

Minutes

Board meeting	Public session
Date	15 October 2024
Venue	Watercare House, Level 4 Boardroom, 73 Remuera Rd, Remuera and via Microsoft Teams
Time	9:45am

Attendance		
Board of Directors	Watercare staff	Guests
Geoff Hunt (Chair) Julian Smith Frederik Cornu Andrew Clark Graham Darlow	Jamie Sinclair (Acting Chief Executive) Mark Bourne (Chief Operations Officer) Angela Neeson (Chief Financial Officer) Shayne Cunis (Chief Programme Delivery Officer) (from the beginning until end of item 10) Brent Evans (Acting Chief Customer Officer) Priyan Perera (Chief Strategy and Planning Officer) Suzanne Lucas (GM – Capital Delivery) Andrew Mercer (Head of Health, Safety and Wellbeing) Tere Ryan (Security Coordinator) (from item 5) Priya Thuraishundaram (Head of Customer Insights) (from item 10) Emma McBride (Head of Legal and Governance) Pinaz Pithadia (Legal and Governance Advisor) Via Microsoft Teams Tracey Carter (Legal and Governance Business Partner) (from item 10)	Members from Auckland Council Councillor Ken Turner (Watercare’s Lead Councillor) Trudi Fava (CCO Programme Lead) (Via Microsoft Teams) Members from the public (from item 5) Jeanette MacDonald Harper Spurway David Spurway Members from Commerce Commission Dr John Small, Chair Loretta Lovell, Assistant Commissioner and also Board member of Taumata Arowai Andy Burgess, General Manager, Infrastructure Regulation Charlotte Reed, Water Implementation Director Sam Bishara, Senior Advisor, Governance

1.	<p>Opening karakia</p> <p>There was no opening karakia as the day began with a whakatau for the representatives from the Commerce Commission.</p>
2.	<p>Appointment of Acting Chair for the Board meetings</p> <p>This item was not required as Auckland Council appointed Geoff Hunt to be the Chair of the Watercare Board from 12 October 2024.</p>
3.	<p>Apologies</p> <p>Dave Chambers sent his apologies, as he is on annual leave.</p>
4.	<p>Quorum</p> <p>All directors were present at the meeting, so a quorum was established.</p>
5.	<p>Declaration of any conflicts of interest</p> <p>The Chair declared his interests as follows:</p> <ul style="list-style-type: none"> • Principal, Geoff Hunt Consulting Ltd • Director, Preston 2 Trust Ltd • Director, J Scott and Company Ltd • Director, PSP Ltd • Member, AUT Engineering Industry Advisory Committee • Member, Institution of Engineering and Technology • Member, Institute of Directors • Trustee, Hunt Family Trust • Board member, New Zealand Infrastructure Commission • Advisor to the Board, Geostabilization New Zealand Ltd (GSI).
6.	<p>Minutes of the previous Board meeting of 3 September 2024</p> <p><i>The Board resolved that the minutes of the public session of the Board meeting held on 3 September 2024 be confirmed as true and correct subject to:</i></p> <ul style="list-style-type: none"> • <i>fixing a minor typographical error on page 8 of the pack.</i> • <i>following amendments (in blue) on page 7 of the pack.</i> <ul style="list-style-type: none"> ○ <i>“Recruitment is underway for the new Chief Corporate Affairs Officer and Head of Sustainability and Innovation, with candidate interviews starting being interviewed next week, and expected to go through to the end of October 2024.”</i>

7.	<p>Ratification of out of cycle resolution for Asset Management Committee membership</p> <p>Emma McBride noted that Geoff Hunt was a member of the Asset Management Committee (Committee). As per the terms of reference of the Committee, the Committee did not have at least three directors. Therefore, an out of cycle resolution was circulated to appoint Julian Smith as a member of the Committee. However, given Geoff Hunt has been appointed as a Chair of Watercare again, the Board was not required to ratify the out of cycle resolution. Instead, the following decision was agreed:</p> <p><i>The Board appointed Geoff Hunt as a member of the Asset Management Committee, effective from 15 October 2024.</i></p> <p><i>Given the Committee now has three members as per the terms of reference, the Board noted Julian Smith does not need to join the Committee.</i></p> <p><i>With the above amendments, the three members of the Committee are Graham Darlow (Committee Chair), Frederik Cornu, and Geoff Hunt.</i></p> <p><i>The Board also noted that the committee memberships will be reviewed again once the new Board members have been appointed later this year/early next year.</i></p>
7.1 (new item)	<p>Capital Finance Committee membership</p> <p><i>The Board appointed Geoff Hunt as a member of the Capital Finance Committee, effective from 15 October 2024.</i></p> <p><i>With the above appointment, the three members of the CFC are Julian Smith (Committee Chair), Geoff Hunt, and Andrew Clark.</i></p>
7.2 (new item)	<p>Audit and Risk Committee membership</p> <p><i>No changes were required to the Audit and Risk Committee membership. The three members are Andrew Clark (Committee Chair), Julian Smith, and Frederik Cornu.</i></p> <p><i>The Board also noted that the committee memberships will be reviewed again once the new Board members have been appointed later this year/early next year.</i></p>
8.	<p>Ratification of out of cycle resolution for update of directors of Auckland City Water Limited</p> <p><i>The Board ratified the decision made via an out of cycle resolution dated 1 October 2024 to:</i></p> <ul style="list-style-type: none"> <i>• approve the appointment of Andrew Clark as a director of Watercare’s subsidiary company Auckland City Water Limited;</i> <i>• approve the removal of Geoff Hunt as a director of Watercare’s subsidiary company Auckland City Water Limited; and</i> <i>• authorise Graham Darlow to sign the shareholder’s ordinary resolutions.</i>
9.	<p>Public deputations</p> <p>Jeanette MacDonald, a member of the Manukau Harbour Restoration Society Inc, provided a presentation to the Board (attachment 1).</p>

	The Chair thanked Ms MacDonald for the presentation and confirmed that a formal response would be sent to her within seven days.
9.1 (new item)	<p>Introduction of the representatives from the Commerce Commission New Zealand</p> <p>The five representatives from the Commerce Commission introduced themselves. The following key points were made:</p> <ul style="list-style-type: none"> • The Department of Internal Affairs (DIA) has appointed the Commerce Commission to be the Crown Monitor during Watercare’s transitional phase until full economic regulation of the water industry is set up. • Their main role is to observe Watercare’s business to ensure Watercare is ready for the introduction of the Watercare Charter, which is currently being prepared by the DIA. • The Commerce Commission is also supporting the DIA in the development of this Charter. • Once the Charter is finalised, the Commerce Commission will monitor Watercare’s performance against the Watercare Charter and then report back to the Minister. <p>The Chair thanked the representatives from the Commerce Commission for their introduction and welcomed them to the meeting.</p>
10.	<p>Health, safety and wellbeing update</p> <p>Andrew Mercer took the report as read and responded to questioning from the Board. The following points were made:</p> <ul style="list-style-type: none"> • Safety leadership training is a key focus. As recommended in the HSE Global report, the first pilot of inhouse training was held last month and went well. • Critical risk management is a focus and an SOI target for this year. We have a focus on permit audits, which is a lead indicator. • In relation to an incident involving vehicles (page 14 of the pack), Andrew noted that we are looking into different fittings to ensure the tailgates open safely. In response to a query from a Board member, Andrew confirmed he would investigate whether our contractors have similar challenges and to ensure consistency with Watercare position. • Regarding working from home, Andrew noted that Watercare has a module on <i>Immerse</i> (the online learning platform for Watercare staff). Additionally, Watercare has Flexible Work Policy which provides guidance for managers and employees on how to apply a flexible approach to working at Watercare. This Policy also includes health, safety and wellbeing aspects, including things to consider when working from home. • In response to questioning from the Board, and a comment that the Board and Executive are extremely busy at the moment, Andrew advised that Watercare has a strong engaged leadership. He confirmed that despite the teams being busy, the HSW team has sufficient visibility of the Board and Executive team members out in the field. That said, the Board and Executive team members are always welcome to do site visits more often. • The Chair noted the employee TRIFR and LTIFR are higher than the contractor TRIFR and LTIFR. Andrew noted that our focus is shifting from lag indicators to lead indicators. Watercare’s TRIFR rate is tracking in a right direction. In the past, we have engaged with the contractors to understand from them any insights around their rates. Andrew and Graham confirmed that the new business-wide health and safety representative committees are already looking into this. • An insight into the new lead indicator for permit audits will be provided at the future Board meetings. <p><i>The Board noted the report.</i></p>

11.

Chief Executive's report

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

- Management is working with the DIA and Commerce Commission to provide the information they require to develop the Charter. At the same time, Watercare is also working with the credit rating agencies, and feedback is expected in next three to four weeks. This work has created an additional pressure on the staff.
- Our training campus at Māngere is a finalist for best skill-based learning at the NZ Association for Training and Development 2024 Awards.

Key Performance Measures (KPIs)

- There are two typographical error on pages 24 and 27 of the pack. Item 6, August 2024 result was 43 rather than 82 and item 21 commentary should read as Otahuhu distribution zone rather than Onehunga distribution zone.
- Mark Bourne noted that item 21 is one of the new measures implemented by Taumata Arowai. According to this measure, 85% of free available chlorine (FAC) samples in a month must be >0.20mg/L in each distribution network zone, with no results <0.1mg/L. This was not achieved in Otahuhu with 82.4% of samples >0.20mg/L and 1 sample <0.1mg/L FAC.
- Item 33, the measure on ratio of procurement sourced through Māori owned businesses is tracking in a right direction. With the establishment of Ngā Kakau Paraha – our Māori supplier business network, aimed at supporting Watercare's asset upgrade and renewals programme, we are confident to see an improvement in our performance, as the programme progresses. This initiative has been recognised as a finalist for "social impact award" in the NZ Procurement Excellence Awards 2024 to be held tomorrow. We are also working in collaboration with iwi directly and others (e.g. Amotai) to achieve our contract spend target with Māori businesses.
- Items 11 and 12 are DIA measures. Mark noted the challenges associated with these measures. The core issue is the way the overflows are triaged. Overflows are triaged based on the priority. They are either P1 or P2 response. Our P1 response time (an overflow that may be going into streams or ocean) is to be on site within 60 minutes and our P2 response time (overflow that is contained, for example, around a manhole and not into the environment) is within 240 minutes (4 hours). In total, we are getting to P1 and P2 overflows within a median time of 82 minutes. The resolution target for overflows is the more important target and this is being met.

Our people

- Our employee engagement survey saw an increase in participation rate. The workload of our staff is a key focus area.
- The 2024 diversity, belonging and inclusion (DIB) awards event is scheduled for tomorrow.
- Turnover continued to track down to 9%; sick leave was up over the winter months.
- The Acting CE noted that he is proud of our kaimahi for delivering extraordinary work during this transitional phase for Watercare.

Our customers

Brent Evans and Priya Thuraisundaram provided the following update.

- As part of our community engagement strategy, we are increasing our engagement with youth aged 14 to 18 years and last week held our first Watercare Youth Summit. Rangatahi spent a few days at Watercare and out on our sites to understand our business and the challenges we face. Their final presentations were impressive and focused on climate change and innovations.
- Watercare has been on a channel strategy journey. Previously, we only had phone calls and emails. Now we have chatbot, and interactions with customers via the chatbot are 1/3 of the cost. My Account monthly transactions have also increased. With the deployment of Nice, our new telephone system, we are now able to gain more insights into customers' requirements and enabled more targeted communication.
- Priya explained that we do not have targets for responding to phone calls. Instead, we measure first call resolution and that is approximately 70-75%, and varies by team.
- The complaints team delivers a personalised "human" service to customers who do not wish to use a chatbot as a channel of communication.

Partnerships

Priyan Perera provided the following update.

- We are working closely with the technical experts from the One Mahurangi Business Association to better understand the route options and the process behind the route selection. A proposal on the final pipeline route will be presented to the Board for approval at the December 2024 Board meeting. In the meantime, we are working closely with the community on how we can build the pipe with minimal disruption to the business community.

Operations

Mark Bourne provided the following update.

- The condition assessment on all interceptors has now been completed (recommendation 1 from the 1 Ōrākei main sewer failure analysis report). The assessment identified a short length of the interceptor at the Māngere wastewater treatment plant (WWTP) which will be accelerated for renewal. The only other outstanding recommendation (recommendation 4) concerns the cleaning method – the plough is no longer considered a safe method so a new method will be implemented in summer.
- We agreed with Waikato District Council (WDC) to extend our contract for services by another two years, with the revised end date being 30 June 2028. WDC's Waters Governance Board will be invited to attend a future Board meeting for a Board to Board catch up.
- Several of the significant non-compliances for August 2024 noted in the report were resolved quickly. However, the non-compliance reported for Army Bay WWTP has been ongoing and capital works are required to resolve the issue.
- This year, there was a significant increase in information requests from Taumata Arowai for their annual performance reports. We do not have an automated system and therefore fulfilling the request required significant manual intervention to enter the information and audit it before sending. If a similar level of detailed information request is received in future years, Management will look to automate the process.

Programme Delivery and Flood response recovery

Suzanne Lucas provided the following update.

- As of today, the Central Interceptor Tunnel Boring Machine (TBM) has reached a total length of 13.4km.
- The upgrade of the Clarks Beach wastewater treatment plant is now underway.

	<ul style="list-style-type: none"> • Relining the second stage of the Ōrākei Main Sewer has commenced. The works on St Georges Bay Road are nearly complete. • The flood recovery work is ongoing. We are now scaling up for summer when more work can be undertaken. • The Anniversary Weekend storm insurance claim is progressing, and we hope to receive a progress payment prior to Christmas. We are also working on a possible claim under the Civil Defence Emergency Management provisions. • The Pukekohe Water Treatment Plant (WTP) will be back online prior to Christmas. • The Muriwai WTP was taken out of service after Cyclone Gabrielle, but was returned to service in October 2023, albeit with reduced source water available. <p>The Acting CE noted that the Climate Related Disclosures went well and we met Auckland Council’s deadlines. In the future, when we are financially independent, it is likely we will need to separately report on climate-related risks and mitigations.</p> <p><i>The Board noted the report.</i></p>
12.	<p>Conflict of Interest Policy – update</p> <p><i>The Board approved the updated Conflict of Interest Policy as recommended by the Audit and Risk Committee.</i></p>
13.	<p>Capital Finance Committee meetings update</p> <p>Julian Smith, the Capital Finance Committee (CFC) Chair advised that the committee met on 11 September 2024, 25 September 2024 and 9 October 2024. The CFC received various updates on the detailed workplan, key milestones and Watercare Charter development. The CFC is conscious of the directors’ duties during this process. The Business Plan is a critical aspect and will need to be finalised before we go to the credit rating agencies for a final rating next year.</p>
14.	<p>Asset Management Committee meeting update</p> <p>Graham Darlow, the Asset Management Committee (AMC) Chair advised that the AMC met on 11 September 2024 at Māngere Pump Station, followed by attendance at the CI breakthrough event at Western Springs. Graham commended the team for how ordered, tidy and safe the two sites were. The AMC received the following updates:</p> <ul style="list-style-type: none"> • Central Interceptor and other projects dashboards • Asset Management Plan financials, delivery report and traffic light reporting • Quarterly update on capitalisation of assets • Progress update on digital programme deep dive • Increase in capital expenditure for North-East Sub-Regional Wastewater Scheme, during which there was rigorous debate about the lessons learnt.
15.	<p>Audit and Risk Committee meeting update</p> <p>Andrew Clark, the Audit and Risk Committee (ARC) Chair advised that Nicki Crauford (previous ARC Chair) and Angela Neeson (Chief Financial Officer) attended Auckland Council’s ARC meeting on 17 September 2024. This meeting was to report on an annual summary of risk matters raised within the annual accounts and associated actions.</p>

16.	Board planner <i>The Board noted the Board planner.</i>
17.	Directors' appointment terms, committee memberships and meeting attendances <i>The Board noted that the report will be updated to include Geoff Hunt's details and the new committee memberships.</i>
18.	Disclosure of Directors' and Executives' interests <i>The Board noted that the report will be updated to include Geoff Hunt's interests.</i>
19.	General business There was no general business. The public session closed at 11:26am.

CERTIFIED AS A TRUE AND CORRECT RECORD

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Geoff Hunt, Chair

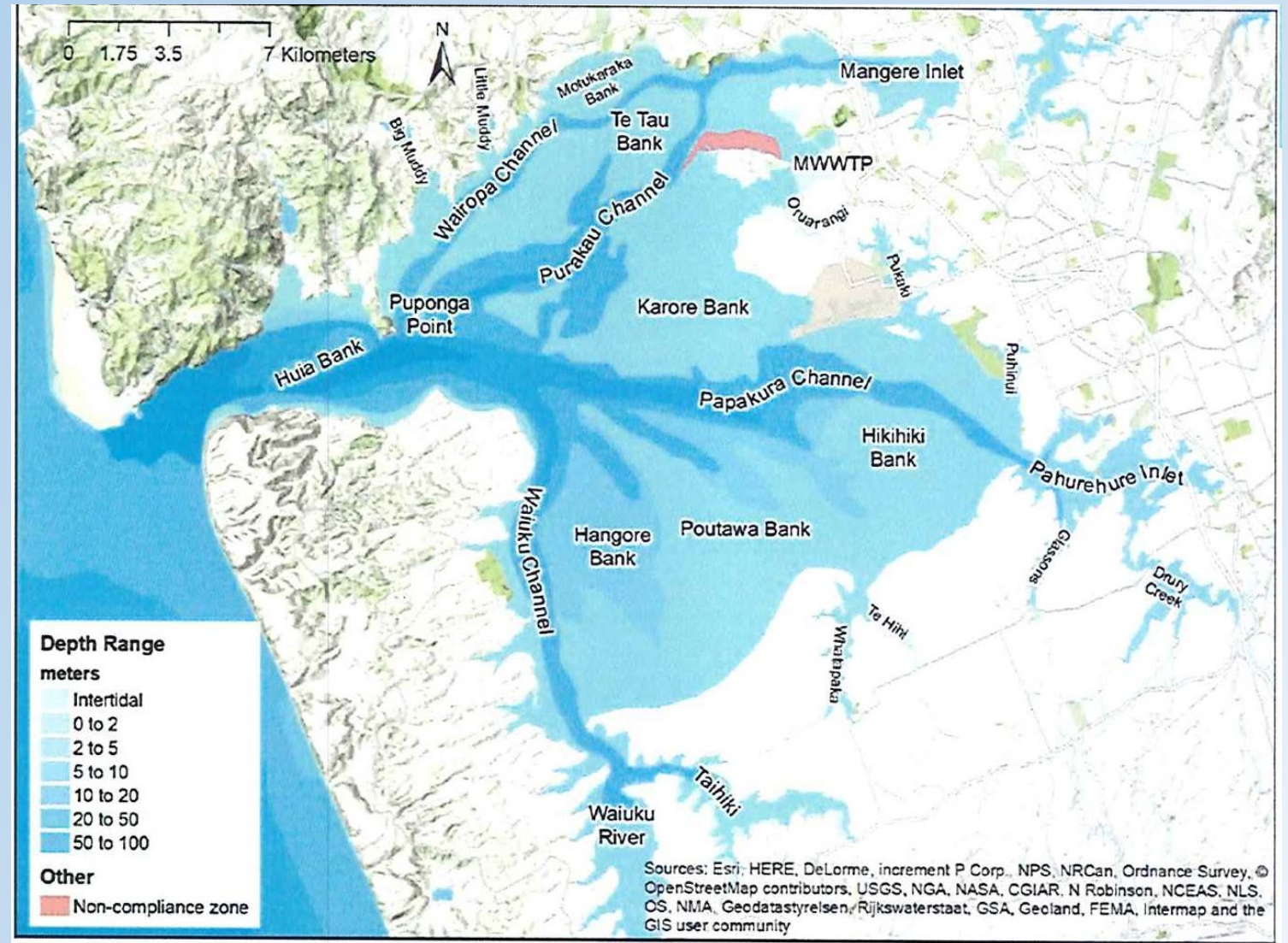
Ka ora te wai
Ka ora te whenua
Ka ora ngaa taangata

If the water is healthy, the land is healthy, the people are healthy
i.e. Back to first principles

Jeanie MacDonald



- History
- Risk management
- Hydrodynamic model
- Communication
- Actions





Harper Spurway

Science Fair Project First Place – Planet Earth and Beyond, NZ Coastal Society Award

Sampling in gumboots at tidal margin, 10 sites, 6 samples 3 at low tide, 3 at high tide
NE harbour between Green Bay and Ambury Farm

Testing at home

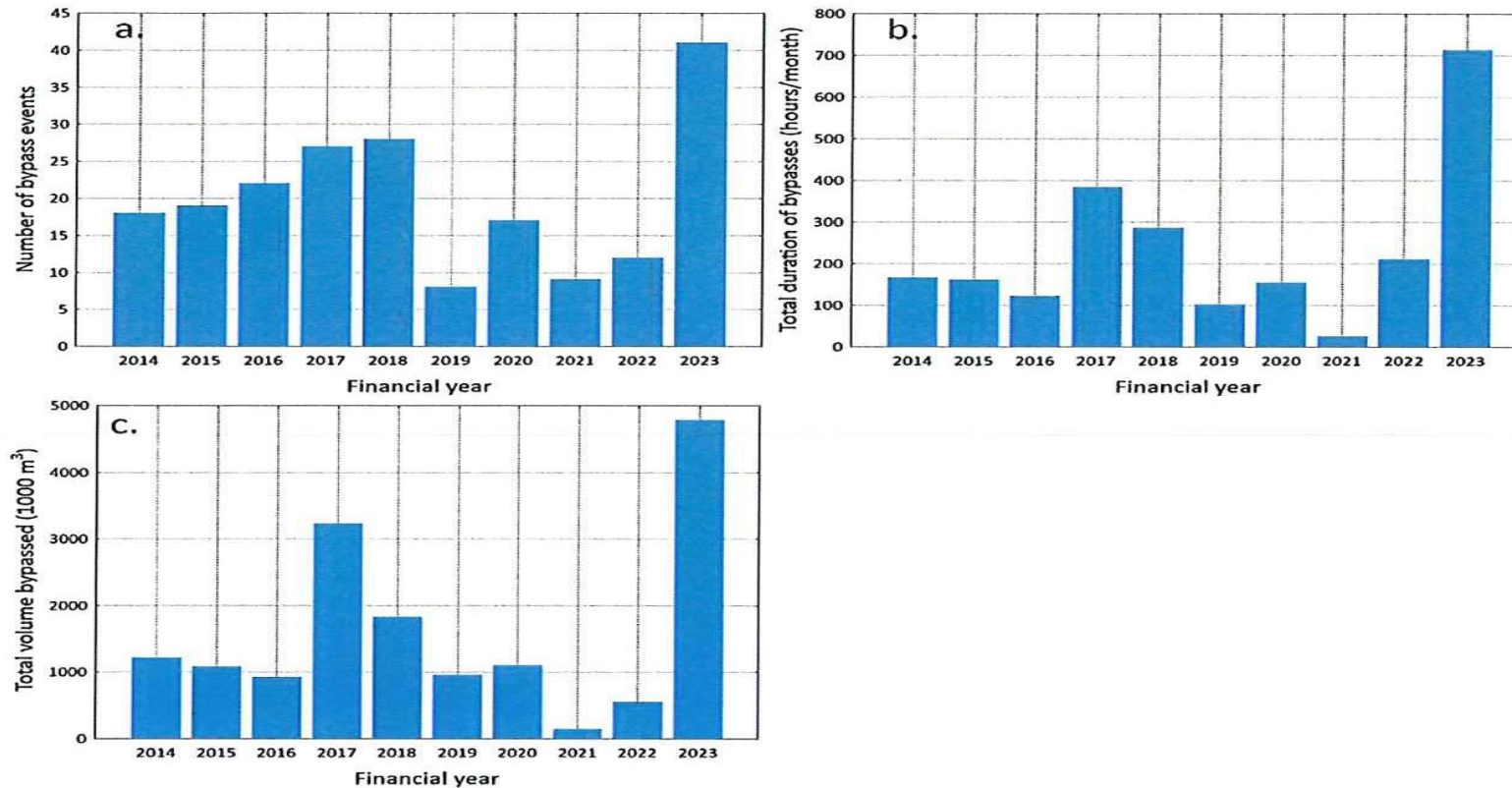
NOT TO BE COMPARED WITH OFFICIAL MONITORING

- **Nitrate** 53/60 (88 %) > 5 ppm (toxic)
- 4 sites all six samples above toxic levels
- Mean (all samples) 7 ppm
- **Ammonia** 46/60 (77 %) > 0.1 ppm (toxic)
- 4 sites all six samples above toxic levels
- Mean (all samples) 0.22 ppm
More than double toxic threshold



Bypasses (Source HEMP report 2023)

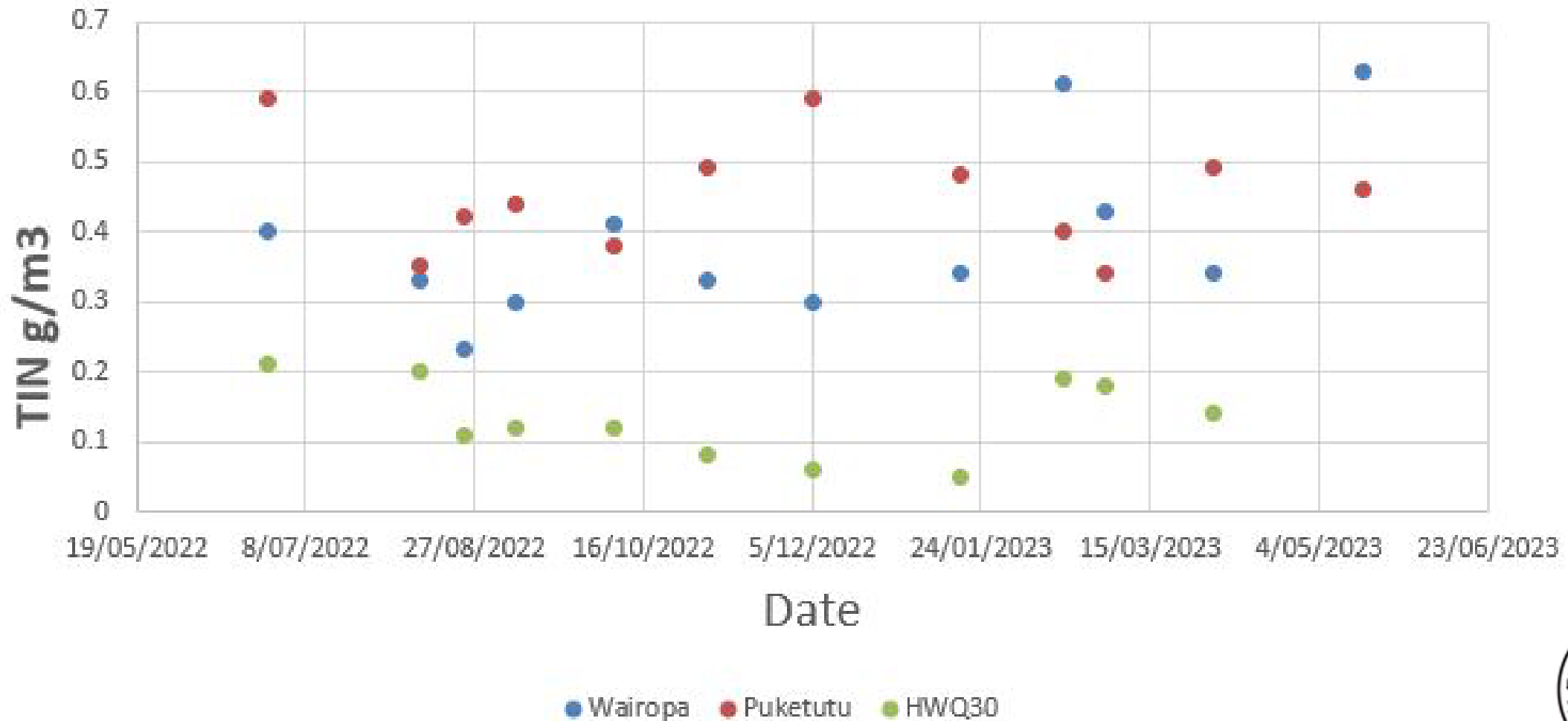
Figure 9: Annual bypass data grouped by financial year (July to June) from July 2013 to June 2023 showing a) the total number of bypass events, b) the combined total duration of bypasses, and c) the combined total volume of bypasses per year.



TIN Monitoring 2022-23

TN limit 0.2 g/m³ to prevent excessive growth of nuisance algal blooms in the NE Manukau (NIWA)

Data source HEMP report



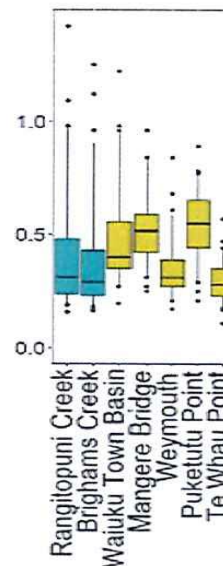
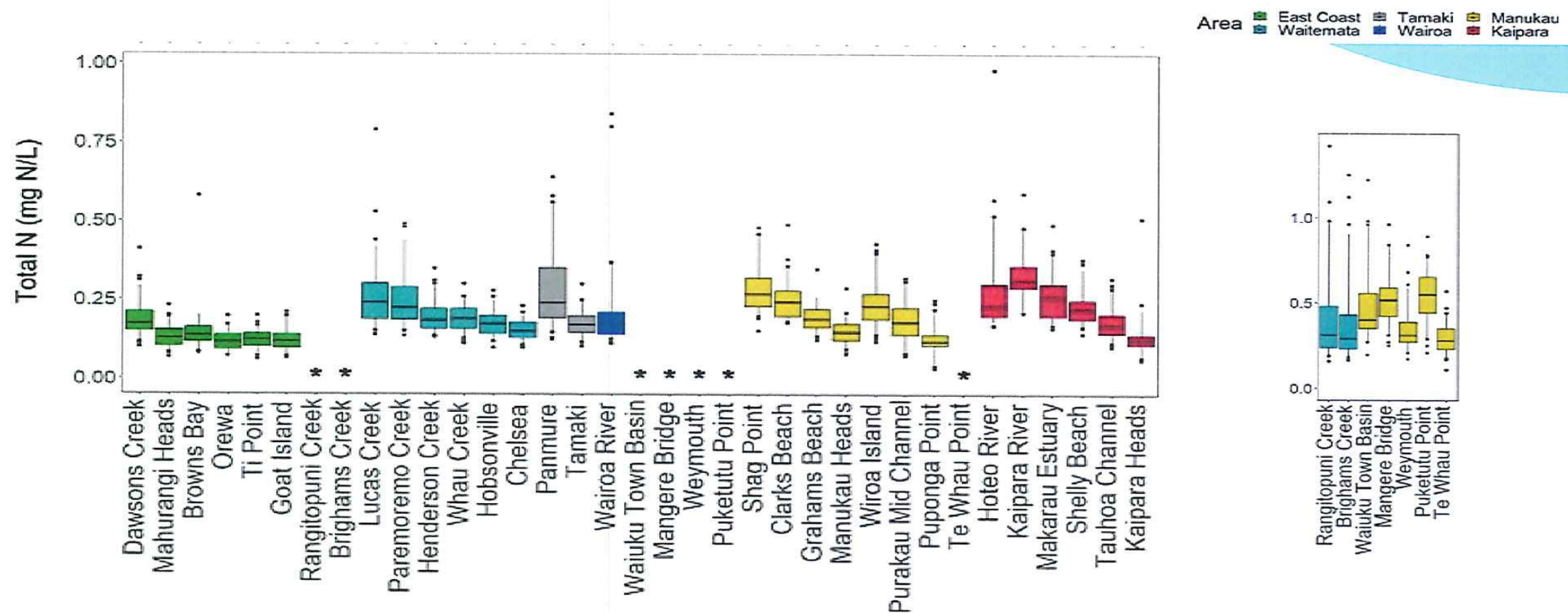
Harbour Monitoring HEMP

Trends in discharge quality (2013 to 2023)

Table 2: Seasonal Kendall test results and Sen slope estimates derived from total monthly discharge volumes and loads. Statistically significant trends are shown in red.

Variable	Annual change (% of median)
Volume (m ³)	0.80
Nitrate-nitrite-N load (t)	-3.77
Ammonia-N load (t)	3.08
Total nitrogen load (t)	-1.60
Soluble phosphorus load (t)	-8.19
Total phosphorus load (t)	-6.57
Total BOD ₅ load (t)	3.23
TSS load (t)	3.15

Auckland Coastal & Estuarine Monitoring (2017-2022)



Hydrodynamic model

- Commitments from previous CE (Raveen Jaduram) to share and work with community on scenarios for modelling
- Presentation at MWWTP CLG in June 2024. Accepted offer for community presentations
- Dates suggested in August and commitment to go to Clarks' Beach
- Withdrawn after extended communications
- Now part of a wider Auckland wide strategy on water and wastewater in early 2025
- Result



Board and Organisational Actions

Improvements needed

- Commitment to intergenerational thinking – What's the right thing for our great grandkids?
- Commitment to better communication – tell us how it is
- Community focus – How does what Watercare is doing right now affect local communities?

How can the community audit Watercare on the above?

What are some SMART goals for the above aims?

