercare staff to ensure we are delivering best practice.

1. Announcing a net zero pledge – should be public and include interim targets with plans to achieve them.
2. Setting net zero targets – should also have short term targets that prioritise immediate reductions. Early action enables innovation.
3. Using voluntary credits – should prioritise urgent and deep reductions. High integrity offsets should only be used beyond the value chain mitigation and not be counted towards interim targets.

4. Creating a transition plan – must publicly disclose comprehensive and actionable transition plans with actions to meet targeted as well as governance, capital expenditure, R&D, human resource development and public advocacy. Updated every five years.
5. Phasing out fossil fuels – should include specific targets aimed at ending the use of fossil fuels and be matched with a funded plan towards fully renewable.
6. Aligning lobbying and advocacy – should disclose trade affiliations and advocate for positive climate action. Should contribute to investor, supplier, consumer and employee engagement.
7. People and nature in the just transition – must achieve and maintain operations that avoid conversion of remaining natural ecosystems.
8. Increasing transparency and accountability – must disclose GHG data, net zero targets and progress against those.
9. Investing in a just transition – must ensure a global just transition whilst achieving net zero. Net zero plans must demonstrate how contributing to this.
10. Accelerating the road to regulation – to help Governments enact appropriate legislation must play complementary roles through voluntary initiatives and experiment with best practices to advance ambition.

Directors should continue to be aware of these requirements whilst continuing to encourage action in the climate and sustainability space.

9. Policy update

[Attachment 5](#) sets out the current programmes of work that are underway, and their expected impacts to Watercare.

10. Flood response recovery

[Attachment 6](#) outlines the quarterly update from the Flood Recovery Working Group (FRWG).

11. Matters for noting

11.1 Significant meetings attended by the CE

- Auckland Council Budget Committee meeting
- Group CEs fortnightly hui – Māori outcomes hui
- Hui with Te Taniwha
- Water NZ Conference
- Water NZ President's dinner

11.2 Watercare’s response to Mark Gasson for his presentation at the 7 November 2023 Board meeting

At the 7 November 2023 Board meeting, Mark Gasson, a member of the public provided a presentation. The presentation outlined an opportunity that Mark sees for Watercare’s Waiuku Wastewater Treatment Plant to work closely with NZ Steel Mill, and in turn, reduce each plant’s greenhouse gas (GHG) emissions. Mark’s presentation is attached with the draft minutes of the 7 November 2023 Board meeting (see page 12 of this meeting pack).

[Attachment 7](#) sets out Watercare’s response to Mark for his presentation.

11.3 Watercare’s response to Department of Internal Affairs

[Attachment 8](#) sets out Watercare’s response to Department of Internal Affairs regarding Consultation Feedback on Funding and Pricing Plan and Asset Management Plan.

12. Delegated authority to Chief Executive

In accordance with the authority delegated to the Chief Executive by the Board for the month of October 2023:

- there were two documents required to be signed by the Chief Executive in relation to deeds, instruments and other documents.
- there were no documents signed by the two members of the Watercare Board.
- there was one capex approval signed below a threshold of \$50m.
- there was one contract approved over \$100,000. They are as follows:

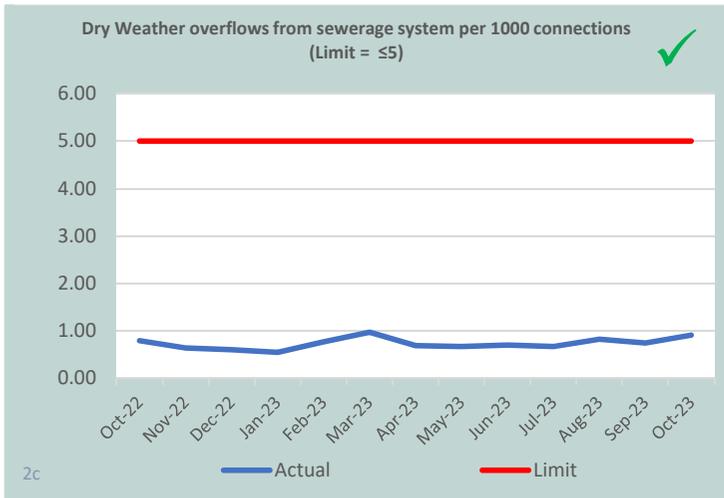
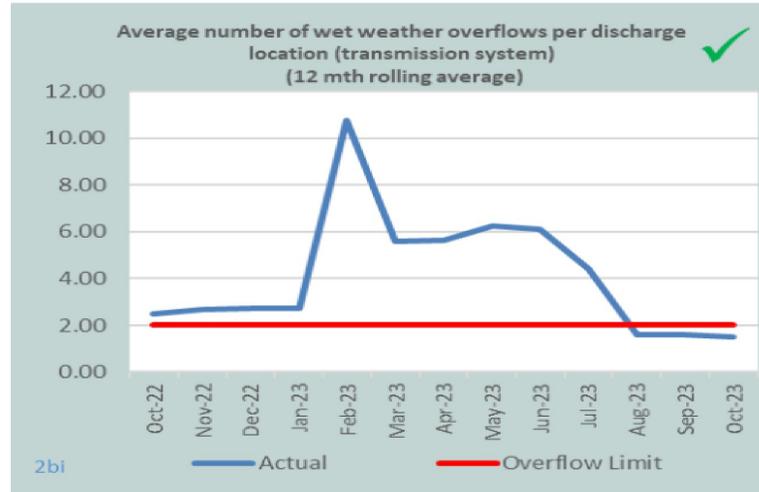
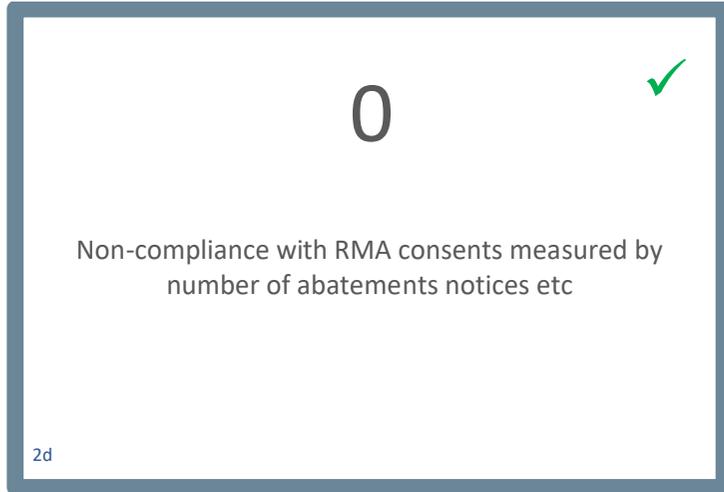
Contract description	Successful supplier
Early Contractor Involvement ECI Agreement for Pt Erin Extension	Ghella Abergeldie JV



Dave Chambers
Chief Executive

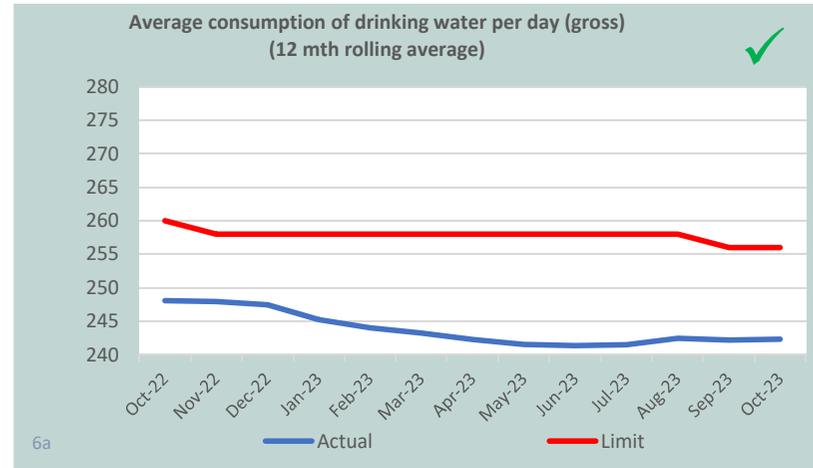
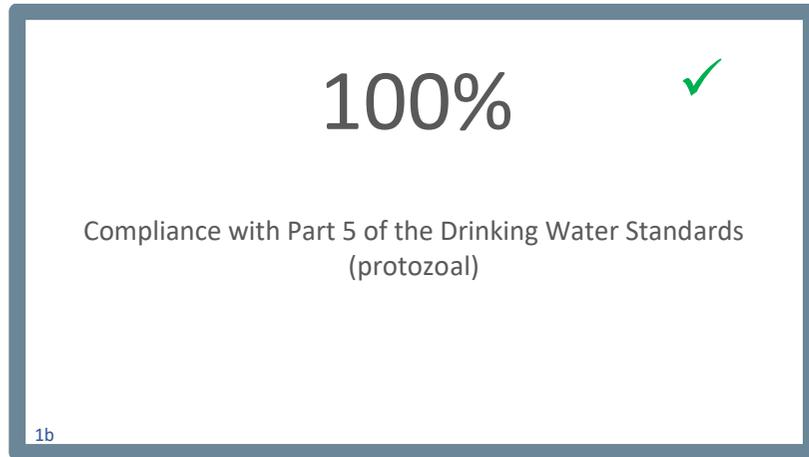
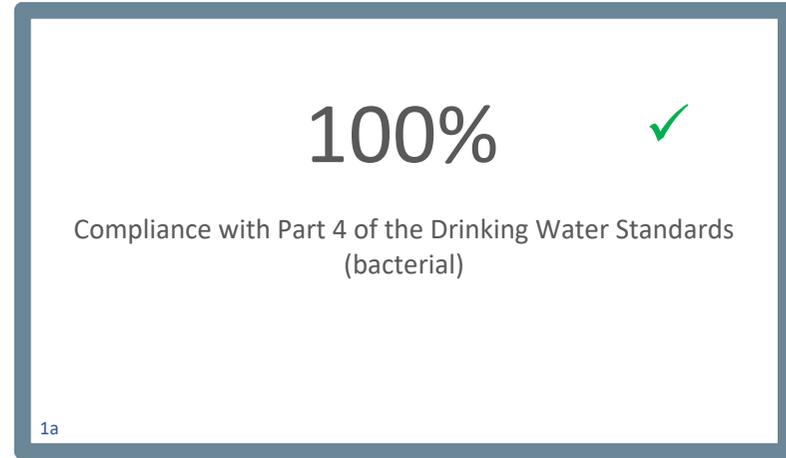
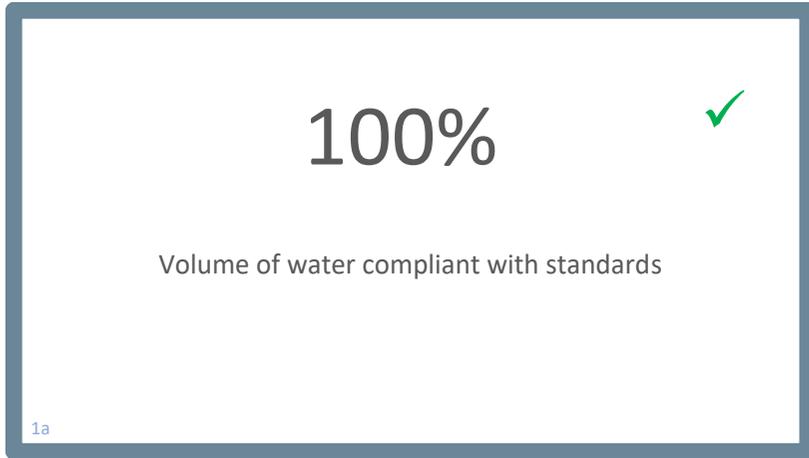
Attachment 1 – Performance against Statement of Intent measures

SOI Measures — Natural Environment



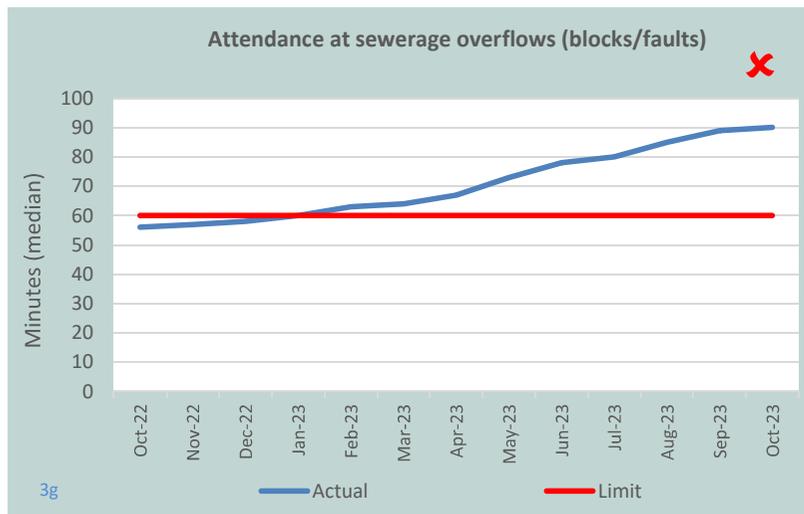
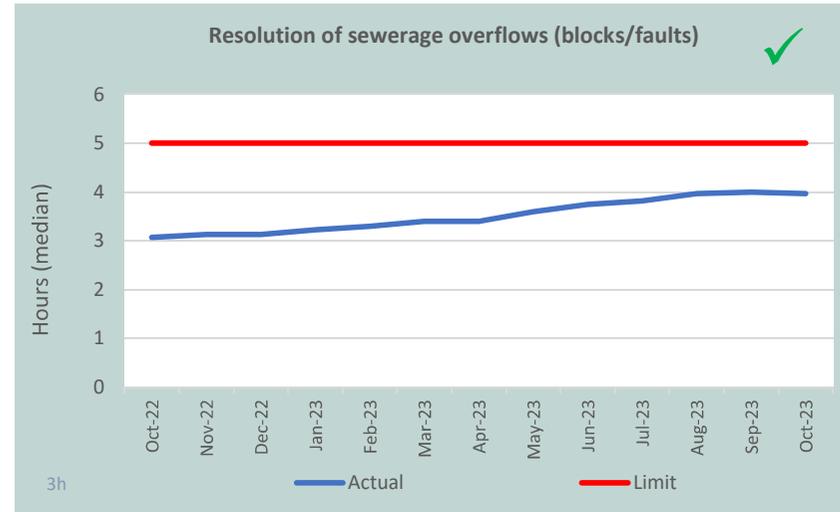
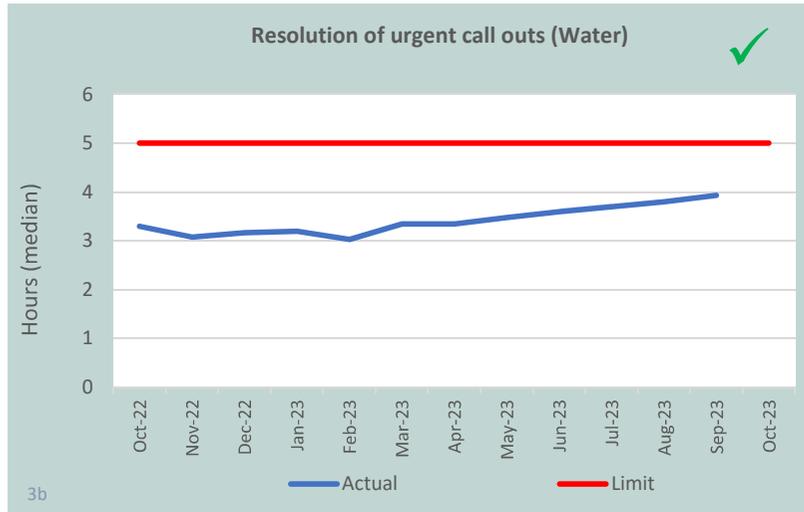
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SOI Measures — Assets and Infrastructure



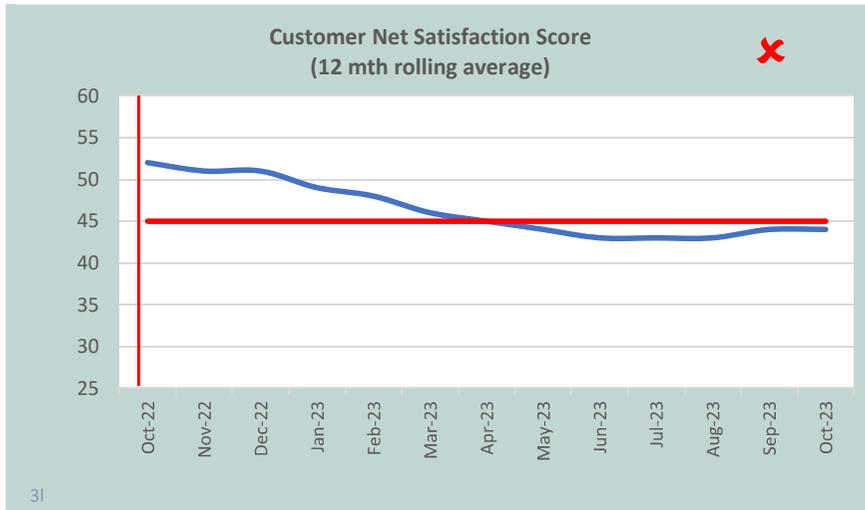
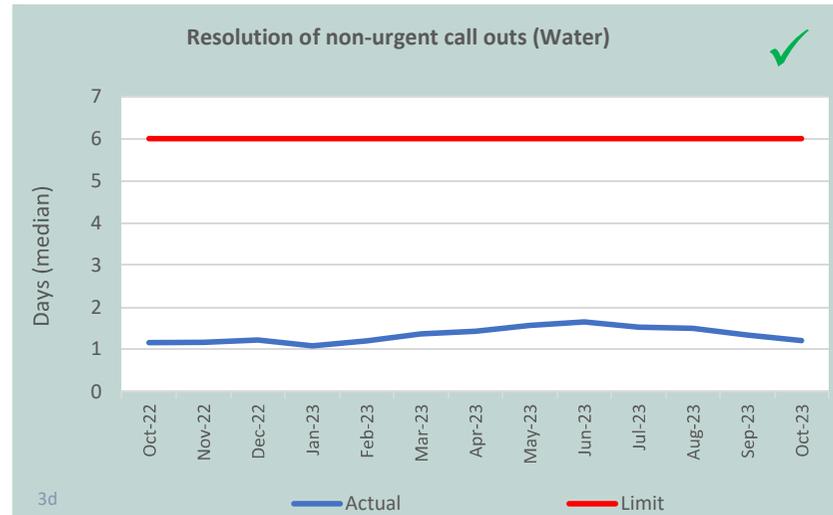
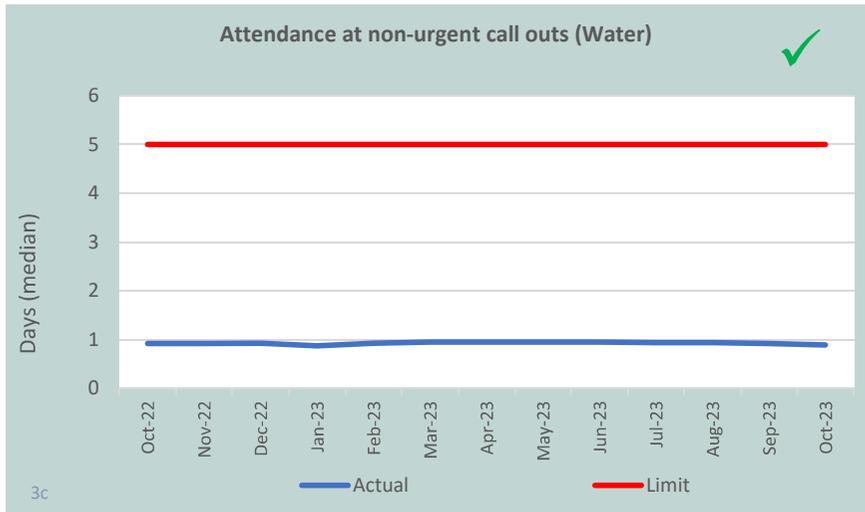
7.1

SOI Measures — Community and Stakeholder Relationships



7.1

SOI Measures — Community and Stakeholder Relationships



7.1

Watercare performance measures (unaudited)

No.	Measure	FY24 Target	Actual			Commentary
			October 2023	September 2023	August 2023	
1.	Total recordable injury frequency rate (TRIFR) per million hours worked (12-month rolling average).	<10	26.06	25.62	24.36	Watercare Board has agreed to obtain an independent external review of how we approach Health and Safety and our performance. We are also focusing on understanding the effectiveness of critical risk controls and have refreshed our HSW commitment.
2.	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents. <i>Note the assumption is that abatement notices received relates to new notices issued in the financial year.</i>	≤2 ≤2 ≤2 0	0 0 0 0	0 0 0 0	0 0 0 0	
3.	The average consumption of drinking water per day per resident within the territorial authority district (*litres plus/minus 2.5%) (12-month rolling average).	256 litres	242.30	242.2	242.4	
4.	The extent to which the local authority's drinking water supply complies with part 4 of the drinking water standards (bacteria compliance criteria).	100%	100%	100%	100%	
5.	The extent to which the local authority's drinking water supply complies with part	100%	100%	100%	100%	

No.	Measure	FY24 Target	Actual			Commentary
			October 2023	September 2023	August 2023	
	5 of the drinking water standards (protozoal compliance criteria).					
6.	Median response time for attendance for urgent water callouts: from the time that the local authority receives notification to the time that service personnel reach the site (minutes) (12-month rolling average)	≤ 60 mins	46	46	46	
7.	Median response time for resolution of urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (hours)(water, 12-month rolling average).	≤ 5 hours	4	3.9	3.9	
8.	Median response time for attendance for non-urgent water call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (days) (12-month rolling average).	≤ 5 days	0.89	0.92	0.94	
9.	Median response time for resolution of non-urgent water call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (days) (12-month rolling average).	≤ 6 days	1.21	1.34	1.50	
10.	The total number of complaints received by the local authority about any of the following: a) drinking water clarity	≤ 10	7.28	7.30	7.36	

No.	Measure	FY24 Target	Actual			Commentary
			October 2023	September 2023	August 2023	
	b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system (12-month rolling average).					
11.	Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance – from the time that the territorial authority receives notification to the time that service personnel reach the site (minutes) (12-month rolling average).	≤ 60 mins	90	89	85	The results for the measure were 80 in July, 85 in August and 89 in September and was above the target of equal to or less than 60. This is a reflection of the extreme wet weather over the past year. It is noted that the resolution of faults has been achieved within the KPI timeframe.
12.	Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution – from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (hours) 12-month rolling average.	≤ 5 hours	3.97	4	3.97	
13.	The total number of complaints received by the territorial authority about any of the following: a) sewerage odour b) sewerage system faults c) sewerage system blockages	≤ 50	23.37	23.53	23.47	

No.	Measure	FY24 Target	Actual			Commentary
			October 2023	September 2023	August 2023	
	d) Watercare's response to issues with its sewerage system expressed per 1000 connections to the territorial authority's sewerage system (12-month rolling average).					
14.	The percentage of real water loss from the territorial authority's networked reticulation system (12-month rolling average).	≤13%	11.23%	11.66%	11.73%	The water losses in this measure are calculated by deducting the volume of water sold and unbilled water usage (or non-revenue water) from the total volume of water produced.
15.	The number of dry-weather overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system (12-month rolling average).	≤ 5	0.91	0.74	0.82	
16.	Adherence to all of DIA's non-financial service performance measures.	100%	92.86%	92.86%	-	Out of 14 DIA measures, 13 measures were met, and one measure (item 11) was not met.
17.	Average number of wet weather overflows per engineered overflow point per discharge location (12-month rolling average).	≤ 2 overflows per year	1.50	1.60	1.61	
18.	Leakage performance – litres/connection/day (l/c/d).	107.9 l/c/d	107.29	111.44	112.32	Watercare has set an aspirational target for economic level of leakage (ELL) at 107.9 l/c/d. The ELL is the point at which the cost of producing water is equivalent to the cost of the efforts to keep leakage at those levels through a combination of leakage repairs, managing water pressure and renewal of watermains. The aim is to achieve an ELL at or close to the target.

No.	Measure	FY24 Target	Actual			Commentary
			October 2023	September 2023	August 2023	
19.	Deliver capital programme in line with the asset management plan baseline approved by the Board.	80% of projects are in service within approved time and 80% of projects are delivered within approved budget.	75% of projects (3 out of 4) were in service within approved time. 100% of the 3 projects that were in service within the approved time have been delivered within the approved budget*.	66% of projects (2 out of 3) were in service within approved time. 100% of the 2 projects that were in service within the approved time have been delivered within the approved budget*.	66% of projects (2 out of 3) were in service within approved time. 100% of the 2 projects that were in service within the approved time have been delivered within the approved budget*.	* We can only determine achievement to budget once projects are in service.
20.	Reactive maintenance spend v's proactive renewals spend.	Establish a methodology on how this should be measured to demonstrate resilience within the network.	Please refer to commentary	Not reported	Not reported	An update on our progress regarding the development of a methodology has been provided in the meeting pack.

No.	Measure	FY24 Target	Actual			Commentary
			October 2023	September 2023	August 2023	
21.	Controllable Cost target.	\$396m	YTD Actuals \$144.3m against the target of \$128.5m	YTD Actuals \$106.2m against the target of \$95.4m	YTD Actuals \$70.3m against the target of \$62.8m	Reform, Flood Management, Ōrākei Main Sewer Incident and additional work delivered on the Waikato District Council Contract have all contributed to the higher costs YTD. The Reform and WDC costs have been offset by increased Revenue. At time of budget it was anticipated that flood management costs will be recovered via insurance claim but this was removed as part of Q1 forecast. Costs on an ongoing basis are below budget YTD, a very good result.
22.	Debt to revenue ratio.	≤3.35	3.56	3.38	3.45	The Ōrākei Sewer Main break and delay in insurance revenue for the flood events have placed pressure on our cash position.
23.	Percentage of household expenditure on water supply services relative to average household income.	< 1.5%	0.81%	0.80%	0.89%	
24.	Ratio of procurement sourced through Māori owned businesses.	3%	1.87%	1.79%	1.70%	Direct 0.88% and Indirect 0.99%. Total Māori business spend for FY24 is \$7.34m. (\$3.45m Direct, \$3.89m Indirect). We have 102 active Māori suppliers out of a total of 1965 active suppliers (5.1% of active suppliers). October's direct spend of \$1.16m was the highest monthly spend since we started recording.
25.	Percentage of customer complaints resolved within ten days of notification.	≥95%	99.30%	99.30%	99.20%	
26.	Customer Net Satisfaction Score (Previously Net promoter score).	≥45	44	44	43	With time needed to recruit and train new staff, use of the chatbot and proactive notification enabled us to sustain levels of service despite extreme weather events and high vacancy rates. Maintaining our service levels in this environment has been a challenge.

No.	Measure	FY24 Target	Actual			Commentary
			October 2023	September 2023	August 2023	
27.	Community trust score.	≥55	61	61	60	
28.	<p>We will implement Mitigation measures in line with our emissions reduction targets scope 1 and 2) (Quarterly measure).</p> <p><i>Note: these targets exclude emissions from Puketutu island as our current measurement methodology does not provide enough accuracy for a performance target. Actions to directly monitor emissions from this source as well as reduce them are being delivered and future SOI's will include these numbers.</i></p>	<89,200 tonnes CO ₂ e	Q1/FY24 results: 21,992 tCO ₂ e	Q1/FY24 results: 21,992 tCO ₂ e	Quarterly measure	<p>We achieved FY23 target by 3,385 tCO₂e (4.3%).</p> <p>Achieving this year's target of 89,200 tCO₂e will be a challenge as consumption figures are up for natural gas, fuel use, WW process influent, and Puketutu disposal.</p>
29.	Adherence to the Service Level Agreement with Council (10 working days) for Watercare to provide specialist input into resource consents (3 months rolling average).	90%	92.79%	88.58%	84.26%	

Attachment 1.1**Methodology update for the Statement of Intent measure on 'Reactive maintenance spend v's proactive renewals spend'****1. Purpose**

The purpose of this report is to provide an update and discussion document for the Board on our progress regarding the development of a methodology for the Statement of Intent (SOI) measure on 'Reactive maintenance spend v's proactive renewal spend'.

2. Key points

- Our local network assets consist of ~9,166 km of water and ~8,176 km of wastewater pipelines. These pipelines were constructed over the course of a century, using various materials and construction methods that were typical of historic quality standards but do not consistently meet current performance expectations.
- Realisation of benefits associated with any proactive maintenance and renewals programme are not immediate. Given the longevity of our asset base, particularly in the water and wastewater networks space, operational cost efficiencies may not be realised for several years.
- To ensure Watercare has a robust approach to manage and monitor proactive renewals, and the future benefits realisation; this year, a new SOI measure was introduced as follows:

SOI measure	Source	30 June 2022 actual	30 June 2023 actual	Next three years target		
				30 June 2024	30 June 2025	30 June 2026
Reactive spend vs proactive maintenance spend (against budget)	Watercare	New measure	New measure	Establish a methodology on how this should be measured to demonstrate resilience within the network.	Introduce new SOI measure.	New SOI measure.

Table 1 – Statement of Intent – Renewals Focused SOI Objective.

3. Our network asset base

Age and materials are key renewals considerations. The highest proportion of our pipelines were built between 1960-1980, predominantly using classes of Asbestos Cement (AC) pipe, which has an expected life of ~ 50 to 80 years based on variables such as water pressure and soil corrosivity, among others. Historically, asset replacements have been relatively low as it has been assumed that new assets constructed in growth areas will improve our overall network integrity / performance over time. However, the focus on greenfield development means this is not necessarily the case.

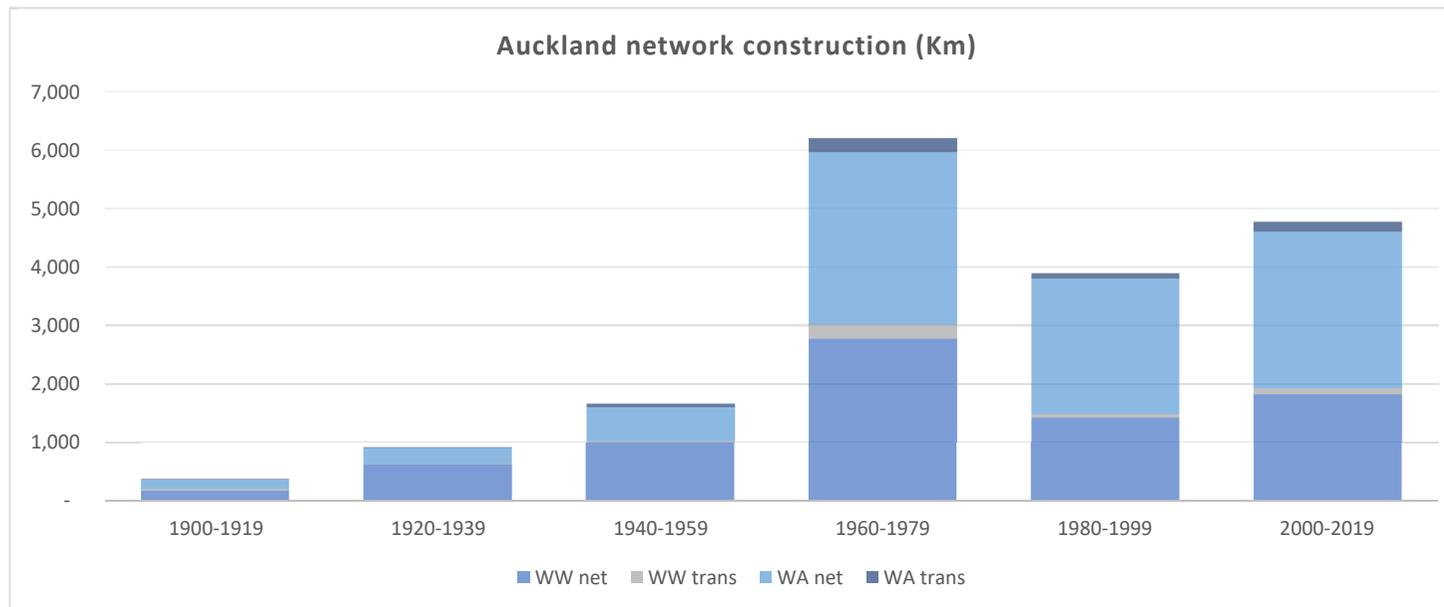


Figure 1 – Water (WA) and Wastewater (WW) network construction timeframes

Timely replacement of our assets is critical to ensuring that we can meet the expectations of our mana whenua partners, stakeholders, and communities, and to improve resilience to changing environmental and demand conditions.

Failures and unplanned maintenance are likely to escalate and lead to higher levels of leakage, sewer overflows, and peak wastewater treatment plant inflows, without increased spending on "suboptimal condition" assets.

Preliminary results from water local network condition modelling, for instance, shows that 63 km of pipes are in “poor” or “very poor” condition in accordance with international assessment guidelines. These categories suggest likely failure in the short to medium term.

The overall length of our local network is growing based primarily on development, and although some new upsized pipes will have replaced aged, smaller pipes, using weighted average asset age as an indicator masks the status of older, “at-risk” assets.

	Water	Wastewater
New network growth	0.9%	1.3%
Relining / proactive replacement of poor condition networks	0.24%	0.04%
Effective timeline	>400 years	>2000 years

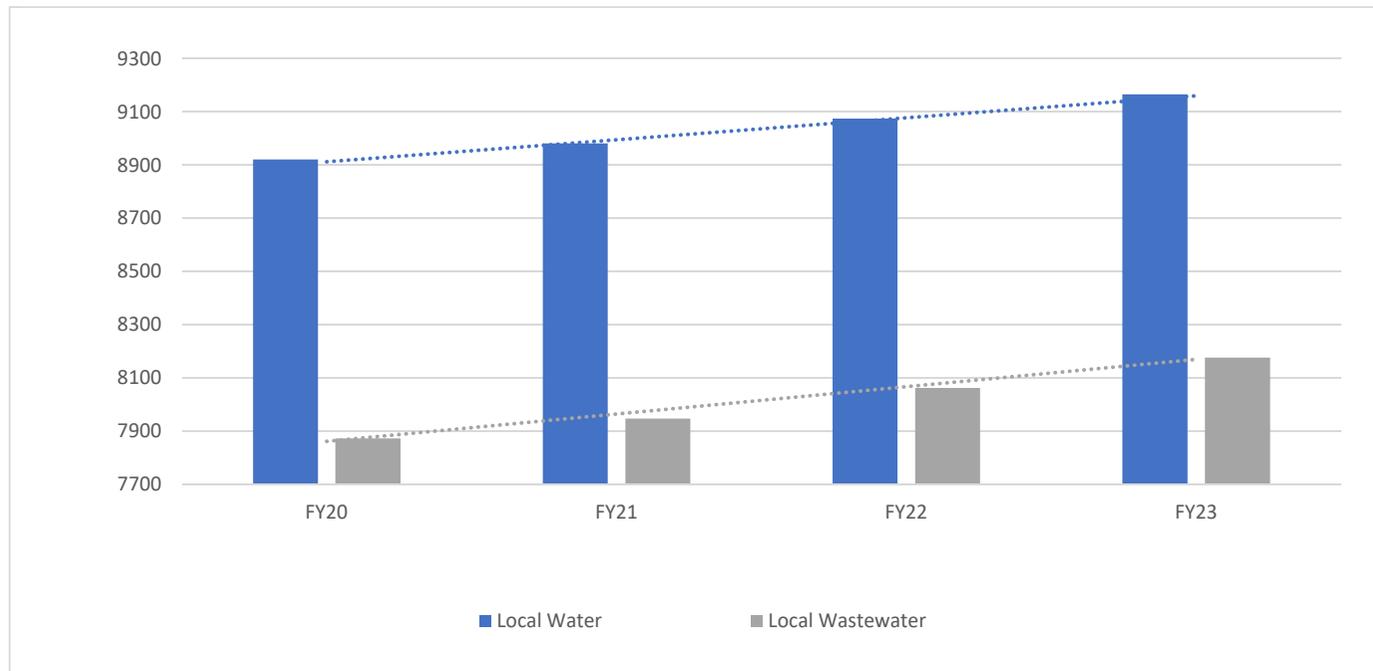


Figure 2 – Local water network length (kms) by year - asset base growth trajectory.

4. Current and future renewals profiles

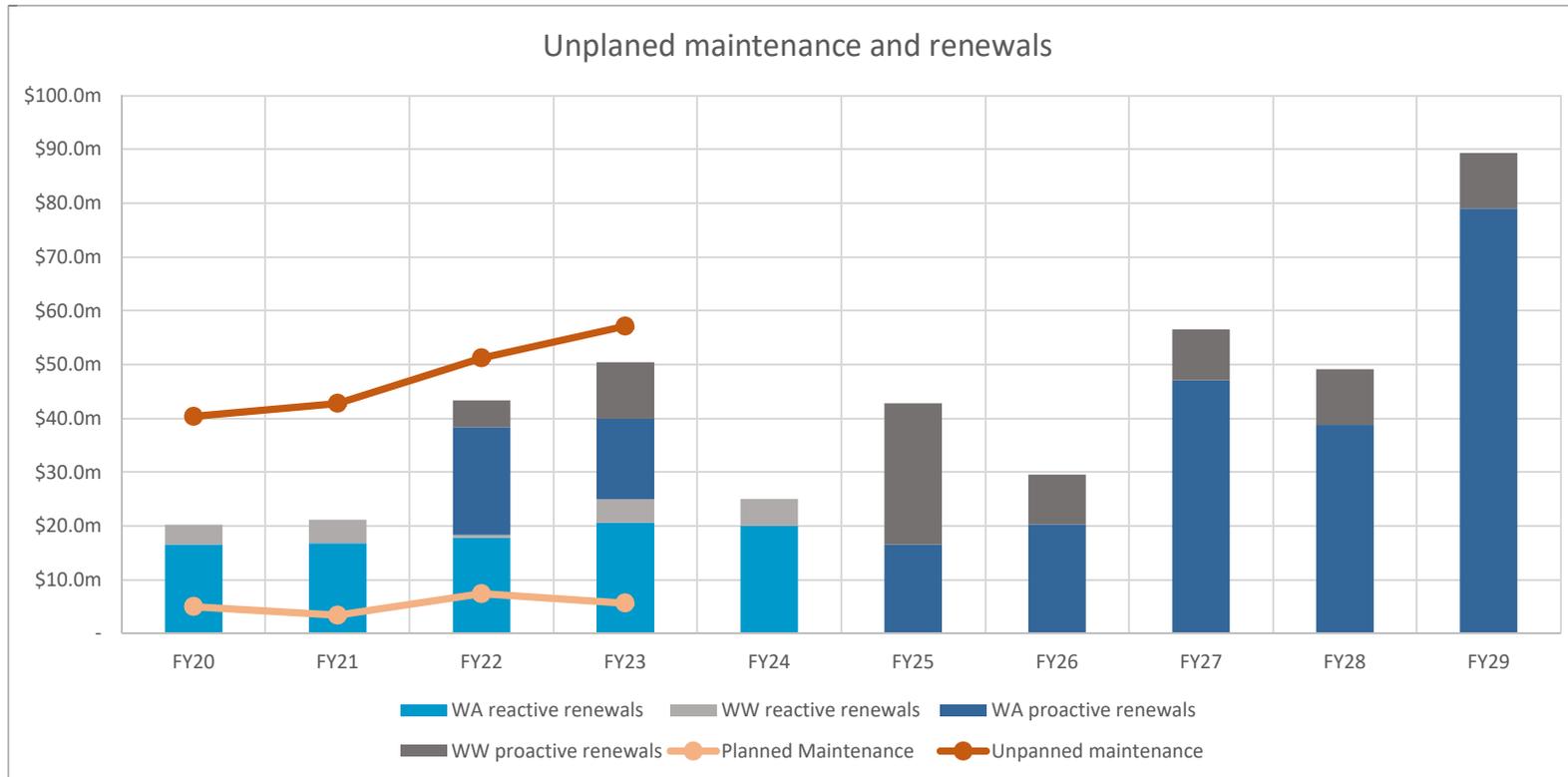


Figure 3 – Annual unplanned maintenance and renewals investment

The data presented in figure 3 shows that:

- Over the past two years, we have increased our delivery of proactive water and wastewater network renewals.
- Our planned maintenance spend has been relatively consistent over the past four years.

- Despite this recent uplift in proactive renewals investment and effort, we have seen an increase in unplanned maintenance and reactive renewals. Given the short timeframe presented here, the benefits of our ramp-up in proactive renewals effort will not be realised until sufficient quantities of these “poor” and “very poor” condition assets have been replaced.

5. Renewals performance metrics

Comprehensive modelling of condition and criticality is underway across local and transmission network assets (water and wastewater). This, combined with the next phase of development of our Asset Lifecycle Framework and Asset Management Maturity Programme – namely the development of an Impact Mapping process, will assist the development of a comprehensive proactive renewals methodology and decision framework.

It is expected that this methodology will require input from multiple parties including Watercare, maintenance and infrastructure delivery providers, and will also consider opportunistic approaches with key partners such as Kāinga Ora.

Several renewals efficacy methodologies are being reviewed and considered as indicated below. However, it is possible that a variation/different methodology may be implemented, given our review of international approaches, for instance - the methodology could comprise a combination of measures: B. and C.

	Methodology / Measure	Lead / lag	High-level Description/Intent	Benefits	Issues
A	Proactive spend vs reactive maintenance spend (against both budget and actual)	Lead indicator focussed on spend relative to “near term” failure likelihood	<ul style="list-style-type: none"> • Cost based analysis of spend on proactive renewals (opex and capex) as a ratio of maintenance spend. • A benchmark ratio would require assessment of international best practice. 	<ul style="list-style-type: none"> • Will assist in external conversations regarding the need and benefits for renewals programme delivery. • Data available in current financial system. • Industry-accepted generic metric • Could be anchored to 5-year rolling performance of assets in “near term” cohorts. 	<ul style="list-style-type: none"> • Inconsistent approaches internationally, difficult to establish a benchmark. • Legacy approaches and regional challenges are difficult to quantify. • Difficult to incorporate past investment deficits to determine efficacy. • Differentiator relies on “budget vs actual spend”.
B	Network performance per length of pipe.	Lag indicator	<ul style="list-style-type: none"> • Assesses instances of unplanned water network interruptions, wet (WWO), dry (DWO) weather overflows and Network Discharge Consent (NDC) relative to local network pipeline length. • In this case we might expect that failures/outages per km of pipe 	<ul style="list-style-type: none"> • More representative of asset integrity than “customer connection” approach. • Will assist in external conversations regarding the need and benefits for renewals programme delivery. 	<ul style="list-style-type: none"> • Inconsistent approaches internationally, difficult to establish a benchmark. • Difficult to track as a transitional measure due to anticipated “lag” in appreciating results.

	Methodology / Measure	Lead / lag	High-level Description/Intent	Benefits	Issues
			would be stable/reduce as a result of a successful proactive renewals programmes.	<ul style="list-style-type: none"> • Customer and community focused measure that could meaningfully be connected to the objectives and outcomes to be delivery in the AMP. 	<ul style="list-style-type: none"> • Data sets must be consolidated for this measure to be effective and accurate. • Can be complicated by issues in developer delivered networks.
C	Proactive spend vs reactive maintenance spend, scaled by quantity of "suboptimal condition" assets as denominator.	Lead indicator focussed on spend relative to "near term" failure likelihood.	<ul style="list-style-type: none"> • Cost based analysis of spend on proactive renewals (opex and capex). • Assets within low failure likelihood performance bands are removed (i.e. a notional ~15 year age threshold) • A benchmark ratio would require assessment of international best practice but could reflect legacy approaches and regional challenges. 	<ul style="list-style-type: none"> • Will assist in external conversations regarding the need and benefits for renewals programme delivery. • Data available in current financial system. • Removal of recently constructed assets assists with weighting toward aged, "suboptimal condition" asset cohorts. • Could be used with a complimentary lag indicator. 	<ul style="list-style-type: none"> • Locally specific, and dynamic as assets are replaced so difficult to establish a benchmark. • Difficult to connect to achievement of outcomes without a complimentary lag indicator.

Table 2 – Potential renewals efficacy measures for discussion and further consideration.

We have undertaken some initial work on Methodology B, assessing the number of network interruption per km of pipe. Our initial data output is summarised in figure 4. The data shown here indicates an upward trend across all measures per kilometre of pipe over a 6-year period.

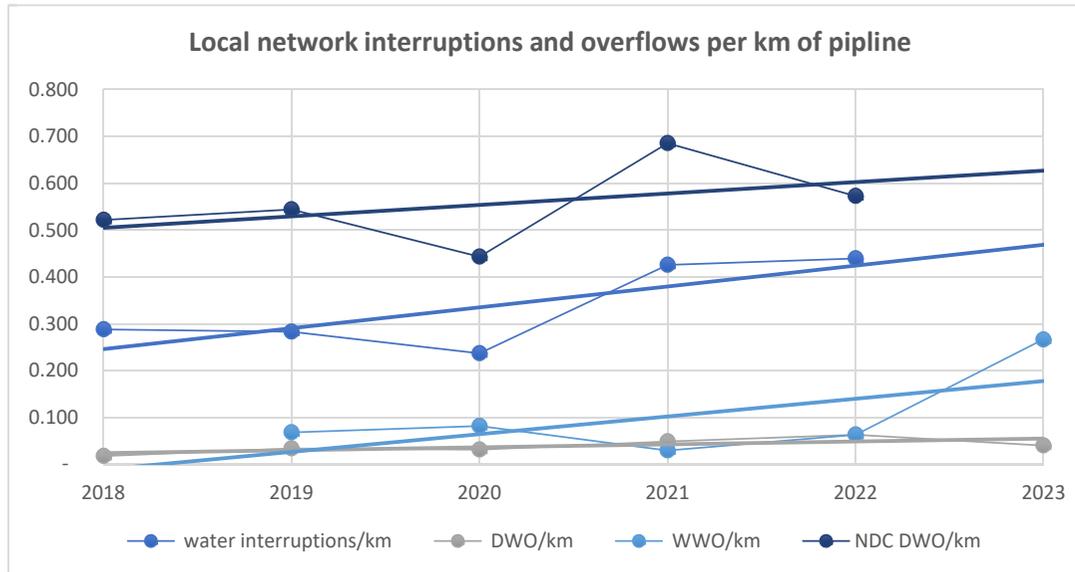


Figure 4 – Water and wastewater local network performance failure / km over 6 years

6. Next steps

Discussion with the Board and agreement on methodology to be adopted.

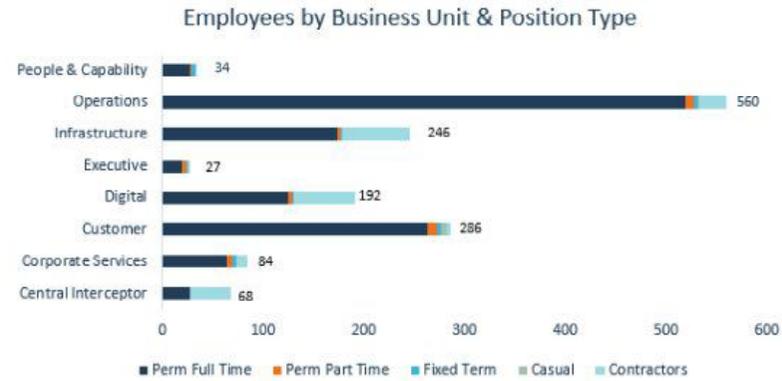
Attachment 2
PEOPLE DASHBOARD: October

Note: As of 1 July 2022, reporting has been changed to align with Finance mapping - people to cost centre, not group.

Workforce Snapshot



* Contractors and Directors are excluded from the headcount figures above. Long term leave and parental leave employees are included.



Active contractor information is based on data captured across both ServiceNow & PayGlobal.

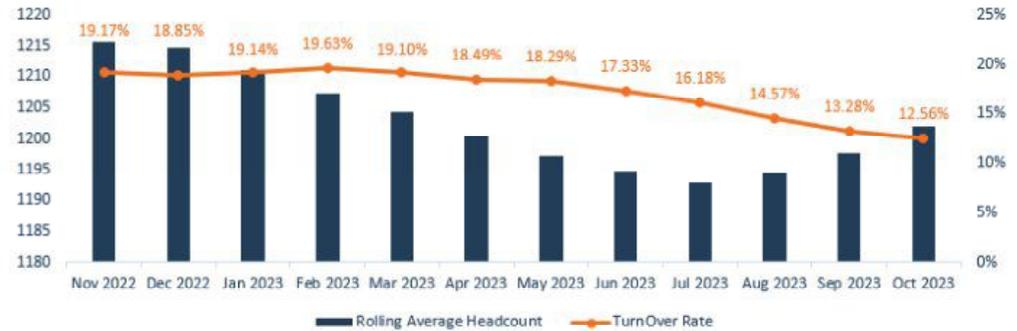
New Hires by Month



Workdays to hire (from job opening to hire date) averaged 44.91 days for the 32 hires in October (compared to 54.41 days for all hires over the last 12 months).

October hires by gender: M:17 (53.13%), F:15 (46.88%). In comparison to a 12-months view, there were M:53.63%, F:40.41% (5.18% unknown/ Gender Diverse).

Average 12 mos Rolling: Headcount V Voluntary Turnover(%)



This does not include anyone that has left for reasons other than resignation. Only Permanent employees (full time and part time) are included in the data.

7.2



Permanent full-time, permanent part-time, and fixed-term employees are included in this snapshot.

As of October 31, 2023, total annual leave has marginally improved to \$10.9 million and long service leave liability has continued to increase to \$2.9 million (compared to \$11.1 million and \$2.8 million in September).

The average leave liability per individual remains constant at 158 units, surpassing the objective of 120 units since December 2022.

In order to meet the intended baseline, HR Business Partners will collaborate with the Business Group to manage leave proactively and devise an action plan to reduce excessive accrued leaves.

7.2

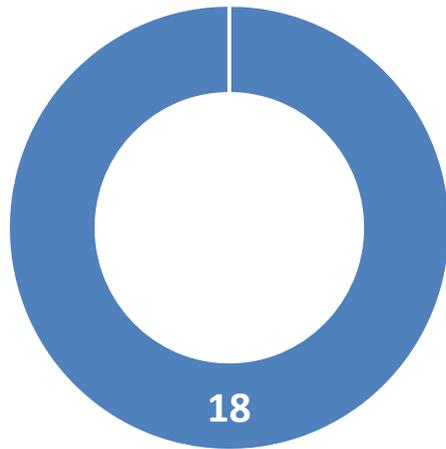


Attachment 3 – Water Quality Report October 2023

Water quality report – October 2023

Scorecard

Status of Drinking Water Safety Plans



■ All DWSPs are currently undergoing annual review.

Compliance Summary

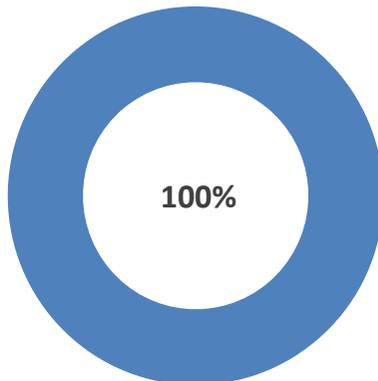
WTPs (17 total)

Microbiological	100%
Protozoal	100%
Chemical	100%
Cyanobacterial	100%
Radiological	100%

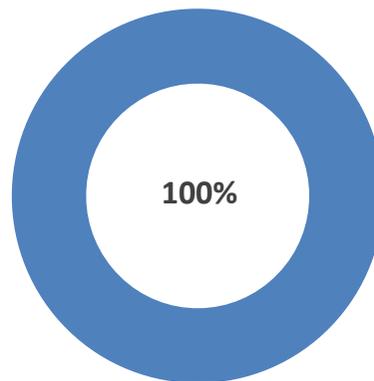
Distribution Zones (40 total)

Microbiological	100%
Chemical	100%

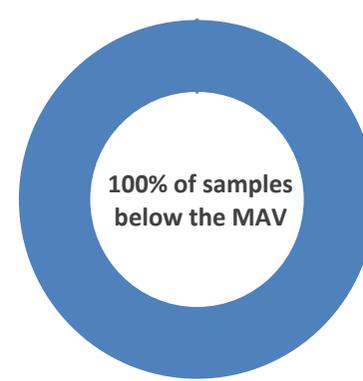
WTPs: Bacterial* Compliance



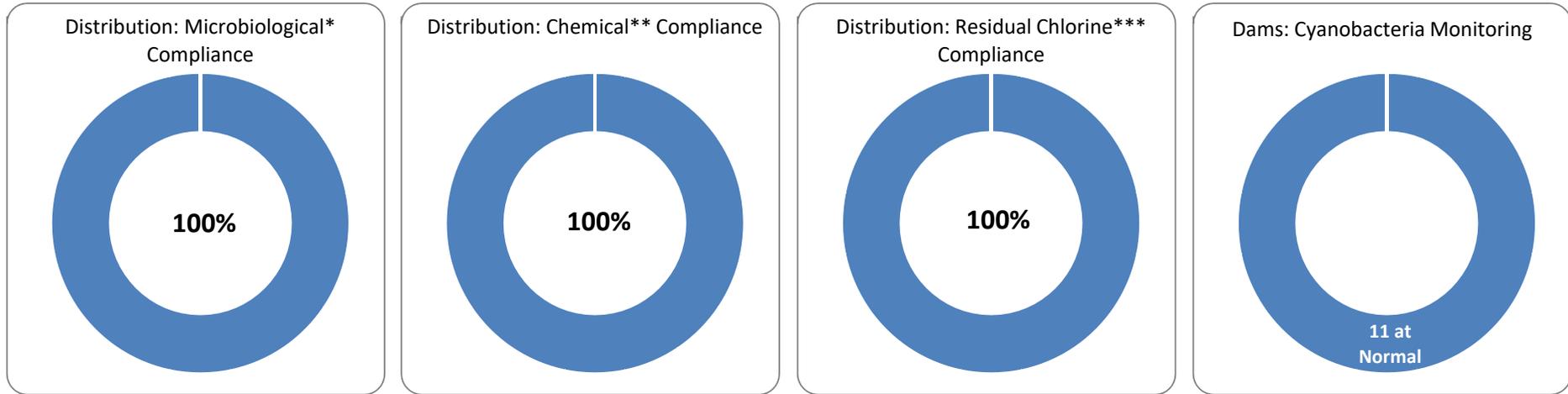
WTPs: Protozoal Compliance



WTPs: Chemical** Compliance



7.3



7.3

*At the WTPs bacterial compliance is assessed on continuous monitoring results. In the distribution network microbiological compliance is based on *E. coli* monitoring to indicate the probable presence of bacterial contamination of water supply.

** Chemical compliance: At the WTPs determinands associated with chemicals dosed during the treatment process are monitored. In the distribution network disinfection by-products (DBPs) are monitored in each zone, and chlorates monitored in four zones where chlorine booster stations are utilised as best practice monitoring.

*** Residual disinfection – 85% of free available chlorine samples in a month must be >0.20mg/L in each distribution network zone, with no results <0.1mg/L. Compliance was achieved in all zones in October.

Spotlight On: Legislation and Compliance

Formal compliance reporting to Taumata Arowai continues with reporting systems operational.

Microbiological and chemical compliance has been achieved for the month of October for all water treatment plants (WTPs) and distribution zones (DZs).

Residual disinfection compliance has also been fully achieved for all distribution zones.

Spotlight On: Drinking Water Safety Plan (DWSPs)

Watercare's Drinking Water Safety Plans are currently undergoing annual review.

Spotlight On: Backflow Prevention

Backflow testing has been completed as per targets set for the end October 2023. Backflow Surveys are progressing for 2023.

Spotlight On: Water Quality

Low Residual Chlorine (FAC) and elevated Disinfection By-products (Trihalomethanes (THMs)) Investigation – Region wide monitoring in-line with the new regulations confirms multiple zones with THMs results over 50% of the MAV, particularly over summer. Multiple zones also experience low FACs during the summer months. Operational improvements and capital investment will likely be required to address this. Networks Planning have engaged a consultant to complete hydraulic modelling. This will assess water age contributions to THMs formation and low FACs as a first options assessment. Modelling has commenced for the first two distribution zones. Networks wide Summer FAC and THMs strategy is now being implemented.

Investigations into Emerging Contaminants – Microplastics, PFAS, nematodes, nitrates, viruses– new research highlights new areas for investigation will be required. The Water Quality Science team is looking into global trends and learnings that Watercare should be aware of

Customer Complaints



Number of Water Quality Jobs



Actions Taken

Illness Complaints*: Network flush and field testing and provision of WQ compliance reports to customer
Main cause: Health issues unrelated to drinking water.

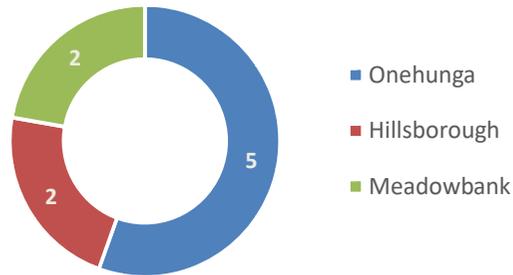
Tainted Water: Network flush and field testing
Main cause: Private plumbing issue causing chlorine odour.

Discoloured Water: Network flush
Main cause: Mineral and sediment build-up coming off pipes.

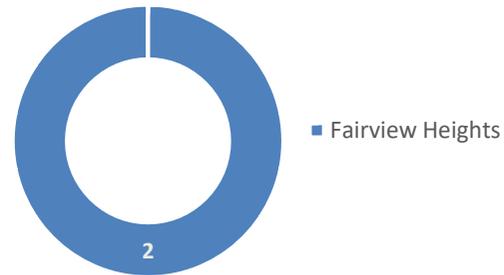
**Illness complaint – an illness complaint arises when a member of the public has an illness that they think is related to water quality. All such complaints are investigated and in all cases our drinking water has been found to be compliant. Persons with an illness complaint are always referred to their medical professional.*

Repeat Water Quality Complaints – May to October 2023

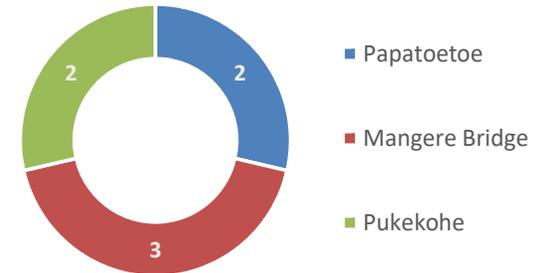
**Central Networks
Number of Repeat Complaints**



**North Networks
Number of Repeat Complaints**



**Southern Networks
Number of Repeat Complaints**



7.3

Actions Taken for Repeat Complaints*

Network flushing was done to address repeat complaints received from customers in the following areas:

Wallath Rd, Onehunga
 Frederick St, Hillsborough
 Attewell Rd, Pukekohe
 Puhinui Rd, Papatoetoe

Network flushing was done in the following areas, however private issues may be the cause of poor water quality:

Puroto St, Meadowbank – 2 dirty water complaints from 1 customer. Water from the hydrant was clear from the start and all throughout flushing. A neighbour confirmed that they were not experiencing issues with the water.
 MacKwell Rd, Fairview Heights - 2 dirty water complaints from 1 customer. Water from the hydrant was clear from the start and all throughout flushing. The customer continued to experience brown water coming out of their tap.

For escalation to FWEl:

Princes St, Onehunga – 3 discoloured water complaints within 6 months from a commercial customer. Flushing was done to resolve all 3 occurrences.
 Wallace Rd, Mangere Bridge – 3 discoloured water complaints within 6 months from 1 customer. Flushing was done to resolve all 3 occurrences.

Repeat Complaints Business Process Update:

Representatives from the Faults, Networks and WQ Science teams met to discuss criteria for escalation of FWQU complaints to FWEl. The Faults team have also committed to providing additional information on FWCI (illness) complaints as requested by WQ scientists.

*Repeat complaints – Complaints from 1 customer for the same WQ issue within the last 6 months.

Attachment 4

The grading Watercare applies in the detailed breakdown of full non-compliance is consistent with Auckland Council's criteria. The grading is below:

Rating	Detail
Category 1	Watercare has complied with the consent condition.
Category 2	Watercare has not complied with the consent condition. Watercare has assessed the non-compliance as technical or having no more than a minor adverse effect.
Category 3	Watercare has not complied with the consent condition. Watercare has assessed that non-compliance has the potential to result in minor adverse effects on the environment. Alternatively, since the last audit, there is evidence of repeat Category 2 non-compliance.
Category 4	Watercare has not complied with the consent condition. Watercare has assessed the non-compliance as having the potential to cause significant adverse effects on the environment. Alternatively, since the last audit, there is evidence of repeat Category 3 non-compliance.

Active resource consents in October 2023

370

Consents with non-compliances in October 2023

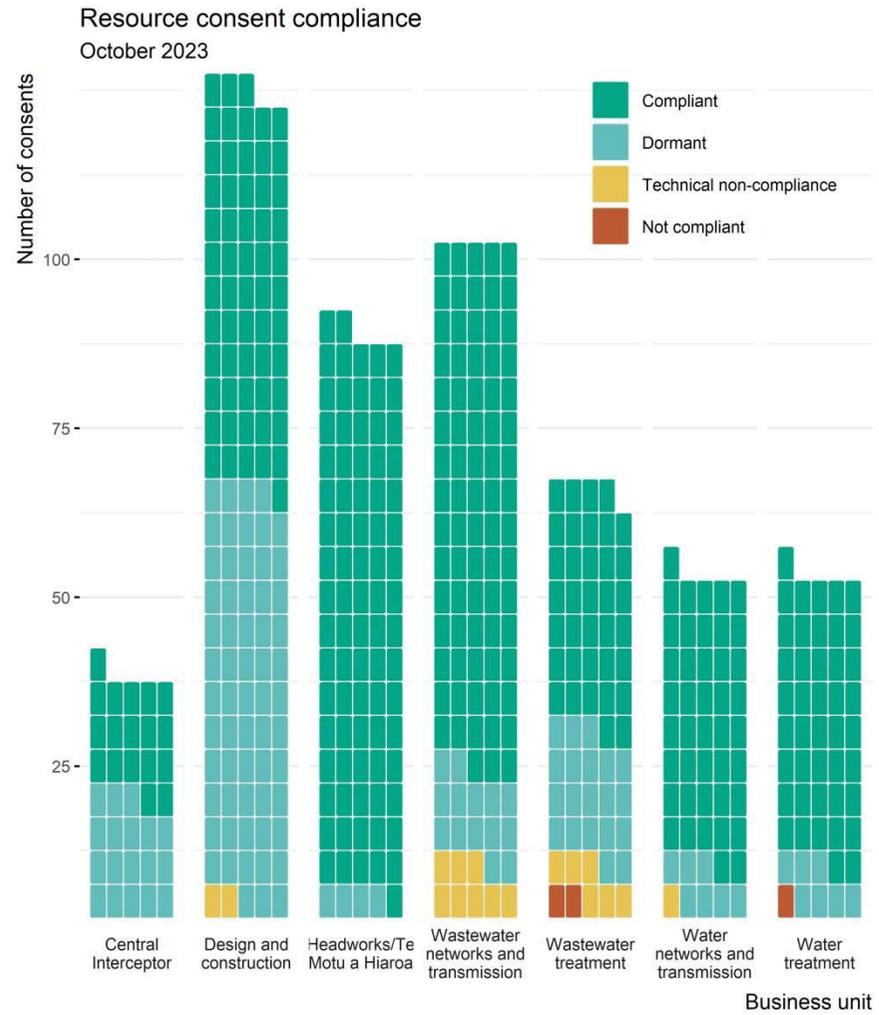
20

Rolling 6-month average (non-compliant consents)

23

Consents under enforcement in October 2023

0



7.4

Significant non-compliances for October 2023 (excludes technical non-compliances)

Facility/Asset	Consent	Condition(s)	Issue(s)	Actions and Commentary	Resolution	Significance
Huia WTP	DIS80297101	3	High total aluminium in stormwater discharge.	Sampling and historical consenting issue. Total aluminium is not a direct measure of ecotoxicity. Dissolved concentrations (potentially toxic) remain low.	On-going intermittent issue. Aluminium issue will not be resolved until construction of new Huia WTP and new discharge consent.	Minor (Grade 2): No evidence of environmental effects.
Kingseat WWTP	DIS60401948	18	High suspended solids and <i>E. coli</i> in discharge	High <i>E. coli</i> and suspended sediment in samples. Sample contamination possible cause.	Resolved. Sampling refresher training for relevant staff.	Minor (Grade 2): No evidence of environmental effects.
Warkworth WWTP	DIS603386349	8	High suspended solids in discharge	Ongoing issue. Plant is at process capacity and is currently due to be decommissioned once Snells-Algies upgrades completed. In the interim, solids carry over is an intermittent issue.	2025. Ultimate solution is the new Snells-Algies plant.	Minor (Grade 2-3) Data to date shows no environmental issues in receiving environment.

Attachment 5

Upcoming Bills, Government Reforms/Programmes/Policies, Council Plan Changes/Policy Initiatives	Potential implications on Watercare and any associated Watercare actions	Expected date of release/enactment/submissions due	What will Watercare be doing? Filing submissions? Providing Council feedback? Attending hearing?	Who will hold the pen?	Who in Watercare has been / needs to be involved?	High/Medium/Low impact?
<p>Urban Intensification (“Tier 1” Councils) – MfE National Policy Statement for Urban Development (NPS-UD), and Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021</p> <ul style="list-style-type: none"> Auckland Council is developing their Plan Change to give effect to these two initiatives. Watercare has been invited to contribute to the plan change. 	<p>Increased intensification without requiring a resource consent (as a permitted activity) puts Watercare at risk of breaching our existing level of service and network discharge consent conditions due to being unaware of where, and when, growth is occurring in advance. Watercare, AT and HW have been working with Auckland Council to develop Council's plan change.</p>	<p>Submissions to these intensification related plan changes closed at the end of September 2022.</p>	<p>Hearings have been delayed. Watercare is currently preparing its evidence. Expert conferencing and mediation also delayed.</p> <p>New government has also indicated that they will make “Medium Density Residential Standards” be optional for councils.</p>	<p>Infrastructure</p>	<p>Policy, Infrastructure, Ops, S&P</p>	<p>Medium</p>
<p>Affordable Water Reform Programme – DIA</p> <ul style="list-style-type: none"> Water Services Entities Act Water Services Legislation Act Water Services Economic Efficiency and Consumer Protection Act <p>Associated – Consultation on Taumata Arowai's - Second Tranche of Drinking Water and Wastewater Network Environmental Performance Measures.</p>	<p>Watercare developed submission points. Impacts are wide ranging. Note we have already submitted into previous Water Services related Bills with Auckland Council, namely, the bills that established the regulatory authority Taumata Arowai.</p> <p>Will impact Watercare's and Healthy Waters reporting requirements and operations.</p>		<p>The new government plans to “repeal Labour's three waters legislation”</p> <p>Awaiting further update from the new government.</p>	<p>Policy</p>	<p>All</p>	<p>High</p>

Upcoming Bills, Government Reforms/Programmes/Policies, Council Plan Changes/Policy Initiatives	Potential implications on Watercare and any associated Watercare actions	Expected date of release/enactment/submissions due	What will Watercare be doing? Filing submissions? Providing Council feedback? Attending hearing?	Who will hold the pen?	Who in Watercare has been / needs to be involved?	High/Medium/Low impact?
Emergency Management Bill	May impact Watercare's future planning work programmes, and emergency management actions	Submissions closed 3 November 2023.	Watercare contributed to Council's submission, which was filed on 3 November 2023. Unclear where this bill will go due to change of government.	Risk	Policy, Risk	Medium
Resource Management (RM) System Reform – MfE <ul style="list-style-type: none"> • Natural Built and Environments Act (NBA) • Strategic Planning Act (SPA) and • Climate Adaptation Act (Bill) (CAA) 	Potentially large implications for Watercare's planning, AMP, and resource consenting processes.	The NBA and SPA bills have now received Royal Assent. No CCA Bill introduction this term.	The new government plans to repeal this legislation and introduce a fast-track consenting regime. Awaiting further policy update from new government.	Policy	Policy, Infrastructure, Ops, S&P, Finance	High
National Policy Statement – for Freshwater Management (“NPS-FM”) Auckland Council's Plan Change process	Working through potential implications on Watercare.	Auckland Council's Discussion Document was released in November. Then Draft Plan Change will be released in mid-2024, then notified plan change December 2024	Watercare will provide feedback on the Council's discussion document. Feedback due by 8 December 2023. Note: the new government intends to replace the NPS-FM to “better reflect the interests of all water users”	Policy		

7.5

Upcoming Bills, Government Reforms/Programmes/Policies, Council Plan Changes/Policy Initiatives	Potential implications on Watercare and any associated Watercare actions	Expected date of release/enactment/submissions due	What will Watercare be doing? Filing submissions? Providing Council feedback? Attending hearing?	Who will hold the pen?	Who in Watercare has been / needs to be involved?	High/Medium/Low impact?
Essential Freshwater Package – (NPS-FM) - MfE Waikato Regional Council (WRC) – Freshwater Policy Review <ul style="list-style-type: none"> Waikato Regional Council has begun its Community & Stakeholders Engagement, Round 1 – mid 2022 Round 2 – mid-2023. 	Watercare will need to engage with Waikato Regional Council as this plan change to their Regional Policy Statement and Regional Plan is rolled out. This plan change is likely to have major implications in relation to water allocation methodology and how freshwater limits/standards will be set.	Waikato Regional Council intends to release their Discussion Document January 2024.	Watercare will review. Public consultation document not yet released.	Policy	Policy, Infrastructure, Ops, S&P, Finance	Medium to High
Essential Freshwater Package – (NPS-FM) - MfE Northland Regional Council (NRC) <ul style="list-style-type: none"> The Northland Regional Council has begun its engagement by setting up two advisory groups. 	Given the three-waters reforms, Watercare may have an interest in how NRC will review its Regional Policy Statement and Regional Plan to give effect to the NPS-FM.	Northland Regional Council released its Draft Plan Change in October 2023.	Consultation closes March 2024. Watercare will review but not likely to provide feedback, especially if water reform does not proceed.	Reform team.	TBC	Low
Waste System Reform - MfE <ul style="list-style-type: none"> New Aotearoa New Zealand Waste Strategy Consultation due early 2023 New waste related legislation is proposed (to replace Waste Minimisation Act 2008) – expected mid 2023. 	Implications of upcoming Strategy, and any resultant legislation, likely to impact Watercare's sludge, biosolids, construction waste disposal aspirations.	Submissions to draft Strategy were expected mid-2023. Any resultant bill submissions were likely to be in mid-2023. However, no updates.	Auckland Council Draft Waste Strategy consultation due December to March 2024.		Ops	Low
Marine and Coastal Area (Takutai Moana) Act 2011 (MACA)	Settlements are still working through the High Court. Settlements may have implications on Watercare's coastal assets, and wastewater treatment plant discharges. Will report any updates.	Currently active	Watercare contributed to Auckland Council submission.	TBC	TBC	Low - Medium

Attachment 6

7.6

Flood Recovery Working Group - Update

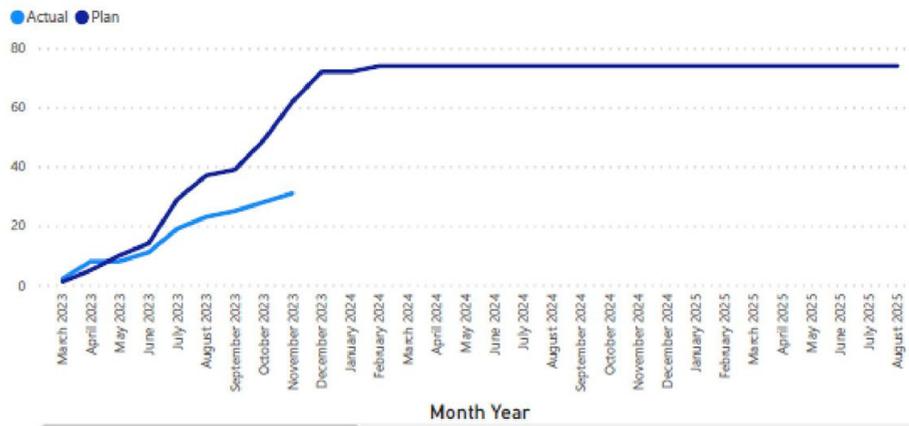
December 2023

Issue Identification & Project Delivery Status

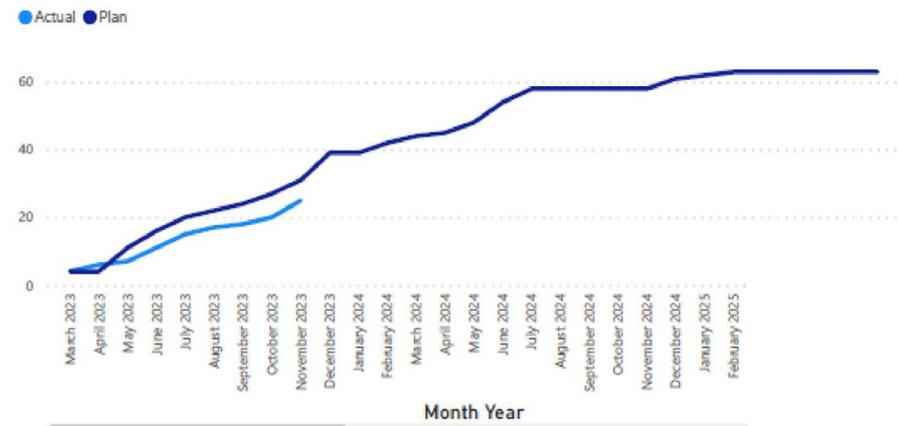
7.6

No. of Damage Reports	REPAIR STATUS				PROJECT STATUS				
	FLOOD RECOVERY WORKING GROUP (FRWG)								
	with FRWG	Permanent Repairs	Temporary Repairs	Bypass Pumping	Initial Site Investigation	Design	Delivery	Complete/Closed	Waiting on Others
181 Last Month: 181 (+0%)	109 Last Month: 101 (+8 +7.92%)	13 Last Month: 5 (+8)	35 Last Month: 31 (+4)	4 Last Month: 4 (+0 +0%)	30 Last Month: 32 (-2)	37 Last Month: 37 (+0)	18 Last Month: 20 (-2)	43 Last Month: 38 (+5)	10 Last Month: 10 (+0)
	94 Sites with Damage								

Design Completed



Delivery Complete



Financial update

7.6

- Programmes of work developed based on asset type
- Programme business cases developed
- Construction procured and delivered on programme basis

CAPEX BUDGET		
Approved Capex	Awaiting Approval	Total Planned Capex
\$23.32M	\$26.46M	\$59.93M
Last Month: \$10.86M (+\$12.47M +114.83%)	Last Month: 14.33M (+\$12.13M +84.67%)	Last Month: 48.25M (+\$11.68M +24.21%)

Business Cases - Approved

Bundle Name	LN Project Number	BC Description	Approved Capex	LTD	Commitments	Forecast Total	Forecast FY24	Forecast FY25
Flood Recovery Programme	SS0001212		\$5,810,000	\$3,765,561	\$2,809,316	\$25,375,561	\$12,048,130	\$11,460,000
Headworks	WA0001675	T&T Design	\$470,600	\$240,732	\$551,542	\$461,212	\$400,768	
	WA0001676	Quinns Bridge Stage 2	\$1,287,262	\$656,224	\$277,201			
Muriwai WTP	WA0001687		\$830,000	\$870,504	\$342,086	\$1,095,504	\$1,095,504	
Networks 1	WW0001715		\$7,257,537		\$250,000	\$6,000,000	\$6,000,000	
Networks 2	WA0001722		\$650,000		\$0			
Pipe Bridges	WA0001674		\$5,630,000	\$381,109	\$1,262,111	\$3,781,109	\$3,596,109	
Transmission Pipe Bridges	WW0001716	Unsworth	\$1,385,624	\$972,200	\$149,800	\$1,185,450	\$1,185,450	
Total			\$23,321,023	\$6,886,330	\$5,642,057	\$38,555,060	\$24,878,948	\$11,460,000

Business Cases - Awaiting Approval

Bundle Name	BC Description	Planned Capex Value
Headworks	Quinns Bridge Stage 3	\$1,686,000
	Stage 2 - Seavers Slip	\$1,172,000
Networks 2		\$7,600,000
Pukekohe WTP		\$2,850,000
Pump Station Electrical		\$6,950,000
Transmission Pipe Bridges	Akoranga	\$6,200,000
Total		\$26,458,000

Business Cases - Planned

Bundle Name	BC Description	Planned Capex Value
Headworks	Smiths Culvert	\$600,000
	Stage 2 - Tunnel 29	\$750,000
	Upper Hula 2 & 2a	\$600,000
Judges Bay		\$3,000,000
Kia Ora		\$1,000,000
Networks 3		\$4,200,000
Total		\$10,150,000



Insurance update

7.6

Insurance update

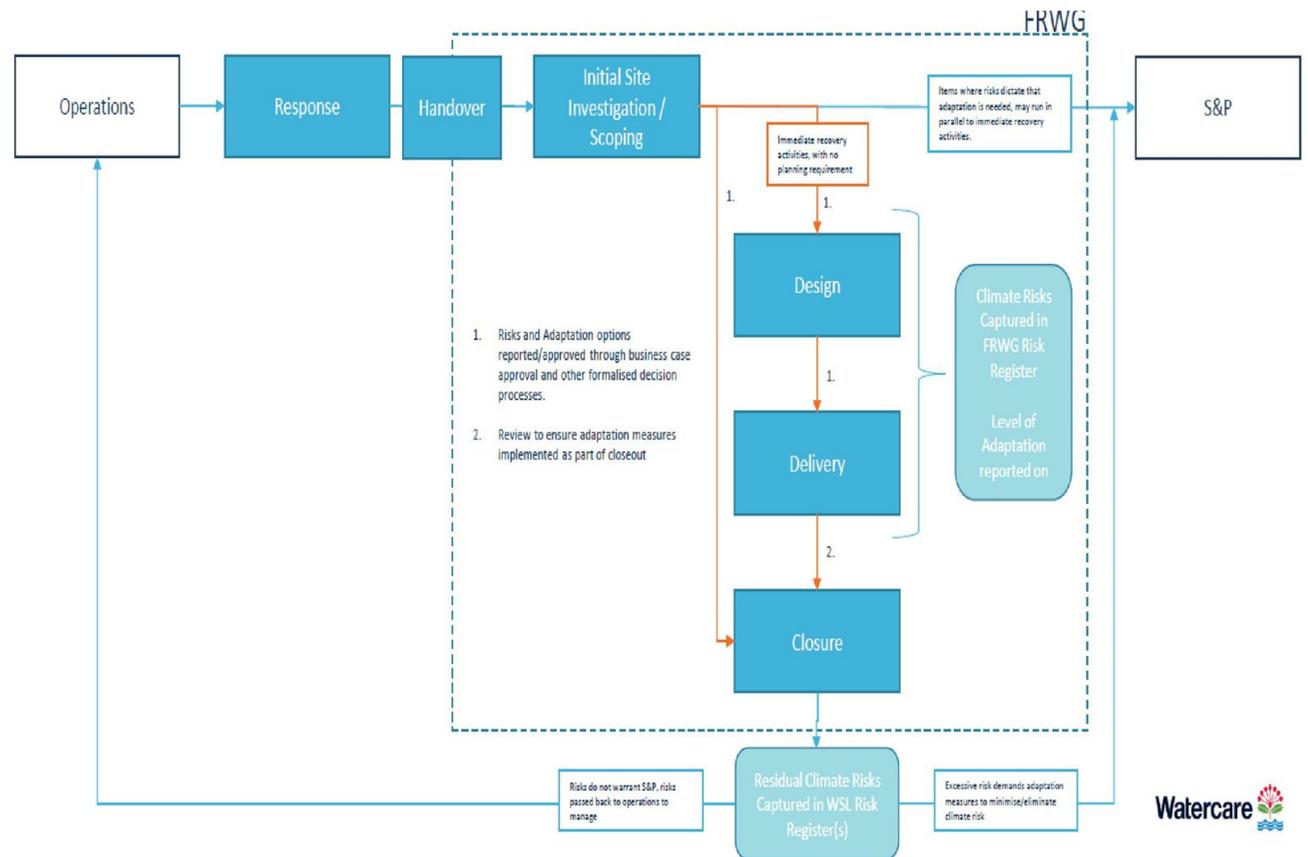
Dedicated team set up to work with AON to progress our claim. Loss adjusters and AON performing sites visits of all sites deemed to be of a high value. Actual costs continue to be collated and provided to AON to support the estimated value of the claim and progress our initial claim submission.

Expert support has been secured to assist with pulling the claim together. These experts have significant experience in claim preparation from both the Christchurch and Kaikoura earthquakes.

We are working with council to identify other sources of funding, NIWE (North Island Weather Events) and resilience funding opportunities from Central Government. Costs over \$50m can be considered, with a 60% recovery value

Climate Adaptation

- All repairs continue to go through the adaptation framework process
- Adaptation improvements recorded in flood database
- Feedback loop developed for recognising and logging impacts and improvements to help inform future decisions



7.6



Patai?

Attachment 7



27 November 2023

Mark Gasson

Via email: [REDACTED]

Tena koe Mark

Watercare Services Limited

73 Remuera Road, Remuera,
Auckland 1050, New Zealand

Private Bag 92521, Victoria Street West,
Auckland 1142, New Zealand

Telephone +64 9 442 2222

www.watercare.co.nz

7.7

Response to your presentation made to Watercare's Board meeting of 7 November 2023

Thank you for the presentation you made to our Board on 7 November 2023.

We appreciate the time you have spent researching greenhouse gas reduction opportunities, and synergies that could be explored with neighbours to Watercare's Waiuku Wastewater Treatment Plant (**WWTP**).

As you know, Watercare recently lodged a Notice of Requirement (NoR) with Auckland Council, locating the new Southwest WWTP at Glenbrook Beach. The reasons why we chose this site, over the Waiuku WWTP site, are set out in detail in the NoR.

The public had until midnight 13 November 2023 to make a submission on the NoR. I am advised that we received many submissions (over 200), including three from you, and that the matter will now go to a hearing to be held before Commissioners.

As this regulatory process is underway and as you are aware Watercare has confirmed its preferred location for the Southwest WWTP. We await the outcome of the NoR process. I know this may not be the response you were hoping to receive. However, rest assured, we were interested in your ideas on new and innovative ways to do things, including how we could reduce GHG emissions and how we might work with third parties to explore recycled wastewater opportunities. Indeed, Watercare is on a journey towards direct purified recycled water (see [here](#)), and as part of that journey, we are already recycling some wastewater flows at Māngere WWTP for use in the construction of the Central Interceptor, and at Rosedale WWTP we are also exploring ways to reuse wastewater flows for our neighbours who could use non-potable recycled water (e.g. sport fields etc.).

I appreciate the effort you have made here and the ideas you have proposed to reduce or reuse waste from our WWTPs. Auckland is a growing city, and we will be upgrading and building new WWTPs regularly in the future. I have asked Management (including managers from planning, infrastructure, sustainability and innovation) to keep the lines of communication open with you as we continue our decarbonisation journey.

Thank you again for your interest in Watercare and for challenging us to be "better tomorrow than we are today".

If you have any further questions or feedback for the Board, please do not hesitate to get in touch.

Ngā mihi nui,

A handwritten signature in black ink, appearing to read "Margaret Devlin".

Margaret Devlin

Chair, Watercare Services Limited

Attachment 8



28 November 2023

Mr Paul James
Chief Executive
Department of Internal Affairs
PO Box 805
Wellington 6140

Watercare Services Limited
73 Remuera Road, Remuera,
Auckland 1050, New Zealand
Private Bag 92521, Victoria Street West,
Auckland 1142, New Zealand
Telephone +64 9 442 2222
www.watercare.co.nz

7.8

Via email: DraftInitialAMPandFPP@dia.govt.nz

Dear Mr James

Subject: Consultation Feedback on Proposed Funding and Pricing Plan and Asset Management Plan

I am writing on behalf of Watercare to provide feedback and to convey our reservations and critical assessment of the proposed Funding and Pricing Plan (FPP) and Asset Management Plan (AMP) for Wai Tāmaki ki Te Hiku. We appreciate the opportunity to engage in this process given the importance of these plans in setting up the new entity for success.

While there are elements in the plans that we support, our overall position is that the FPP and AMP as drafted, do not provide the new organisation with a credible plan that reflects the reality of delivering a large infrastructure programme and achieving necessary outcomes for the communities of Auckland and Northland.

Areas of Support

The following outlines aspects of the financial strategy that we can support and/or aligned to our values.

Balance Sheet Expansion and Credit Rating:

- We support the direction of expanding the Balance Sheet to achieve a ratio of funds from operations to a net debt target of 7% to 9. This approach aligns well with industry standards for a water utility.

"Spend to Save" Initiatives:

- Endorsing a budget of \$400 million over ten years for "spend to save" initiatives is appropriate. We believe these initiatives are crucial for delivering long-term efficiency and sustainability.

EBITDA to Interest Costs Ratio:

- We support maintaining the EBITDA to interest costs ratio at not less than 2, ensuring financial stability and resilience.

Affordability and Transparency:

- The commitment to affordability for customers and transparency in the financial strategy is commendable and aligns with our values.

Revenue Balance Shift and Tariff Harmonisation:

- We agree with the proposal to shift the revenue balance between growth charges and customer charges over time and harmonise tariff structures. This ensures fairness and efficiency in the funding model.

Profit Reinvestment:

- We support the principle that any profits must be reinvested back into the entity to enhance operating water services infrastructure and delivery.

Alignment with Auckland's Water Strategy and Prioritisation Framework:

- We note that the Outcomes and Objectives in the AMP align with Auckland Council's Water Strategy and the prioritisation framework. This is consistent with Watercare's current framework and we believe important.

Areas of Concern and Disagreement

While there are positive elements in the draft documents, we believe there are fundamental issues that will need to be addressed before the plans can be considered feasible and appropriate for the new entity to adopt.

Capital Works Forecasts:

- The project forecasts in the AMP have now been superseded, these will need to be updated with our most current forecasts before the plan is finalised. Both the timelines and cost estimates for many projects have changed significantly.

Water Infrastructure Contributions:

- While acknowledging the necessity of changes in this area, we request more detailed information on proposed charges and the glide path for these charges. Clarity is essential for developers, including Kāinga Ora, to incorporate these costs into their financing plans.

The Compliance Gap:

- The gap between the current state and compliance with drinking water standards and resource consents reported in the AMP is understated. This is because the analysis only looked at the regulators' compliance reporting and did not review the recommendations of drinking water safety plans or conditions of discharge consents. The urgency and cost of meeting new compliance requirements is likely to be higher than forecast.

Assumed Level of Efficiency:

- The assumption that efficiencies will begin in year 1 and reach nearly 40% over ten years is not only unrealistic but raises serious questions about the feasibility of the entire plan. We challenge the lack of detail on how these efficiencies can be realistically achieved and the absence of a contingency plan for potential disruptions during the implementation phase.
- Assuming that efficiency equivalent to the United Kingdom is achievable in New Zealand from the introduction of economic regulation is flawed. The key reasons for this are:
 - The reform of the United Kingdom water sector from the 1980s to early 2000s coincided with advances in technology that enabled automation of many treatment plant processes. All treatment plants in Auckland are already highly automated, so this step change in efficiency is already achieved.
 - The reform of United Kingdom water sector benefited from scale and proximity to Europe and unrestricted flows of labour and materials. Their water utilities have significant buying power with multiple European suppliers. New Zealand's isolation and relatively small market share mean we cannot achieve the same levels of procurement savings.

- Cities in the United Kingdom have greater housing densities than New Zealand. New Zealand's sprawling cities require more kilometres of pipeline and pump stations per connection. This skews the comparisons of costs per connection that the benchmarking with the UK relies upon.

The consequences of not being able to achieve the level of efficiency assumed will result in the need to defer significant and critical projects currently forecast in the AMP.

We urge a more realistic assessment of achievable efficiencies, based on comparison to the economically regulated Australian Water Utilities and bottom-up efficiency estimates from specific initiatives, such as standardisation and service rationalisation.

7.8

Engagement with Mana Whenua, Iwi and Hapu:

Mana Whenua have expressed their concerns to us about the level of engagement and support they have received about these plans. We urge more time and effort be given to help Mana Whenua, Iwi and Hapu understand the plans and gain their perspectives. The successful delivery of any water project requires early engagement and genuine partnership.

We appreciate your attention to these concerns and look forward to further discussions to ensure a credible Funding and Pricing Plan and deliverable Asset Management Plan. Thank you for the opportunity to provide our feedback on this critical matter.

Yours sincerely



Dave Chambers
Chief Executive

c.c. Heather Shotter – Executive Director–National Transition Unit, Water Services Reform Programme

Board meeting | 12 December 2023
Public session



Health, safety, and wellbeing update

For discussion

Te pou whenua tuhinga / Document ownership

Prepared by

Paula Luijken

Acting Head of Health, Safety and Wellbeing

Submitted by

Dave Chambers

Chief Executive

1. Te tūhunga / Recommendation

We recommend that the Board notes and discusses this report.

2. Whāinga / Purpose

This report provides a comprehensive overview of health, safety, and wellbeing at Watercare.

3. Kōrero pitopito / The details

3.1 HSW metrics – October 2023

Incident metrics are split between Watercare and contractors.

Metric	October 2023	October 2022	YTD 2023	YTD 2022
Total recordable frequency rate	26.06	17.56	-	-
Total recordable injuries	3	5	57	51
Lost Time Injuries	1	2	17	16
Restricted Duties Injury	0	0	7	7
Medical treatment	2	3	33	28
Total Days lost	1	4	372.7 Total (278 LTI and 94.7 RDI)	780 Total (196 LTI and 584 RDI)
Average Days of incapacity per injury (RDI and LTI)	1	2	15.5	32.5

Metric	October 2023	October 2022	YTD 2023	YTD 2022
Notifiable incidents	0	0	1	0
Critical risk/All incidents	5/34	17/45	61/378	123/604
High potential critical events	0	0	1	0

* Prior to March 2023, a combined Watercare/Contractor number was reported.

While our number of incidents is higher than 2022, the number of days off incapacity per injury has reduced significantly.

1 X lost time injury

- One day lost/Antibiotics prescribed: Spider bite on foot which caused infection. Fumigation options investigated (operations).

2 x medical treatment injuries

- Prescribed cream to prevent infection: Oxalic acid powder got into eye while breaking up clumps. The Standard Operating Procedure has been updated. People reminded about safety glasses and the amount of powder ordered reduced to prevent clumping (operations).
- Physio: Kaimahi was hand digging and felt pain in forearm and shoulder (operations).

Critical Risk Events

4x driving

- 2 incidents of Watercare Drivers rear ending other cars (members of the public)
- Member of the public riding a bike, pulled out from passing lane in front of Watercare vehicle, and was then aggressive towards Watercare driver.
- Member of the public rear ended Watercare vehicle at a set of traffic lights.

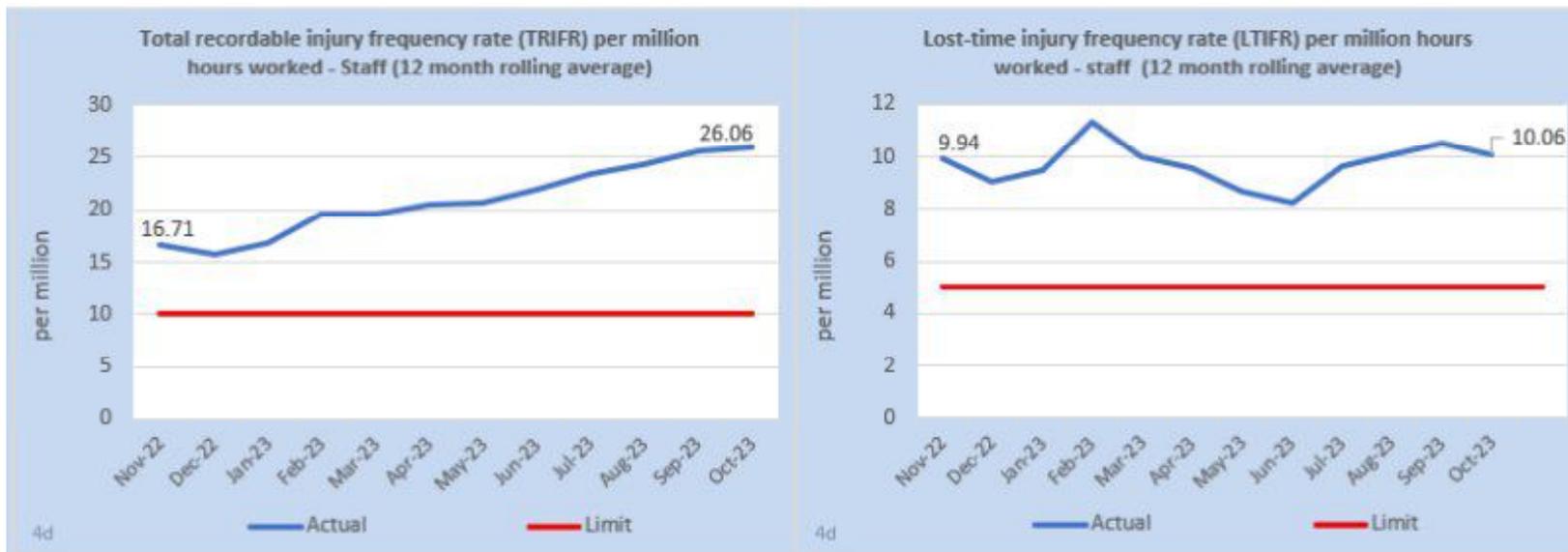
1x excavation

- Kaimahi completed excavation work without authorisation. This has been raised with management and "lessons learned" completed with actions to prevent this from occurring again (MSN).

1x violence and aggression

- Aggressive customer came into Reception, shouting and swearing and hit protective screen several times. Upgrades to reception area are being investigated.

3.1.1 LTIFR / TRIFR measures



A review has been scoped to deep dive into our injury data to look for any trends. This will audit the accuracy of reporting to ensure that events and hours are captured and calculated correctly and consistently, endeavouring to be completed prior to Christmas.

The HSW culture review is due to start in November, with the executive team and other members of the organisation being interviewed. Site visits are booked for early December and a report is expected before the end of the year.

Lead Indicators – Executive HSW KPIs

KPI	Description	Target	August 2023	September 2023	October 2023	Commentary
HSW Climate	The team targets a HSW climate rating of $\geq 8/10$ in each six-monthly Watercare climate survey.	> 8	-	-	-	This survey is done every six months. Next survey is in November.
Open iCare cases	95% of iCare cases are closed with appropriate and effective actions within 30 days of having been raised	< 5%	555 12.96%	241 (5.59%)	305 (7.05%)	This number is the % of open cases raised in the last 12 months, that are currently open, and have been open over 30 days.
Leadership walks	All leaders in the business are to complete leadership engagement walks as per schedule determined by their business unit leadership team	By business unit	-	-	96%	Business units have their own targets. There has been a big increase in leadership walks in October, with all units now having set targets and working towards them.
Reward & Recognition	Each business unit has a Reward and Recognition programme which is reported on at the monthly performance hui as part of monthly HSW performance for peer review.	By business unit	-	-	-	This is done via the reward and recognition app.
Training - Induction	All kaimahi complete and maintain a current online Watercare HSW Induction within two months of starting with Watercare.	100% of kaimahi	70.70%	74.37%	75.51%	Catching up as this induction was made mandatory in July 2023.
Training – Safety Leadership in Action	All people leaders complete training in leadership engagement interactions	100% of leaders	18.9%	18.9%	22.76%	This training is held monthly – aim is for 10% increase each month Nov – June.
Permit audits per site	Every month, a minimum of one permit audit is conducted per project/plant	One per site	15	20	20	To confirm which sites, require a permit audit (e.g., staffed vs unstaffed)

3.1.2 Contractor incidents

Metric	October 2023	October 2022	YTD 2023	YTD 2022
Total recordable frequency rate	11.72	14.43	-	-
Total recordable injuries	3	2	32	37
Lost time injuries	0	0	4	8
Restricted work injury	3	1	15	17
Medical treatment	0	1	13	11
Notifiable incidents	0	0	2	0
Critical risk/All incidents	17/46	17/45*	77/345	123/604
High potential critical events	0	0	2	3

* Prior to March 2023, a combined Watercare/Contractor number was reported

3 x restricted duties injuries

7 days restricted duties: Worker was connecting pipes and fingers were caught between them.

7 days restricted duties: Subcontractor worker's ankle slipping from the concrete slab and landed on uneven ground, twisting ankle

6 weeks restricted duties: Worker tripped while carrying a crowbar and injured hand and fingers.

Incidents involving critical risk.

There were 17 events involving critical risks in October. None of these resulted in injury and show the importance prevention controls, such as permits and mitigation controls in controls like exclusion zones and fire watches.

1 x Confined space

- Three workers were working under a Confined Space permit. At the end of the shift, one worker complained shortness of breath, another worker complained of a headache, and the last worker was okay. There were two fans on the manhole, and the gas detector readings during the day for H2S were below 50% of WES (Workplace exposure standards). No further treatment required for the workers.

2x Suspended loads

- Relocation of a MH Base with Riser resulted in strop failure. One of two strops connected to lifting points failed causing the load to tip and rest on ground 500mm below. Strops were removed and all others checked.
- A lifting operation of a steel sheet from the shaft was in progress. When the load was out of the shaft, a wind gust pushed the steel sheet which started spinning. While the sheet was spinning, the man basket was lowered to ground level, exposing the man basket to a risk of contact with the sheet. Site wide toolbox held on lift plans.



1x driving

- A delivery truck dislodged a height clearance sign. There is a clearance sign before the gas pipe. The truck made it under this sign and under the pipe. The truck hit the clearance sign after the gas pipe. Truck was under the stated height limit.

2x hot work

- A crew member was grinding off a handrail pole at a Reservoir. A small fire started from the hot work. Crew member stopped work and stopped the fire with an extinguisher.
- A worker was welding a pipe and welding tent flaps started to smoulder. The fire watch kaimahi put it out and then hung a welding blanket to stop it from re-igniting.

1 x hazardous energy isolation

- Vector was working on a transformer as planned. They isolated the pumps. No pumps were running for a period. An electrician went to site and noticed the high-high wet well alarm was triggered. They resolved the issue and pumped down the wet well.

2x mobile plant

- Excavator operator was tracking between the generator slab and the south of the process building, when one of the tracks went on top of the generator slab and caused minor damage to the concrete slab.
- Excavator being used as a crane was reversing/tracking backwards with a suspended steel plate attached. A worker walked behind the excavator. Reinforcement of exclusion zones to the site.

7 x service strikes

- Fibre: Fibre cable was struck during trenching works. Investigation pending.

- Fibre: Contactors came across and pulled out an unmarked single house fed fibre cable. Services had been marked on site. Fibre cable was not marked nor shown on Plans.
- Fibre: worker was using the concrete cutter and cut into a fibre cable this wasn't marked out as Fibre house feeds are not traceable.
- Gas: Team struck a gas main whilst excavating for watermain installation. The gas main was 4m away from where it was expected to be.
- Gas: Employee struck house feed gas line whilst probing. Probe was a ball bearing type; however, it appears that the gravel surrounding the gas line has caused puncture. Post strike procedure was followed. Services were unmarked.
- Power: Team were breaking concrete and cut through a power cable conduit. This was unmarked.
- Overhead phone: During transport a 24 Ton digger struck the overhead telephone cable.

1x working at height.

- Employee was accessing the top of pipes without a safety harness. Contractor's employee has been reminded of the importance of safety harnesses.

1 x violence

- The street was closed to traffic and only accessible by residents. A resident, who is known to be erratic, sped down the closed road purposely trying to knock over as many road cones as possible. He was estimated to be travelling at approximately 80km/hr. The workers got out of the way. Police were notified.



Board - Public Session - Board planner

		Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Meetings	Board	7-Nov (Statutory Public Meeting)	12-Dec		8-Feb	5-Mar	9-Apr	7-May (Statutory Public Meeting)	12-Jun 25-Jun
	Audit and Risk Committee	21-Nov			2-Feb		3-Apr	21-May	21-Jun
	Asset Management Committee	29-Nov			21-Feb	27-Mar	23-Apr	21-May	26-Jun
Running the Business	Financial				Approve half year accounts	Approve financials for Draft SOI including projected 24/25 price increases Approve long term financials for Auckland Council modelling			Board approval of Insurance proposal Board approval of 2024/2025 Budget and updated SOI financials
	Statement of intent	2022/2023 SOI Results to be presented to Board at Public Meeting. Public deputations to be received.	2024/25 Letter of Expectations to be received prior to Christmas		Q2 Performance Report - due to Council by 23 February 2024	Draft 2024-2027 SOI for Board's approval - to be sent to Council by TBC	Q3 Performance Report - due to Council by 26 April 2024 (approval via an out-of cycle resolution)	Present shareholder SOI feedback at public meeting. Public deputations to be received.	Q4 Performance Report - due to Council by 30 August 2024 Q1 (FY25) Performance Report due to Council by 25 October 2024
	Community and Stakeholder Relationships	Stakeholder Progress update from Infrastructure, Operations and Customer teams on the recommendations of the Citizens' Assembly			Stakeholder Board visit to Huia WTP to be scheduled in February/March	iwi	Stakeholder Progress update from Infrastructure, Operations and Customer teams on the recommendations of the Citizens' Assembly	iwi	Stakeholder
	Governance	Enterprise Risk Report (Board then Council) Q1 Statutory compliance Te Reo Māori Policy	Update on Auckland flood recovery Delegations to the CE Policy		Enterprise Risk Report Q2 Statutory compliance	Update on Auckland flood recovery	Enterprise Risk Report	Q3 Statutory compliance	Corporate Governance charter Update on Auckland flood recovery
	Karakia	Frances Valentine	Margaret Devlin		Nicola Crauford	Graham Darlow	Julian Smith	Frances Valentine	Margaret Devlin
Deep Dives - aligned to the five priorities									
Confidential		CE's KPIs	Capital Delivery for the Waikato District Council Contract The rehabilitation of the Ōrākei Main Sewer Huia WTP replacement project update		CE's KPIs AMP Implementation Report Long term cost reduction plan	Huia WTP replacement project update		CE's KPIs	
Audit & Risk Committee		Review of the Board delegations to the CE Policy An update on incident response - Auckland flooding and cyclone gabrielle Review of Three Waters transition risks Ongoing impact and risk of landslips to water production Supplier code of conduct			Approve FY24 half year accounts			Present plan for Year end to A&R A&R Approve Insurance Proposal Approval of 2024/25 Budget & updated SOI Financials Review tax ahead of year end	
Asset Management Committee		AUR relationship management update Capital Delivery for the Waikato District Council Contract Huia WTP replacement project update AMP financials, five year AMP position and traffic light reporting EM lessons learnt - embedment in the business			Deep dive on Digital programme Huia WTP replacement project update				

Board meeting | 12 December 2023
Public session

Directors' committee membership and meeting attendances

For information

Te pou whenua tuhinga / Document ownership

Submitted by

Dave Chambers

Chief Executive Officer

1. Te tūhunga / Recommendation

We recommend that the Board notes this report outlining directors' committee membership and meeting attendances.

2. Take matua / Key points

The key points are:

- details of the committees each director is a member of
- details of directors' attendance at Board and committee meetings over the calendar year.

This information is included in Watercare's Annual Report.

3. Kōrero pitopito / The details

3.1 Details of the committees

We have two committees to assist the Board in its corporate governance. Committee Chairs and members are appointed by the Chair. Attendance at Committee meetings by non-members is optional.

Director	Audit and Risk Committee	Asset Management Committee ⁺
Margaret Devlin (Board Chair)	✓	✓
Nicola Crauford	Committee Chair	✓
Graham Darlow	✓	Committee Chair
Frances Valintine		
Julian Smith		
Dave Chambers [#]		
Brendon Green [*]	✓	
Hinerangi Raumati-Tu'ua [*]	Committee Chair	

The Board has appointed Dave Chambers as acting chief executive until Entity A is stood up. Dave is therefore on sabbatical from the Board (effective from 7 February 2023) whilst acting chief executive.

** Resigned on 31 July 2023.*

+This committee was established at the 8 August 2023 Board meeting.

3.2 Directors' attendance at Board and committee meetings over the calendar year

Attended ✓ Did not attend ✕ Not on the committee ■	Attendance at Board meetings											Attendance at Audit and Risk Committee meetings					Attendance at Asset Management Committee meetings ⁺			
	8 February 2023	7 March 2023	4 April 2023	9 May 2023	13 June 2023	4 July 2023	8 August 2023	6 September 2023	10 October 2023	7 November 2023	12 December 2023	3 February 2023	23 May 2023	15 August 2023	31 August 2023	21 November 2023	23 August 2023	20 September 2023	20 October 2023	29 November 2023
Margaret Devlin	✓	✓	✓	✓	✓	✕	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✕	✓
Nicki Crauford	✓	✓	✓	✓	✓	✕	✓	✓	✓	✓		■	■	✓	✓	✓	✕	✓	✓	✓
Frances Valintine	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		■	■	■	■	■	■	■	■	■
Graham Darlow	✕	✓	✓	✓	✓	✓	✕	✓	✓	✓		✓	✕	✓	✓	✕	✓	✓	✓	✓
Julian Smith	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	■
Dave Chambers [#]																				
Brendon Green [*]	✕	✓	✓	✓	✓	✓	■	■	■	■		✓	✓	■	■	■	■	■	■	■
Hinerangi Raumati-Tu'ua [*]	✓	✓	✓	✓	✓	✓	■	■	■	■		✓	✓	■	■	■	■	■	■	■

[#] The Board has appointed Dave Chambers as acting chief executive until Entity A is stood up. Dave is therefore on sabbatical from the Board (effective from 7 February 2023) whilst acting chief executive.

^{*}Resigned on 31 July 2023

⁺The committee was established at the 8 August 2023 Board meeting.



Board meeting | 12 December 2023
Public session

Disclosure of Directors' and Executives' interests

For information

Te pou whenua tuinga / Document ownership

Submitted by

Dave Chambers

Chief Executive Officer

1. Te tūhanga / Recommendation

We recommend that the Board notes the directors' and executives' interests.

2. Take matua / Key points

Section 140 of the Companies Act 1993 requires all directors to keep an Interests Register, which must be disclosed to the Board of the company.

One of key principles of good governance is transparency and having an open and honest approach to working with the wider community. Watercare not only maintains an Interests Register for its directors, but also voluntarily maintains an Interests Register for our executives.

3. Kōrero pitopito / The details

3.1 Watercare Services Limited's Directors' Interests Register

- The Board has appointed Dave Chambers, one of our directors, as chief executive until Entity A is stood up. Dave is on sabbatical from the Board (effective from 7 February 2023) whilst acting chief executive.
- All new additions in 2023 are in [Blue](#).

DIRECTOR	INTEREST
Margaret Devlin	<ul style="list-style-type: none"> • Director, Waikato Regional Airport • Director, Titanium Park (wholly owned subsidiary of Waikato Regional Airport) • Director, Waimea Water Limited • Director, IT Partners Group • Chair, Advisory Board Women in Infrastructure Network • Chair, Hospice Waikato • Chartered Fellow, Institute of Directors • Member, Institute of Directors, Waikato Branch Committee • Director, Dairy NZ Limited
Nicola Crauford	<ul style="list-style-type: none"> • Director and Shareholder, Riposte Consulting Limited • Trustee, Wellington Regional Stadium Trust • Director and Chair, Burgundy Holdco Limited (owner of StraitNZ Limited) • Director, Lyttleton Port Company Limited
Frances Valintine	<ul style="list-style-type: none"> • Director, The Mind Lab Limited • Director, Tech Futures Lab • Director and Shareholder, Harcourt Jasper Limited • Director and Shareholder, Pointed Tangram Limited • Director and Shareholder, Harper Lilley Limited • Director and Shareholder, On Being Bold Limited • Director and Shareholder, Sandell Trustees Limited • Selection Advisor, Edmund Hillary Fellowship • Board of Trustee, University of Silicon Valley • Shareholder, Thought-Wired Limited • Director, Academy EX Limited • Director, Earth Futures Lab • Director, Edlab Limited
Graham Darlow	<ul style="list-style-type: none"> • Director, Holmes GP ANZ Ltd • Director, Hick Group Ltd • Business Executive, Acciona Infrastructure NZ Limited

DIRECTOR	INTEREST
	<ul style="list-style-type: none"> • Director and Shareholder, Brockway Consulting Limited • Chair, Frequency NZ Limited • Director, Hick Bros. Civil Construction Limited • Director, Tainui Auckland Airport Hotel GP (No.2) Limited • Director, Hick Bros. Heavy Haulage Limited • Director, Hick Bros. Holdings Limited • Director, Holmes Group Limited • Chair, The LEAD Alliance Board
Julian Smith	<ul style="list-style-type: none"> • Advisory Board Member Vadam Limited • Board Trustee, Look Good Feel Better Trust • Director and Shareholder of JTB Enterprises Limited • Committee member of Institute of Directors, Auckland Committee • Chair, Institute of Directors Te Tai Tokerau, Northland Sub-Committee • Committee member of Body Corporate Chairs Group NZ, Auckland Committee • Body Corporate Chair, The Residences, Auckland • Body Corporate Committee member, The Connaught Residential Apartments, Auckland • MyCareerBrand

3.2 Watercare's Executives' Interests Register

- All new additions in 2023 are in [Blue](#).

EXECUTIVES	INTEREST
Dave Chambers	<ul style="list-style-type: none"> • Director, Paper Plus New Zealand Limited • Director, GB & DD's Outfit Limited • Director, Watercare Services Limited (on sabbatical since 7 February 2023)
Jamie Sinclair	<ul style="list-style-type: none"> • Finance Lead role on secondment to Wai Tāmaki ki te Hiku establishment team • Director and Shareholder, Sinclair Consulting Group Ltd
Shayne Cunis	Nil
Amanda Singleton	<ul style="list-style-type: none"> • Director, Die Weskusplek Pty Limited (South Africa) • Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust
Nigel Toms	<ul style="list-style-type: none"> • Director, TRN Risk & Resilience Consulting
Steve Webster	<ul style="list-style-type: none"> • Director, Howick Swimgym Limited
Mark Bourne	<ul style="list-style-type: none"> • Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust
Andrew Chin	<ul style="list-style-type: none"> • Transition Lead on secondment to Wai Tāmaki ki te Hiku establishment team
Sarah Phillips	<ul style="list-style-type: none"> • People Stream Lead role on secondment to Wai Tāmaki ki te Hiku establishment team
Richard Waiwai	<ul style="list-style-type: none"> • Tumuaki role on secondment to Wai Tāmaki ki te Hiku establishment team • Director, and owner of Te Hautapu Consultants Limited • Trustee of Te Rana Te Araroa Waiwai Whanau Trust • Relatives work for Waikato Tainui, the Department of Internal Affairs and Three Waters National Transition Unit
Angela Neeson	<ul style="list-style-type: none"> • Director, Tranquillo Properties Limited

