

WATERCARE SERVICES LIMITED

AGENDA | Board meeting | 29/08/2017

Venue	Watercare Services Limited, 73 Remuera Road, Newmarket
Time	12:00pm

Open Public Meeting

Item	Spokesperson	Action sought at governance meeting	Supporting Material
1. Apologies	Chair	<ul style="list-style-type: none"> Record Apologies 	
2. Minutes of Meeting	Chair	<ul style="list-style-type: none"> Approve Board Meeting Minutes 31 July 2017 	Minutes 31 July 2017
3. Directors' Corporate Governance Items	Chair	<ul style="list-style-type: none"> Review Board Planner Review Disclosure of Interests (Directors & Executive Management) Review Director Appointment Terms 	Board Planner Disclosure of Interests
4. Strategy			
a) Technology, Innovation and Digital Transformation Strategic Theme: Voice of the Customer	M Bridge/K Walker-Mead	<ul style="list-style-type: none"> Receive presentation (no pack content) 	Presentation (no pack content)
5. For information			
a) Health & Safety Report	R Jaduram	<ul style="list-style-type: none"> Receive report 	Report
b) Chief Executive's Report	R Jaduram	<ul style="list-style-type: none"> Receive report 	Report
6. General Business	Chair		

Date of next Meeting – 21 September 2017

Location – Watercare Newmarket, 73 Remuera Road, Newmarket

MINUTES

SUBJECT	WATERCARE SERVICES BOARD MEETING
VENUE	Watercare Services Limited, 73 Remuera Road, Newmarket
DATE	31 July 2017
TIME	12.10pm
STATUS	Open Session

	<p>Present: J Hoare (Deputy Chair/Chair of Meeting) N Crauford C Harland T Lanigan D Thomas B Green I Cronin-Knight (Board Observer)</p>	<p>In Attendance: R Jaduram (CE) B Monk J Simperingham E McBride R Fisher</p>	<p>Public in Attendance: None</p>
1.	<p>Apologies</p> <ul style="list-style-type: none"> M Devlin (Chair). 		
2.	<p>Minutes of Previous Meeting</p> <ul style="list-style-type: none"> The Board resolved that the minutes of the public section of the Board meeting held on 28 June 2017 be confirmed as correct. 		
3.	<p>Directors Corporate Governance Items</p> <ul style="list-style-type: none"> Board Planner The report was noted. Disclosure of Interests The reports were noted. Director Appointments and Terms The report was noted. T Lanigan's term expires shortly, on 31 October 2017. 		
5.	<p>For Information</p> <p>a) Health and Safety Report</p> <p>The Chief Executive spoke to the report.</p> <p>The Chief Executive noted that Watercare was making good improvements. There were no Lost Time Injuries involving Watercare employees during June. As a result the rolling 12 month Lost Time Injury Frequency Rate for employees has dropped slightly to 2.40 per million hours.</p> <p>Watercare has conducted investigations into serious near misses.</p> <p>The challenge is benchmarking. At the moment, Watercare benchmarks against itself. I Cronin-Knight noted that the WSSA (Water Services Association of Australia) benchmarking programme was a good step forward as well.</p> <p>The Board reviewed the table of Significant Incidents.</p> <p>The Board liked the level of detail.</p> <p>The Board requested that the "Contractor Lead Indicator Statistics" include an extra paragraph explaining what this table reports on. The Chief Executive explained that Watercare's contractors managed their own measurements and what one person may consider a "Hazard", other contractors may not consider a "Hazard". This helps to explain why some projects have more reported "Hazards" than others.</p>		

b) Chief Executive's Report

The Chief Executive spoke to the report.

- **Health and Safety**

The Board noted that the rolling 12 month lost-time injury frequency rate (LTIFR) is 2.40 million hours, below (favourable) the Statement of Intent target maximum of 5 per million hours.

- **Customer Focus**

The Board noted that all customer service performance metrics were above (favourable) the target for the month. The customer satisfaction score in June was 83.0% and the rolling 12 month average is 82.4% against a target of 80%. Complaint resolution was 98.4% for June. The rolling 12 month average is 98.1% against a target of 95%.

- **Service Delivery**

The Board noted that rainfall in June was well below average across the Auckland region, with some locations observing record, or near-record low rainfall totals for the month. However, rainfall totals for the last three months still remain well above normal. Metropolitan Total System Storage at month end was 98.8%, well above the historical average for this time of year (83.4%).

- **Commissioning the Triangle Road Water Pumping Station.**

- This was installed on the North Harbour No. 1 Watermain to alleviate capacity constraints. It was commissioned on the night of the 24th of June.

- The Chief Executive noted this was a great example of an installation that had the potential to go wrong (e.g. it could have resulted in dirty water within the network that services 60,000 people).

- The project and commissioning was proactively managed and was implemented well, with no problems arising.

- **Ultrasonic Testing Trial at Lower Nihotupu Lake**

- The trial has been underway since December 2016 and is being done in conjunction with a supplier in the Netherlands.

- The Chief Executive noted that the technology is owned by the Netherlands company and it is proprietary to them.

- Watercare knows the technology is working, but we won't know exactly how well it is working until summertime.

- **Execution of documents**

- The Board noted the documents executed throughout June.

- **Communications**

- The Board noted the update on communications.

- **Working with Local Boards**

- The Board noted the update.

- **Group Insurance**

- The Board noted the update.

- **North West Shared Infrastructure Group**

- The Board noted the update and that the next workshop will be held in October 2017.

- **Huia Water Treatment Plant Replacement**

- The Board noted the update and that responses to commonly asked questions have been posted on the Watercare website.

- **Girls in Hi-Viz Event**

	<ul style="list-style-type: none"> - The Board noted the update. • NZTA's Northern Corridor Improvements Project - The Board noted the update. • SafeSwim Programme - The Board noted the update and that Watercare and Healthy Waters are progressing with installing overflow alarms on key manholes that can overflow to the Waitemata bathing beaches. • The Inflow & Infiltration Programme - The Board noted that an infiltration and inflow exercise was carried out at Mellons Bay after frequent overflows were reported during rain events. - The Chief Executive explained that 27 properties had incorrect stormwater connections to the wastewater sewerage system. Watercare alerted Auckland Council, and Auckland Council is writing to the 27 property owners. Council Compliance Officers will then follow up to ensure the customer gets changes made. - In the future, the report on inflow and infiltrations will be in a table (this was the first report, so written form was more appropriate than as a graph/table).
6.	<p>General Business</p> <ul style="list-style-type: none"> • The meeting closed at 12:25pm.

CERTIFIED AS A TRUE AND CORRECT RECORD

Julia Hoare
Chair

Board Planner 2017

	January	February	March	April	May	June	July	August	September	October	November	December	
Meetings	Board	26 Jan [^]	1 Mar Newmarket	27 Mar Newmarket	20 Apr Newmarket	30 May* Parnell	28 Jun Newmarket	31 Jul [^] Newmarket	29 Aug Newmarket	21 Sep Newmarket	26 Oct* Newmarket	28 Nov Newmarket	20 Dec Newmarket
	Audit and risk committee	26 Jan (Before board meeting)			26 Apr Newmarket			31 Jul (Before board meeting)	18 Aug Newmarket		26 Oct (Before Board meeting)		
	Capital projects working group			6 Mar Newmarket		10 May Newmarket			9 Aug Newmarket			1 Nov Newmarket	
	Remuneration and appointments committee	26 Jan (After board meeting)			20 Apr (After board meeting)	30 May (After board meeting)			29 Aug (Before board meeting)		26 Oct (After board meeting)		
Governance	Charter reviews									Annual review of charters			
	Policy reviews									Treasury policy review (via A&R)			
	Delegations										Annual review of board delegations to CE		
	Quarterly risk reviews				Risk report		Risk report			Risk report			
	Compliance	Statutory compliance			Statutory compliance		Statutory compliance			Statutory compliance			
	Shareholder interaction		27 Feb - CCO Q2 quarterly report due	21 Mar - Q2 briefing to F&P Committee		12 May - CCO Q3 quarterly report due			11 Aug - CCO Q4 quarterly report; 23 August - CCO Q4 briefing to F&P meeting	14 Sept - Auckland Council's A&R Committee; 20 Sept - workshop with councillors			
	H&S Quarterly report	Oct-Dec 16 Report			Jan-Mar 17 Report			Apr-Jun 17 Report			Jul-Sept 17 Report		
Board Training	Board training & development			H&S Due diligence refresher: 27 Apr									
Business Strategy	Strategic planning			Strategy Workshop 7-8 March							Strategy workshop		
	Strategy Updates	The Value of Water						◆		◆		◆	
		Technology, Innovation and Digital Transformation							◆				
		Financing and Funding							◆				
	Organisation and Culture								◆				
	New Ventures											◆	
Business planning	Key Finance and Business Decisions	Approve half year accounts	a) Approve financials for Draft SOI including projected 17/18 price increases, b) approve long term financials for Auckland Council modelling			28 June Approval of 2017/18 Budget		a) approve 2016/17 accounts, b) delegate final sign off of 2016/17 Annual Report		Auckland Council LTP - review; Watercare funding and financials - AMP>		Auckland Council LTP - approve Watercare input ²	
	Statement of Intent		Approval of Draft 2017-2020 SOI			Present shareholder SOI feedback at public meeting	Final 2017-2020 SOI issued to shareholder					2018/19 Letter of Expectation to be received	

* Statutory public Board meeting - deputations invited

> Timetable/Plan not yet available

[^] Extraordinary Audit & Risk and Board Meeting to meet shareholder half year and annual report timeline

Report to the Board of Watercare Services Limited

Subject: Disclosure of Interests

Date: 22 August 2017

Section 140 of the Companies Act 1993 requires disclosure of interests of a director to the Board.

Set out below are the disclosures of interests received as at the date of this report.

Director	Interest
Margaret Devlin	<ul style="list-style-type: none"> – Chairman, Harrison Grierson Limited – Director, City Care Limited – Director, Meteorological Services of NZ – Director, Waikato Regional Airport – Chair, Titanium Park (wholly owned subsidiary of Waikato Regional Airport) – Director, IT Partners Group – Director, Aurora Energy – Independent Chair of Audit and Risk Committee, Waikato District Council – Chairman, Women in Infrastructure Network – Member, Wintec Council – Member, The University of Waikato Council
Catherine Harland	<ul style="list-style-type: none"> – Director, McHar Investments Ltd – Director, Interface Partners Ltd – Trustee, One Tree Hill Jubilee Educational Trust – Member, Auckland Regional Amenities Funding Board – Member, Water Allocation Technical Advisory Group
Tony Lanigan	<ul style="list-style-type: none"> – Director and Shareholder, A G Lanigan & Associates (2007) Limited – Director, Habitat for Humanity New Zealand Limited – Director and Shareholder, Lanigan Trustee Limited – Director and Chair, New Zealand Housing Foundation Limited – Director, Tamaki Makaurau Community Housing Limited – Member, Ministry of Health Hospital Redevelopment Partnership Group for Canterbury – Member, Ministry of Health Southern Partnership
Julia Hoare	<ul style="list-style-type: none"> – Director, AWF Madison Group Limited – Director, New Zealand Post Limited – Deputy Chairman, The a2 Milk Company Limited – Director, The a2 Milk Company (New Zealand) Limited – Director, Port of Tauranga Limited – Member, Auckland Committee, Institute of Directors – Member, Advisory Panel to External Reporting Board – Member, Institute of Directors National Council
Nicola Crauford	<ul style="list-style-type: none"> – Director, Environmental Protection Authority – Member of Electoral Authority, Cooperative Bank Limited – Specialist Advisor, WorleyParsons New Zealand Ltd – Director and Shareholder - Riposte Consulting Limited

	<ul style="list-style-type: none"> - Director, Wellington Water Limited - Director, Orion New Zealand Limited - Chairman, GNS Science Limited - Deputy Chairman, Fire and Emergency New Zealand
David Thomas	<ul style="list-style-type: none"> - Chairman, Ngati Whakaue Tribal Lands Inc - Chairman, Gypsum Board Manufacturers of Australasia - Shareholder / Employee, Fletcher Building Limited - Director, New Zealand Ceiling & Drywall Supplies Limited - Director, Altus NZ Limited
Brendon Green	<ul style="list-style-type: none"> - Director, Kaitiaki Advisory Limited - Director, Tainui Kawhia Incorporation - Director, Peak2Peak - Executive Director, Bay Dairy Limited - Executive Director, Advanced Biotech NZ - Executive, Te Runanganui o Ngati Hikairo - Management contract, Tainui Kawhia Minerals

RECOMMENDATION

That the report be received.

Approved by:



R Jaduram
Chief Executive

Report to the Board of Watercare Services Limited

Subject: Disclosure of Interests – Executive Management

Date: 22 August 2017

Executive	Interest
Raveen Jaduram	Trustee - Te Motu a Hiaroa (Puketutu Island) Governance Trust Steering Committee Member – Business Leaders' Health and Safety Forum Chair - Centre for Infrastructure Research at University of Auckland Director – J N Jaduram Corporation Limited (Fiji)
Rob Fisher	Deputy Chairman - Middlemore Foundation President - Auckland University Rugby Football Club Trustee - Watercare Harbour Clean Up Trust Trustee - Te Motu a Hiaroa (Puketutu Island) Governance Trust Director – Hunua Forests Ltd
Brian Monk	Deputy Chairman - MIT Chairman Audit and Compliance Committee - MIT Trustee - Watercare Harbour Clean Up Trust Trustee - Te Motu a Hiaroa (Puketutu Island) Governance Trust Director – EnterpriseMIT Ltd Director – Hunua Forests Ltd
Steve Webster	Director – Howick Swimgym Limited
Marlon Bridge	Trustee - Te Motu a Hiaroa (Puketutu Island) Governance Trust
Martin Smith	Director – Heatley Smith Limited
Shayne Cunis	Board Member – Water Environment and Reuse Foundation
Adrienne Miller	Advisory Board Member – Women In Infrastructure Health & Safety Committee Member – Water New Zealand
Rebecca Chenery	Nil
David Hawkins	Nil
David Sellars	Nil

RECOMMENDATION

That the report be received.

Approved by:



R Jaduram
Chief Executive

Report to the Board of Watercare Services Limited

Subject: Watercare Director Appointment Terms

Date: 22 August 2017

Set out below is the end date of the current appointment term for the Watercare Board of Directors. Dates are current as at the date of this report.

Director	Original Appointment Date	End of Term
Margaret Devlin (Chair)	01 November 2016	31 October 2019
Julia Hoare (Deputy Chair)	01 November 2013	31 October 2019
Catherine Harland	21 April 2011	31 October 2019
Tony Lanigan	21 April 2011	31 October 2017
Nicola Crauford	01 April 2014	31 October 2019
David Thomas	01 November 2014	31 October 2020
Brendon Green	01 November 2016	31 October 2019

RECOMMENDATION

That the report be received.

Approved by:



R Jaduram
Chief Executive

Report to the Board of Watercare Services Limited

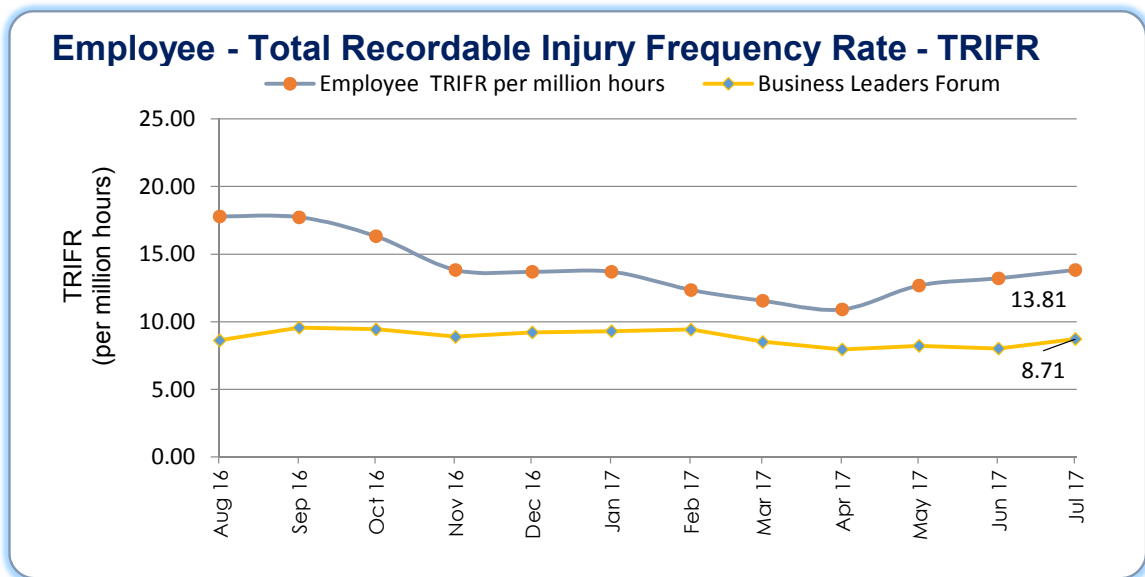
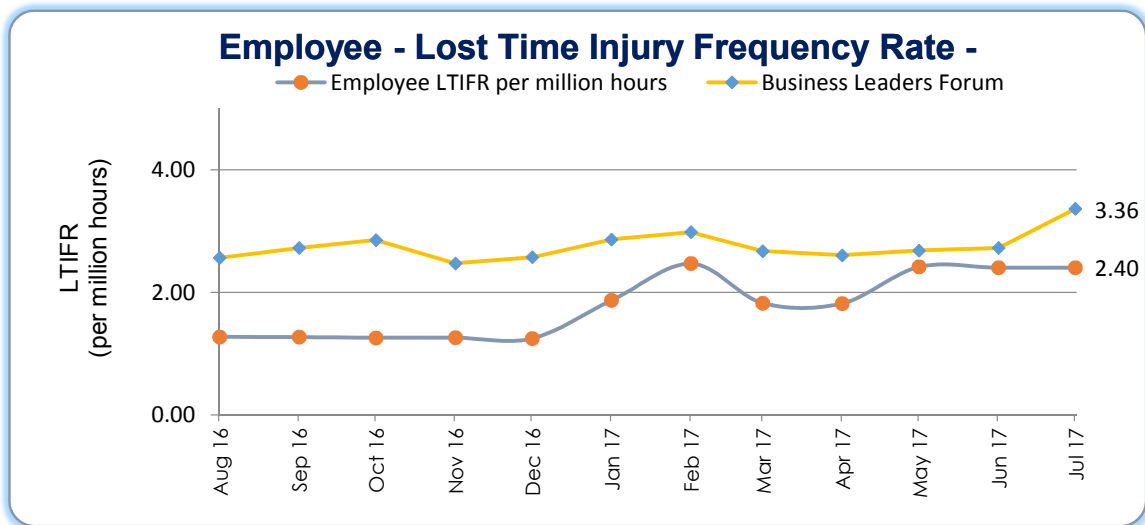
Subject: Health and Safety Report – July 2017

Date: 22 August 2017

1. LAG INDICATORS

There were no Lost Time Injuries (LTI) involving Watercare employees during July. As a result the rolling 12 month Lost Time Injury Frequency Rate (LTIFR) for employees has remained at 2.40 per million hours.

While there was one Watercare employee Restricted Duties Injury (RDI) and one Medical Treatment Injury (MTI) this month, the rolling 12 month Total Recordable Injury Frequency Rate (TRIFR) has risen slightly to 13.81 per million hours.



(Note - Discussions in the context of the previous Business Leaders Forum comparator anomalies we had identified suggests that some members are not entering data monthly thereby leading to historical aggregated results changing over time).

2. WATERCARE EMPLOYEE INJURIES

A maintenance worker sustained a shoulder strain whilst using a sledge hammer. The worker was referred to The Back Institute for assessment and placed on light duties. He is also undergoing physiotherapy. The work teams received coaching on the work procedures and the use of such tools (lifting and striking techniques).

Whilst conducting a manhole inspection at a customer property, a maintenance worker sustained a minor cut to his face from a low lying beam that was protruding from a garden shed. The wound was treated and one suture applied. Workers were addressed to exercise caution when moving through customer properties and avoid wearing headgear that could obstruct their vision.

3. CONTRACTOR WORKER INJURIES

There was one Restricted Duty Injury (RDI) and one Medical Treatment Injury for the month of July.

A worker on the BNR project sprained his back whilst lifting a concrete base for a temporary fence, and was placed on alternate duties for seven days. The incident was discussed with the work teams and site management reiterated the use of trolleys provided for such tasks, as well as correct manual handling techniques.

A worker suffered skin irritation as a result of re-using potentially contaminated gloves from the day before. The worker was assessed by a medical practitioner and was prescribed medication to prevent further inflammation. All workers were addressed regarding the need to follow PPE procedures, and the site risks were re-communicated.

4. SIGNIFICANT INCIDENTS/HAZARDS/NEAR MISSES

There were two notifiable incidents that occurred in July and were reported to the Worksafe High Hazards Unit as they fell under the Major Hazard Facilities Regulations.

Routine inspections identified that chlorine drum closure devices did not operate correctly and there were incorrect attachments in the assemblies of chlorine drums. Although there were no gas leaks, necessary repairs and arrangements have been made. The Standard Operating Procedures and a corresponding checklist for this activity has been prepared and communicated to the relevant workers.

5. INSPECTIONS

A table setting out Watercare business unit targeted versus completed inspections for the current financial period is appended as Appendix A. Watercare is implementing any improvements that have been identified by these inspections and have not reported any trends of significance arising from these inspections.

Also included is a table reflecting contractor lead indicator statistics for the previous three months on a selection of four Watercare construction project sites. Overall this indicates a positive culture of monitoring of activities and equipment.

6. HEALTH AND SAFETY PLAN REVIEW

The health and safety plan for the period April 2016 to June 2017 has been reviewed. A revised plan for the period 2017 to 2020 with detailed programmes for the 2017-18 financial year has been uploaded to the Watercare intranet.

7. INDEPENDENT AUDIT REVIEWS

A health and safety management systems audit against the AS/NZ4801 standard was carried out by Telarc on 25-27 July. This included visits to the following Watercare facilities:

- Pukekohe Wastewater Treatment Plant
- Pukekohe Wastewater Treatment project – construction site
- Watercare Laboratory Services
- Huia Water Treatment Plant.

We await the formal audit report from Telarc but initial feedback during the audit debrief was positive in nature and we are not expecting any significant issues to be raised.

8. RECOMMENDATION

That the Board receives this report.

Prepared by:

Reviewed by:

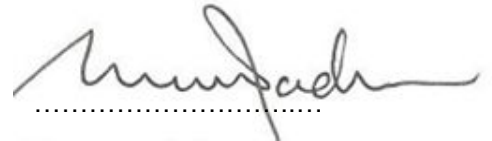
Approved for submission by:



S Walthew
**Corporate Health and Safety
Manager**



A Miller
**General Manager
Corporate Services**



R Jaduram
Chief Executive

Appendix A

Inspections – Targets were set with business units for Health and Safety Inspections for the 2017-2018 financial year. In part this was done to identify new hazards and risk, but also as a way of embedding a culture of enquiry and vigilance around safety. The information below reflects a level of activity that indicates a positive ongoing culture of monitoring of activities and equipment.

Business Unit	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Total	Target for 2017-18	% Complete
Watercare House	0												0	6	0
Retail	0												0	130	0
Infrastructure Delivery															
Construction Delivery	13												13	230	6
Laboratory Services	9												9	104	9
MSO	10												10	138	7
MSN	30												30	180	17
Total	62												62	652	10
Service Delivery															
Networks	12												12	150	8
Asset Protection & Engineering Performance	4												4	40	10
Water Supply	10												10	192	5
Wastewater	21												21	232	9
Total	47												47	614	8
Watercare Total	109												109	1402	8

Business units are implementing any improvements they have identified and have not reported any trends of significance coming out of these inspections. The improved system categorisation options for those completing inspections (enabling those inputting data to pre-categorise matters so as to improve the granularity of automated reporting available to us).

Contractor lead indicator statistics

The table below is a reflection of contractor statistics for the previous three months on a selection of four construction project sites. Going forward from August 2017 we will be able to report with greater confidence around completeness of these statistics and generate injury frequency rates for all Watercare contractors.

2017	Audits	Inspections	Safe Behaviour Observation	Hazards Identified	Safety Meetings held	Corrective Actions completed
Mangere WWTP BNR Upgrade						
May	1	37	148	84	6	185
June	0	19	64	110	4	34
July	2	16	2	2	3	2
Total	3	72	214	196	13	221
Pukekohe Trunk Sewer Upgrade						
May	0	22	72	437	166	55
June	0	17	103	514	90	32
July	0	17	103	514	90	32
Total	0	56	278	1465	346	119
Glen Eden Wastewater Storage Tank						
May	0	4	8	23	9	20
June	0	4	25	31	8	60
July	0	4	25	45	8	45
Total	0	12	58	99	25	125
Waikato 175MLD Upgrade						
May	1	4	4	15	29	15
June	0	4	5	18	5	18
July	0	4	4	23	4	23
Total	1	12	13	56	38	56

Watercare Services Limited

Subject: Chief Executive Report – July 2017

Date: 22 August 2017

1. HEALTH AND SAFETY

There were no lost-time injuries involving Watercare employees during June. The rolling 12 month lost-time injury frequency rate (LTIFR) is 2.40 per million hours, below the Statement of Intent target maximum of 5.

The total recordable injury frequency rate (TRIFR) is 13.81 per million hours, below the Statement of Intent target maximum of less than 20 per million hours.

2. CUSTOMER FOCUS

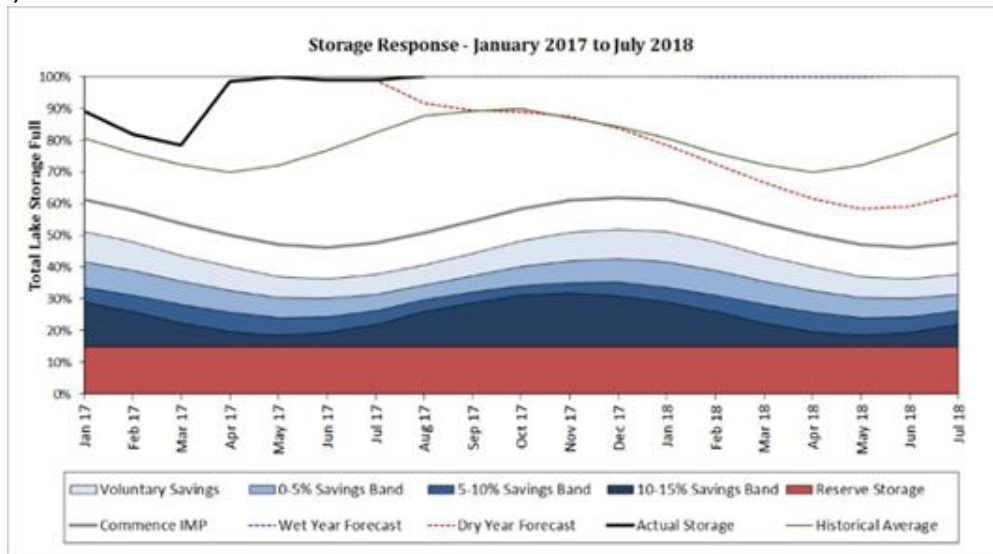
Performance against Statement of Intent measures for July was good. All customer service performance metrics were above target for the month. The customer satisfaction score in July was 82.0% and the rolling 12 month average is 82.8%, against a target of 80%.

Complaint resolution was 100% for July. The rolling 12 month average is 98.9%, against a target of 95%.

3. SERVICE DELIVERY

Rainfall and Water Resources

Rainfall in July was above average across the Auckland region, which followed near-record low rainfall in June. This has brought rainfall totals for the last 3 months to normal. Metropolitan Total System Storage at month end was 99.97%, well above the historical average storage for this time of year (88.1%).



The water quality in the Southern lakes has continued to improve, with only Cosseys Dam remaining out of service at this time. This source still has a significant level of solids present, but a graduated return to service is planned for the coming months.

Progress on Tasman Tempest Actions

Production at the Ardmore WTP has been stable at 250MLD and raw water turbidity has also stabilised at approximately 20 NTU. The WTP has operated at flows of up to 295MLD for short periods, to enable works at Waikato WTP to proceed. Progress on post Tasman Tempest actions are:

- A portable centrifuge is operating to assist in addressing the higher solids levels at the increased flows.
- The design for the upgrade to the sludge dewatering system is in progress, including the procurement of a new filter press (greater reliability and higher capacity).
- The business case for the installation of UV Dosing on 'A' Block Filtered Water has been approved. This will enable 240MLD of filtered water of up to 1.0NTU to be treated and remain fully compliant with the protozoan requirements of DWSNZ. Under current systems, the water becomes non-compliant if the filtered water turbidity exceeds 0.3NTU.
- Grass hydro-seeding of high risk, unstable areas within the Hunua Ranges is ongoing

Watercare Assistance to North Shore Hospital

North Shore Hospital had a significant private water main leak during the period, which had the potential to significantly impact on Hospital operations. Waitemata District Health Board (WDHB) requested assistance from Watercare and its service provider (Downer) to resolve the issue. The works were completed quickly and without incident and Hospital disruption was kept to a minimum. The WDHB have formally expressed their thanks to Watercare and Downer for the assistance provided in this matter.

4. BOARD CORRESPONDENCE

There was no correspondence during the month.

5. EXECUTION OF DOCUMENTS

In July 2017, Watercare processed 12 documents, executed with the delegated authority provided to the Chief Executive by the Board in relation to deeds, instruments and other documents.

These documents comprised three compensation certificates granting Watercare rights in favour of private property owners, one transfer of private company assets to Watercare, three agreements to create an easement in favour of Watercare, one renewal of a Watercare lease over industrial premises, one agreement to dispose of Watercare land under the Public Works Act and one compensation payment for an historical easement agreement and two agreements for licences to occupy Crown/Council land in favour of Watercare.

There were 13 Capex approvals totaling \$38.036m signed in accordance with the delegated authority provided to the Chief Executive by the Board in relation to Capex approvals below a threshold of \$15m.

Summary of Capital Projects approved by Chief Executive – July 2017	
Papakura/Waikato Water Supply Connection Project	\$566,000
North Western Wastewater Networks Control Cabinet Replacements	\$2,085,520
Cape Hill Boosted Zone Reconfiguration for Water Pump Station Upgrade	\$1,600,000

Owhanake WWTP Upgrade Project: Plant B Stage 1	\$1,580,000
Middlemore WWPS - Upgrade of Pumps and Internal Pipework Replacement	\$855,938
Tripoli Road Watermain Renewal	\$200,152
Central Watermain renewals 17/18 Group 1	\$2,986,200
Redhills Wastewater Servicing	\$12,900,000
Mangere WWTP UV Upgrade	\$4,560,000
Robotic Process Automation Project	\$517,978
CRL - Associated Water Pipe Renewals & Relocations	\$6,400,000
AT CRL - Associated Water & Pipe Renewals & Relocations	\$3,600,000
Cyber detection tool - Varonis	\$184,744

There was one contract over \$100,000 approved during July in accordance with the delegated authority provided to the Chief Executive by the Board in relation to Capex and Opex contract approvals.

Summary of Contract Awards – July 2017		
26/7/17	March Cato Limited	Northern Interceptor Advanced Works – North Shore Memorial Park

6. COMMUNICATIONS

Media summary

Media interest has been neutral-positive in the last month.

- 2 July - Radio Live interviewed Watercare's Anin Nama regarding Watercare's pipe testing programme to discover illegal connections and non-compliant gully traps. He also appeared on the Sunday morning programme, "Home & Garden with Tony Murrell" as part of a new initiative by Watercare to build a positive relationship with Radio Live and get Watercare stories on air and in front of a national audience.
- 4 July - Franklin Local Board member, Andy Baker wrote a column in the Franklin Country News in which he praised Watercare's major infrastructure investment in the region, including the recent building of a new wastewater pump station and pipework in Buckland. This follows on from an invitation extended by the Watercare's Stakeholder Liaison team to visit the site to see work in progress.
- 4 July - Stuff and Western Leader carried a story with the headline: "Sound waves kill algae" about Watercare's trial involving use of sound waves to kill algae at Lower Nihotupu Lake, Waitakere Ranges. The article quoted Watercare's Amy Holliday who said that early results were promising. Watercare arranged the story as a way of highlighting Watercare's use of cutting-edge technology and the technology's potential benefits to the environment. An accompanying online video report also appeared on the Western Leader's Facebook page.

- 12 July - Watercare hosted Finance Minister Stephen Joyce and Auckland Mayor, Phil Goff as they announced a \$300 million infrastructure loan to fast-track new housing by enabling more money for roads, wastewater and water. A media conference was held at Watercare's pipe storage site, near Mangere WWTP. Television, radio and print media covered the story extensively.
- 13 July – Watercare learnt of the heroic actions of its contractors in Ponsonby, who tackled an armed man following the robbery of a convenience store. Stuff and the Central Leader carried the story. Watercare then hosted the contractors at Head Office for a special morning tea.
- 16 June - Radio Live interviewed Martin Smith, general manager of strategy and planning. Martin spoke about current infrastructure projects and upcoming investments.
- 16 June - Sunday Star Times followed up on the armed robbery story. They published a photo supplied by Watercare.
- 18 July - The Western Leader ran an update on Watercare's Glen Eden tank project, which is nearing completion. The article was initiated by Watercare and included time-lapse photos supplied by the contractor.
- 20 July – The Manukau Courier included an article regarding a Manurewa resident who had experienced repeated wet-weather overflows in his garden. Watercare was quoted as saying extensive CCTV camera work had been carried out along both public and private wastewater pipelines and flushing had taken place. A non-return valve had been installed 50 metres from the resident's property to provide extra storage and help prevent further wet-weather overflows. A break in the resident's own pipe was also located, which allowed stormwater to enter and flood the system.
- 21 July - Ponsonby News carried an update regarding Watercare's activities in the area. Watercare supplied the article in order to inform the local community about essential work in the area.
- 21 July - Stuff reported that North Shore Hospital was experiencing a major water leak and that Watercare and Downers were kindly assisting them with repairs.
- 21 July - Stuff and the North Shore Times also reported that a \$14 million wastewater pipe upgrade was taking place. Watercare initiated the story. Local Ward councillors were interviewed and they praised Watercare for finding innovative ways to tunnel most of the works and avoid ripping up roads and creating traffic congestion.
- 25 July - Newstalk ZB ran a story about "extra charges for new home buyers in Auckland." Phil Goff was interviewed about the newly-formed Crown Infrastructure Partners company that will boost new housing projects, by paying for water links and transport.

Customer communications

The table below outlines the indicative customer communications programme. This programme is dynamic and will be adapted as appropriate to align to the new strategic priorities and respond to current issues/areas of interest.

Month	Activity	Status
July	TAPPED IN Domestic and non-domestic customers are receiving the <i>winter</i> issue of Tapped In. The primary focus is educating customers how to avoid blockages in their wastewater pipes by correctly disposing of wet wipe products and the consequences of blockages on private property – cost to fix the issue, damage to	Complete

	<p>property and risk to health (we are actively seeking editorial media coverage at the same time). Price changes are also re-mentioned.</p> <p>NEW WEBSITE Forms, diagrams and images for new website Commissioning photo shoot for website Uploading to website media library</p> <p>COMPLIANCE AND CONNECTIONS REVIEW Watercare communications team is supporting the launch of Watercare’s compliance statements and connections review with collateral, web content updates, new forms and an update distributed to stakeholder industry groups.</p>	<p>On-going</p> <p>On-going</p>
August	<p>BILL INSERT Insert to domestic customers about water-efficient applications</p> <p>NORTH SHORE MATTERS North Shore Matters newsletter insert into Channel Magazine – outlining our projects/investments in the area.</p> <p>NEW WEBSITE Website forms, PDFs and images</p>	<p>On-going</p> <p>Currently in production</p> <p>Ongoing</p>
September	<p>TAPPED IN Tapped In (spring 2017) – outlining our water efficiency strategies and home water audit service</p> <p>NEW WEBSITE Website content uploading underway</p>	<p>Planned</p> <p>Planned</p>
October	<p>BILL INSERT Insert to domestic customers about the various payment options</p> <p>NEW WEBSITE Go-live: First stage public web and customer self-service</p> <p>OPEN DAYS Open Days planned for Ardmore, Rosedale and Mangere</p>	<p>Planned</p> <p>Planned</p> <p>Planned</p>
November	<p>BILL INSERT Insert to domestic customers about the Watercare Coastal</p>	<p>Planned</p>
December	<p>TAPPED IN Tapped In – summer 2017 with a focus on water savings</p>	<p>Planned</p>
Mid-December	<p>BILL INSERT</p>	<p>Planned</p>

	Insert – put fats, oils and grease in the bin this Christmas holiday season	
January	DLE for Round the Bays	Planned
February	DLE for outlining payment options for customers	Planned
March	BILL INSERT Insert to all customers with water saving tips	Planned

Internal communications

Completed:

- The July 2017 YourSource was distributed to staff, both digital and hard copy.
- Launched the Writing Style Guide to all staff.
- Implemented consistent email signature across the business as part of the brand guidelines.
- Attended The Insight Story conference focused on communications and corporate affairs.

Underway:

- A first draft of the designed annual report is now available for feedback.
- Planning is underway for our Hunua reforestation media event on 3 October.

Stakeholder Communications

Projects:

- Franklin Road wastewater/stormwater pipe separation project
 - Collaboration between Watercare, Auckland Transport (AT), Vector and Northpower continues. Work will enable AT to undertake future upgrades.
 - Community Liaison Group meetings continue to be productive.
 - Work on Collingwood Street is due for completion by the end of August, with north Franklin Road to be completed by mid-November.
 - Voice of the Customer letters to be sent to affected households on completion seeking feedback.
- Glen Eden wastewater storage tank and network upgrades project
 - Project Flyer shared with Councillors Hulse, Cooper and Clow. A further project flyer is planned for September.
 - New signage being created for walkway closures.
 - Letter sent to residents on pipeline drilling.
 - Traffic management and diversions are working well with few complaints received.
- Huia Water Treatment Plant replacement project
 - The Mayor along with Councillors Hulse and Cooper joined Watercare for a site visit of the Plant and Manukau Road site.
 - A flyer informing of the new treatment plant location was distributed to local residents.
 - Community liaison group has meet three times to discuss the project and updates are being uploaded to the Watercare website.
 - Article to be included in the Fringe magazine about the establishment of the community liaison group.

- Wynyard Quarter wastewater network upgrade project
 - Project artwork installed on the construction fence.
 - Halsey Street works are progressing well with minimal complaints.
- Fred Thomas Drive wastewater storage tank and local network upgrade project
 - As the project progresses, temporary road layout changes will be reduced. Notifications continue as required.
 - Work is progressing on the pump station and storage tank.
- Ponsonby pipeline upgrades
 - Work continues on network upgrade.
 - Signage installed advising the businesses remain open.
- Wairau Road wastewater upgrade works
 - Flyers have been issued to the local businesses and VMS signs are in place to advise the general public
 - Public notices appeared in the local paper.
 - Excavations within Mobile petrol station have started in preparation for the main pipe installation.
 - Update presented to the local board on the programme of works.
 - Local Board representatives joined Watercare on site for a media opportunity.
- Army Bay
 - Councillors Walker and Watson visited the site prior to the works starting. Councillor Watson followed up the visit by saying he found the visit “most interesting and certainly appreciated the enthusiastic and knowledgeable explanations from the staff present. It will be most useful for us when it comes to our contacts with members of the community (and great job with the media follow up as well)”.
- SafeSwim
 - The new Auckland Council Safeswim programme will be implemented 1 November. Communication plans are being developed to respond to queries about beach water quality

Coming up:

- Network Discharge Consent
 - simplified interpretation material to be prepared
- Huia 1 Watermain Upgrades
 - Planning underway for the most suitable pipeline route, taking into account social impact and construction methodology
- Army Bay wastewater treatment plant outfall project
 - Construction work to start August 2017
- Albany/Pinehill watermain and reservoir project
 - Construction works are due to begin November 2017

- Trunk Sewer 8 Northcote
 - Construction works are due to begin in October 2017. Meetings with key stakeholders are progressing well.

Education

- Watercare's education coordinator has delivered 23 lessons so far this financial year (the month of July).

7. WORKING WITH LOCAL BOARDS

The Mangere Otahuhu Local Board joined Watercare staff for a site visit to the BNR expansion at the Mangere Wastewater Treatment Plant. Information from the visit was shared with local media and on Watercare's intranet. The local board also received a video and information, which were later posted on the local board's Facebook page.

The Kaipatiki Local Board was briefed on the Wairau Road wastewater upgrades. On 17 July representatives of the Local Board will join Watercare and the contractor for a media opportunity related to the drilling machine.

Media items on the Glen Eden Wastewater Project, Fred Thomas Drive Pump Station, Army Bay wastewater outfall replacement and Wynyard wastewater pump station were all shared with the relevant local boards and Councillors.

A wastewater overflow response in Warkworth was brought to the attention of the local board, particularly as the cause was found to be local fat oils and grease from residents and businesses. Information on Watercare's response, along with the safe disposal of fats oils and greases, was shared with the local board.

Minutes of the Huia water treatment plant replacement community liaison group meetings continue to be shared with relevant Councillors and Local Board members.

A full schedule of local board interactions over the month is attached as Appendix A.

8. HUIA WATER TREATMENT PLANT REPLACEMENT

By 2023, the The Huia Water Treatment Plant (Huia WTP) will be replaced by a more advanced and higher capacity facility.

As recommended by the Watercare Board, a Community Liaison Group (CLG) has been formed. The CLG has 15 members made up of interested locals and representatives of interest groups including Forest and Bird, the Tree Council and the Waitakere Ranges Protection Society. The CLG has met three times and intends to meet on a regular basis to ensure appropriate conversation is established with the community.

During the month the CLG has agreed on a Terms of Reference. They are currently reviewing the scope of works for the required ecological surveys and conclusions. It is proposed that two sets of experts undertake this work; one selected by Watercare and the other by the CLG. This approach seeks to minimise the potential for conflict and will align the environmental groups represented within the CLG and Watercare.

The CLG has raised other issues including heritage, traffic, archaeological, noise, effects on the existing tracks and reserves, and chlorine. It is intended to work through these issues with the CLG over the

coming months. An indicative plant layout will commence once the ecological surveys have been completed. The CLG understand that this is the phase when they will have the greatest input and are looking forward to the opportunities.

On 17 August, the Titirangi Protection Group (which is represented within the CLG) filed an application under s311 of the Resource Management Act seeking the declaration from the Environment Court that the designation over the Manuka Road site has already been put into effect and therefore our proposal to build and operate a new water treatment plant is invalid. The Court will consider whether to accept or reject the application and if accepted a hearing will be scheduled with the Group presenting their reasons why the designation has been put into effect and Watercare countering it. Simpson Grierson has been engaged to provide legal advice on this matter as the purpose and the conditions of the designation clearly support our intentions.

9. SAFESWIM PROGRAMME

The SafeSwim initiative run by Auckland Council is progressing well. Watercare and Healthy Waters are progressing with installing overflow alarms on key manholes that overflow to the Waitemata bathing beaches. This data will assist Watercare by providing early notification of an overflow and will also provide data for the SafeSwim model. Pump station overflow alarms are being provided and will be incorporated into the SafeSwim model.

10. THE INFLOW AND INFILTRATION PROGRAMME

The Inflow and Infiltration programme is continuing. The inspections of 1560 properties in Mellons Bay has identified 31 defects on 27 properties. Property owners were notified of the defects and by July, eight of the property owners had fixed their defects. The inspections and follow-up in Mellons Bay by the Auckland Council Compliance team identified three unconsented dwellings. Auckland Council are addressing this with the property owners. 21 potential defects are still being investigated by Watercare in Mellon's Bay.

Inflow and Infiltration investigations are currently underway in Te Atatu Peninsula.

11. LONG TERM PLAN 2018-2028

Auckland Council has initiated a number of workstreams to deliver the 2018-2028 Long Term Plan (LTP). A high level timeline is attached as Appendix B.

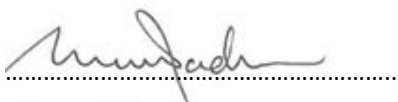
A key workstream from Watercare's perspective is the Infrastructure Investment workstream, which is endeavouring to present capital investment scenarios to a Councillor workshop on 26 September. Watercare is actively engaged in this workstream, although it is Management's view that Watercare's programme is not materially impacted by the majority of the Council's currently proposed scenarios.

Watercare's capital spend for the LTP period has remained consistent since the 2015 LTP with FY17-26 Capex moving from \$4.73b to \$4.81b in nominal dollars since the last LTP.

Another key workstream is the Infrastructure Funding workstream. From Watercare's perspective, the capital programme is fully funded from Watercare revenue so this workstream is more about financing. In order to set a baseline financing requirement for the Group, Watercare has provided Council with the LTP 10 year financials based on the latest Board approved AMP and Funding Plan. Further engagement with Council Officers is expected as they begin to understand the broader group's capital financing requirements.

An indicative timeline of engagement is below (this may be subject to further Council requirements not yet known):

22 August	Mayoral Intent released
14 September	Watercare / Council baseline budget discussion It is expected that this will identify any financing constraints the Council may have and if they expect this to impact Watercare
20 September	Watercare Board / Councillor workshop
21 September	Watercare Board meeting LTP update covering Mayoral intent and any financing / investment impacts requested by Council (including an AMP update as required)
26 September	Councillor Infrastructure workshop Council Group Infrastructure scenarios to be considered by Councillors
26 October	Watercare Board meeting Update on AMP and Funding Plan implications of Councillor Infrastructure workshop for Board consideration Review and approval of Funding Policies
28 November	Watercare Board meeting Approval of Watercare inputs to Council LTP
Early December	Final draft Watercare financial information required by Council



R Jaduram

CHIEF EXECUTIVE

Appendix A – Chief Executive’s Report - Local Board Interaction (As at 16 August 2017)

Local Board	Chair	Deputy Chair	June 17	July 17	August 17
Albert - Eden	Peter Haynes	Glenda Fryer	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June)		
Devonport - Takapuna	Grant Gillon (26 October 2016 to 22 April 2018) George Wood (23 April 2018 to the end of the 2016-2019 political term)	George Wood (26 October 2016 to 22 April 2018) Grant Gillon (23 April 2018 to the end of the 2016-2019 political term)	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June)	Project update info Fred Thomas Pump Station (20 July). Notification of water outage at North Shore Hospital (21 July).	Media items on Fred Thomas Drive Pump Station (4 Aug)
Franklin	Angela Fulljames	Andy Baker	Announcement of Watercare price increase (6 June). Escalation and response related to Pukekohe wastewater upgrades (13 June). Photo opportunity with the Chair for Franklin Matters newsletter and media item on Buckland pump station (22 June). Tapped In Newsletter (23 June). Local Board Briefing on growth related issues in Franklin (27 June).	Thank you to Andrew baker for article in Franklin paper on Watercare investment and works (6 July)	Liaison with Deputy Chair Andy Baker regarding future use of Hickey Springs Land (3 Aug).
Great Barrier	Izzy Fordham	Luke Coles	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June)		
Henderson - Massey	Shane Henderson	Peter Chan	Announcement of Watercare price increase (6 June). Information on inflow inspections at Te Atatu Peninsula (6 June). Site visit to see smoke detection for stormwater defects in the wastewater network (13 June). Notification of Triangle Road Pump Station Commissioning (20 June). Tapped In Newsletter (23 June)		Update to Local Board member on biofilter works (10 Aug)
Hibiscus and Bays	Julia Parfitt	Janet Fitzgerald	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June)	Response to escalated customer enquiry regarding tree pruning on Pine Hill (17 July).	Media information on the Army Bay wastewater outfall upgrades (10 Aug)
Howick	David Collings	Katrina Bungard	Announcement of Watercare price increase (6 June). Information on Mellons Bay inflow findings sent to John Spiller (8 June). Tapped In Newsletter (23 June).		
Kaipatiki	Danielle Grant (2 Nov 2016 to 28 Feb 2018) John Gillon (1 March 2018 to the end of the 2016-2019 political term)	John Gillon (2 Nov 2016 to 28 Feb 2018) Danielle Grant (1 March 2018 to the end of the 2016-2019 political term)	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June). Information in response to escalated complaint on security and odour at Rotary Grove Reserve (28 June)	Notice of Wairau Road Works start plus flyer (7 July). Local Board briefing on Spencer Rd bridge in collaboration with NZTA (13 July). Project update info Wairau Rd (20 July)	Media items on Fred Thomas Drive Pump Station (4 Aug). Response to wastewater overflow event (10 August). Invite to view TBM on Wairau Road (10 Aug). Update to Brenda Brady on biofilter installation (10 Aug). Liaison in response to third party damage to wastewater pipe and clean up

Local Board	Chair	Deputy Chair	June 17	July 17	August 17
					(11 Aug).
Mangere - Otahuhu	Lydia Sosene	Walter Togiama	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June).		Site Visit to BNR project at Mangere including media item (1 Aug)
Manurewa	Angela Dalton	Rangi McLean	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June).	Response to customer escalation on overflows (10 Jul).	
Maungakiekie - Tamaki	Josephine Bartley - until 22 April 2018, to be replaced by Chris Makoare on 23 April 2018.	Don Allan - until 29 October 2017. Debbie Burrows - 30 October 2017 to 28 October 2018. Bernie Driver – 29 October 2018 until end of the term.	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June).		
Orakei	Colin Davis - After 18 months Kit Parkinson will Chair.	Kit Parkinson - After 18 months Carmel Claridge will be Deputy Chair	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June).	Response to member regarding water leak complaint investigation (21 July)	
Otara - Papatoetoe	Lotu Fuli	Ross Robertson	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June).		
Papakura	Brent Catchpole	Felicity Auva'a	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June).	Feedback on escalated Veolia Complaint (13 July)	Local Board workshop on Veolia services (16 Aug)
Puketapapa	Harry Doig	Julie Fairey	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June).		
Rodney	Beth Houlbrooke	Phelan Pirrie	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June). Arranged site visit to Wellsford Wastewater Treatment Plant with Local Board (3 July)	Site visit to Wellsford Wastewater Treatment Plant (2 July). Response to escalated wastewater enquiry about services in Leigh (12 July). Notification of new water pump station commissioning in Warkworth (18 July). Conversation with Democracy advisor regarding landowner access to Manly Pump Station (18 July). Update on Community Liaison Group and Inflow and Infiltration for Wellsford (25 July).	Information on wastewater overflow in Warkworth as well as collateral for sharing on social media (8 Aug). Feedback in response to question on prospective land purchase for pump station in Kumeu (15 Aug).
Upper Harbour	Lisa Whyte (31 October 2016 to 1 June 2018) Margaret Miles (2 June 2018 to the end of the 2016-2019 political term)	Margaret Miles 31 October 2016 to 1 June 2018) Lisa Whyte (2 June to the end of the 2016-2019 political term)	Announcement of Watercare price increase (6 June). Notification of Triangle Road Pump Station Commissioning (20 June). Tapped In Newsletter (23 June).		
Waiheke	Paul Walden (26 October 2016 to Sunday, 22 April 2018) Cath Handley (23 April 2018 to the end of the	Cath Handley (26 October 2016 to Sunday, 22 April 2018) Paul Walden (23 April 2018 to the	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June).	Information provided in response to private application for development (3,4 July).	Conversation with Chair about wastewater upgrades (9 Aug).

Local Board	Chair	Deputy Chair	June 17	July 17	August 17
	2016-2019 political term)	end of the 2016-2019 political term)			
Waitakere Ranges	Greg Presland	Saffron Toms	Local Board briefing on Watercare decision over Huia Water Treatment Plant (1 June). Information to Sandra Coney on weed management in the Waitakere Ranges (6, 12 June). Announcement of Watercare price increase (6 June). Notification of Triangle Road Pump Station Commissioning (20 June). Tapped In Newsletter (23 June). Information on Nihotupu Filter Station sent to Mayors office also shared with Local Board chair (30 June). Glen Eden Wastewater newsletter (30 June).	Responded to queries on the Huia Water Treatment Plant replacement project (4 July). Update following community liaison group meeting (6 July). Notice of media update on Glen Eden wastewater Tank (18 July). Minutes of Huia Replacement CLG meeting sent to the Chair (21 Jul)	Update on Huia Water Treatment Plant Replacement CLG meeting – Greg Presland attended (1 Aug). Update on works in Parris Park (15 Aug).
Waitemata	Pippa Coom	Shale Chambers	Notice of meeting with John McCaffery regarding wastewater overflows (6 June). Announcement of Watercare price increase (6 June). Update on the Halsey Street works (12 June). Look into use of space on Khyber reservoirs for recreation (12 June). Information on the potential for Khyber reservoirs to be used for recreation (15 June). Update on Halsey Street works (20 June). Tapped In Newsletter (23 June).	Notification of works in Ponsonby Road (4 July). Project update information for Ponsonby News sent to Local Board members (19 July). Correspondence on litter bins in Hereford Street (19 July). Media update on Wynyard and Halsey Street works (26 July).	Shared media article on progress with pump station at Wynyard Quarter (15 Aug)
Whau	Tracey Mulholland	Susan Zhu	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June).		
Manukau Harbour Forum					Information on BNR project (13 Aug). Update on Manukau Harbour Model (18 Aug)