

WATERCARE SERVICES LIMITED

AGENDA | Board meeting | 31/07/2017

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 28 June 2017 	Minutes 28 June 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 Appointments and Terms 	Board Planner Disclosure of Interests
4. For information a) Health & Safety Report b) Chief Executive's Report	R Jaduram R Jaduram	<ul style="list-style-type: none"> Receive report Receive report 	Report Report
5. General Business	Chair		

Date of next Meeting – 29 August 2017

Location – Watercare Newmarket, 73 Remuera Road, Newmarket

MINUTES

SUBJECT	WATERCARE SERVICES BOARD MEETING
VENUE	Watercare Services Limited, 73 Remuera Road, Newmarket
DATE	28 June 2017
TIME	11.35am
STATUS	Open Session

	<p>Present:</p> <p>M Devlin (Chair) J Hoare (Deputy Chair) N Crauford C Harland T Lanigan B Green D Thomas</p> <p>I Cronin-Knight (Board Observer)</p>	<p>In Attendance:</p> <p>R Jaduram (CE) B Monk R Chenery J Simperingham</p>	<p>Public in Attendance:</p> <p>None</p>
	<p>Introductory Comment</p> <ul style="list-style-type: none"> The Chair congratulated Management on receiving the Gold award, and the Chairman's commendation for sustained excellence in reporting award, at the Australasian Reporting Awards for the 2016 Watercare Annual Report. The Chairman's commendation for sustained excellence in reporting award recognises organisations who have achieved more than ten consecutive Gold awards through to 2017. The Australasian Reporting Awards are designed to enable organisations to benchmark the quality of their annual reports against criteria based on world best practice. Organisations receive a Gold, Silver or Bronze Award (or no award at all) depending on the extent to which they satisfy the Australasian Reporting Awards criteria. Reports that achieve a Gold Award satisfy all of the criteria and should be model reports for other organisations to follow. 		
1.	<p>Apologies</p> <ul style="list-style-type: none"> There were no apologies. 		
2.	<p>Minutes of Previous Meeting</p> <ul style="list-style-type: none"> Subject to one minor amendment, the Board resolved that the minutes of the public section of the Board meeting held on 30 May 2017 be confirmed as correct. 		
3.	<p>Directors Corporate Governance Items</p> <ul style="list-style-type: none"> Board Planner 2017 The planner was noted. Management will update the planner to reflect the strategic plan. Disclosure of Interests The reports were noted. The Chair, N Crauford and B Green advised of changes to their disclosure of interests. Director Appointments and Terms The report was noted. 		
5.	<p>For Information</p> <p>(a) Health and Safety Report</p> <p>The Chief Executive spoke to the report.</p> <p>All contractors involved in the significant near misses have received a letter from Watercare. Management will follow up to ensure responses are received from the contractors.</p>		

(b) Chief Executive's Report and Scorecard

The Board noted the scorecard.

The Chief Executive spoke to the report.

- Health & Safety

The Board noted that the rolling 12 month lost-time injury frequency rate (LTIFR) is 2.41 million hours, below (favourable) the Statement of Intent target maximum of 5 per million hours.

The Chair noted that the paper stated that there was one lost-time injury for Watercare employees in May, whereas the Health and Safety Report (item 3(a)) stated that there were no lost-time injuries for Watercare employees in May. For clarification, there were no lost-time injuries for Watercare employees in May, and therefore the reference in the Chief Executives report was incorrect.

- Customer Focus

The Board noted that all customer service performance metrics were above target for the month. The customer satisfaction score in May was 83.9% and the rolling 12 month average is 82.4% against a target of 80%. Complaint resolution was 100% for the ninth consecutive month. The rolling 12 month average is 97.9% against a target of 95%.

- Infrastructure Programme

The Board noted that the infrastructure capital programme has delivered year to date \$252m against a budget of \$280m. The forecast to year end is to deliver \$274m against a budget of \$302m.

- Service Delivery

The Board noted that rainfall in May across the Auckland region was average for the month.

The Chief Executive explained the preparation activities in relation to commissioning the Triangle Road pump station on the 24th of June. On the day the station was commissioned, Watercare did not receive any complaints. The Communications plan was proactive and included door knocking, radio advertising and liaising with Council. Management received an email from Councillor Linda Cooper thanking Watercare for its efforts. J Hoare noted that the radio advertising was effective.

- Finance

The Board noted the financial performance update.

- Execution of documents

The Board noted the documents executed throughout May. The Chair noted the range in value of the capital projects approved by the Chief Executive.

- Communications

The Board noted the update on communications.

The "Girls in Hi-Viz" event was discussed. This is a Connexis initiative promoting females in trade jobs to support diversity.

- Working with Local Boards

The Board noted the update.

- Article on Havelock North Water Crisis

The Board noted the article.

- Mayoral Housing Taskforce

The Board noted the update.

- Long Term Plan 2018-2020

The Board noted the timetable for the Long Term Plan 2018-2020.

	<p>(c) Strategic Programme Update: Non-Revenue Water</p> <p>The presentation was noted.</p>
6.	<p>General Business</p> <ul style="list-style-type: none"> • The Chief Executive gave an update on the Huia Water Treatment Plant Replacement, and noted that the Mayor and Councillors were visiting the proposed site on 29 June. The Community Liaison Group has been set up and the Chief Executive confirmed that this group consists of volunteers from the community. • B Monk and J Simperingham gave an update on the s17A reviews. Management will continue to ensure the Board is kept up to date. • The meeting opened, and was adjourned, at 11:35am. The meeting reconvened at 12:30pm, and closed at 12:50pm.

CERTIFIED AS A TRUE AND CORRECT RECORD

Margaret Devlin
Chair

Board - Public Session - Directors' Corporate Governance Items

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; 16 Aug - workshop with Councilors; 23 August - CCO Q4 briefing to F&P meeting	14 Sept - Auckland Council's A&R Committee			
	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 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*	
	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

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

> Timetable/Plan not yet available

Report to the Board of Watercare Services Limited

Subject: Disclosure of Interests

Date: 24 July 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: 24 July 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: 24 July 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

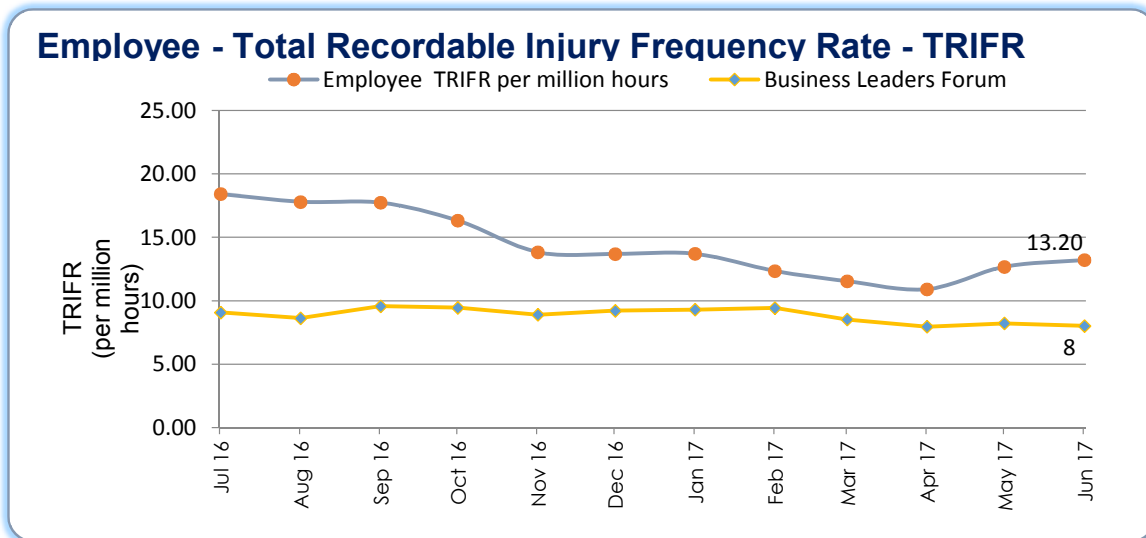
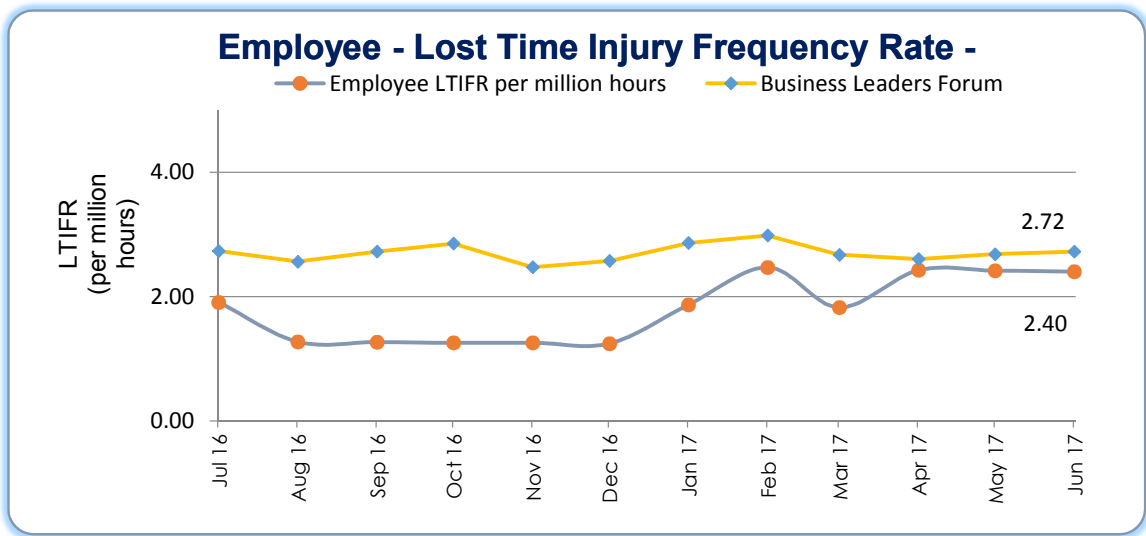
Subject: Health and Safety Report – June 2017

Date: 24 July 2017

1. LAG INDICATORS

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

While there were no Watercare employee Restricted Duties Injuries (RDI) and one Medical Treatment Injury (MTI) this month, the rolling 12 month Total Recordable Injury Frequency Rate (TRIFR) has risen slightly to 13.20 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

While removing a meter box underneath a Phoenix palm tree, a frond spike pierced through a maintenance worker's glove and into his finger. The worker received medical treatment and had the spike removed. The need for caution, awareness and the use of heavy duty gloves was communicated to all teams.

3. CONTRACTOR WORKER INJURIES

There was one Restricted Duty Injury (RDI) in the month of June.

A worker on the BNR project sprained his ankle whilst walking down a pedestrian walkway that had loose surface gravel. The worker was assessed by a medical practitioner and placed on restricted duties for 3 days. The walkway was resurfaced to prevent a recurrence and the incident communicated in a toolbox meeting.

4. SIGNIFICANT HAZARD/NEAR MISSES

There were no significant hazards, near misses or incidents reported for the month.

5. INSPECTIONS

A table setting out Watercare business unit targeted versus completed inspections for June 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, indicating 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 and a revised plan for the period 2017 to 2020 with detailed programmes for the next financial year 2017-2018 has been compiled. The new health and safety plan has been reviewed by the senior management team, for approval by the Chief Executive.

7. INDEPENDENT AUDIT REVIEWS

A health and safety management systems audit against the AS/NZ4801 standard is scheduled to be carried out by Telarc on 25-27 July which will include visits to the following Watercare facilities:

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

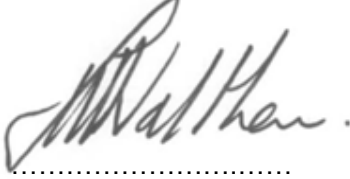
8. WATERCARE QUARTERLY REPORT

Appended to this report as Appendix B is the Health and Safety Quarterly report for the period April to June 2017.

9. RECOMMENDATION

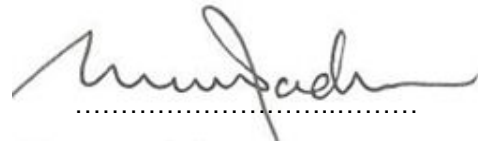
That the Board receives this report.

Prepared by:



S Walthew
**Corporate Health and Safety
Manager**

Approved for submission by:



R Jaduram
Chief Executive

Appendix A

Inspections – Targets were set with business units for Health and Safety Inspections for the 2016-2017 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-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Total	Target for 2016-17	% Complete
Watercare House	1	0	1	0	0	1	0	1	0	1	0	1	6	6	100
Infrastructure Delivery															
Construction Delivery	23	18	22	30	18	15	28	29	22	19	17	24	265	230	115
Laboratory Services	8	11	7	8	10	9	15	20	6	8	11	11	124	104	119
MSO	16	15	10	24	10	10	9	28	15	28	21	17	203	138	147
MSN	22	33	16	32	26	16	28	21	26	14	15	20	269	168	160
Total	69	77	55	94	64	50	80	98	69	69	64	72	861	631	136
Service Delivery															
Networks	19	18	20	20	35	24	20	31	26	13	14	0	240	150	160
Asset Protection & Engineering Performance	2	2	5	3	5	3	6	2	3	18	6	5	60	40	150
Water Supply	17	20	29	27	28	18	36	18	8	19	21	14	255	192	133
Wastewater	18	19	21	21	25	22	27	24	21	19	25	16	258	232	111
Total	56	59	75	71	93	67	89	75	58	69	66	35	813	614	132
Watercare Total	325	136	330	165	157	118	169	174	127	139	130	108	2078	1231	169

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 these more accurately and provide 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						
April	3	25	88	54	5	145
May	1	37	148	84	6	185
June	0	19	64	110	4	34
Total	4	81	300	248	15	364
Pukekohe Trunk Sewer Upgrade						
April	0	13	64	359	159	18
May	0	22	72	437	166	55
June	0	17	103	514	90	32
Total	0	52	239	1310	415	105
Glen Eden Wastewater Storage Tank						
April	0	4	12	12	9	12
May	0	4	8	23	9	20
June	0	4	25	31	8	60
Total	0	12	45	66	26	92
Waikato 175MLD Upgrade						
May	1	4	4	15	29	15
June	0	4	5	18	5	18
Total	1	8	9	33	34	33

HEALTH AND SAFETY QUARTERLY REPORT:

April to June 2017

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HEALTH AND SAFETY QUARTERLY REPORT: Apr to Jun 2017

1. Progress Against Plan

<p><u>Strategic Objective 1</u></p> <p>To manage our operations to reduce the risk of injury with particular focus on serious or fatal injuries.</p>	<p>● <u>Programme 1: Process Safety</u></p> <p>Appointment of process safety engineers for water treatment and wastewater treatment have been made.</p> <p>The High Hazards Unit of WorkSafe visited Ardmore in December to observe and discuss the development of the Safety Case. A plan is in place to continue ongoing preparation of the safety case by the process safety engineers and to ensure it is completed and submitted by April 2018 as required by the Major Hazard Facilities Regulations.</p> <p><u>Programme 2: Verification of Controls for Work in Confined Spaces and Traffic Management</u></p> <p>Independent audit reviews have been conducted on treatment plants and construction projects, and issues identified are being progressively addressed and incorporated into Key Requirements which will be added to the health and safety Toolkit and communicated to the business.</p> <p><u>Programme 3: Reducing Risks from Other Critical Hazards</u></p> <p>Workshops have been carried out with operational managers to develop robust risk controls utilising new skills: Bowtie methodology for which training was received. The skills gained have been applied and bowtie analysis undertaken on the following significant hazards:</p> <ul style="list-style-type: none"> ● Work at Height ● Work over Water ● Trenching and Excavation ● Confined Spaces ● Traffic Management
<p><u>Strategic Objective 2</u></p> <p>To engage with our workers through programmes that reduce health and safety risks and support their physical health.</p>	<p>● <u>Programme 1: Reducing Safety Risks from Impairment</u></p> <p>A Key Requirement for reducing risks from impairment arising from fatigue, has been completed and introduced to the business. This identifies risk assessment tools that can be used to assess the potential risks of scheduled work and call-out schedules or after an event in terms of assessing impacts in retrospect.</p> <p>A Drug and Alcohol Policy has been developed as part of Watercare’s commitment to providing a safe and healthy workplace. The policy will be implemented in the near future.</p>

HEALTH AND SAFETY QUARTERLY REPORT: Apr to Jun 2017

		<p><u>Programme 2: Reducing Risks from Occupational Health Hazards</u></p> <p>There is a significant programme underway to identify assets with asbestos containing materials, with assessments and remedial works in progress. The programme will ensure that all sites (including transmission and network assets) have up-to-date registers and management plans for asbestos-containing materials (ACMs). A Key Requirement has been created and included in the health and safety Toolkit.</p>
<p><u>Strategic Objective 2 (cont'd)</u></p> <p>To engage with our workers through programmes that reduce health and safety risks and support their physical health.</p>	<p>●</p>	<p><u>Wellbeing</u></p> <p>Work is underway on a comprehensive programme to address workplace health and staff wellbeing. This programme is based on research evidence that demonstrates that improved worker health supports improved productivity and reduces injury and illness risk. Promotion of workplace health programmes also supports worker engagement.</p> <p>Scoping this programme is now underway. It is likely to include information delivery, as well as a calendar of events targeting relevant health issues.</p> <p>Events that have already taken place as part of the wellbeing programme are men’s health, smoke free day, and work/life balance.</p>
<p><u>Strategic Objective 3</u></p> <p>To implement systems and programmes that “operationalise” effective and business relevant health and safety management.</p>	<p>●</p>	<p><u>Programme 1: Developing the Organisational Culture to Support Best Practice Health and Safety</u></p> <p>Following the two day health and safety governance workshop carried out with the Senior Management Team in December, a similar workshop was conducted for Watercare directors. The workshop took place at Watercare’s Newmarket premises on 27th April 2017.</p> <p>The manager health and safety leadership workshop programme took place over the March-April period, designed to enhance managers’ knowledge and skills to reinforce good consistent behaviours. The training was personalised, referencing Watercare’s health and safety toolkit as the principle reference document for how we manage health and safety in our business. At the end of the programme 141 managers had been through this training. Additional training workshops have been arranged for the 39 people who were unable to attend the training due to the Tasman Tempest workloads.</p>

HEALTH AND SAFETY QUARTERLY REPORT: Apr to Jun 2017

4.1

	<p><u>Programme 2: Integrating Health and Safety Responsibilities into Operational Staff Responsibilities</u></p> <p>A training needs analysis has been compiled across business units. There is a need for current position descriptions to be reviewed to ensure that they include clear and specific health and safety responsibilities and relevant KPIs and other accountabilities that motivate the right behaviours.</p> <p><u>Programme 3: Complete and Fully Implement the Health and Safety Management System</u></p> <p>Projects in progress include:</p> <ul style="list-style-type: none"> • The Health and Safety Toolkit has been finalised and communicated to the business, to ensure we have provided clear direction on aspects of health and safety management in Watercare. • Feedback from the business has been incorporated into Key Requirement documents setting out consistent direction for risk controls for significant hazards. • Further progress on the development of an effective and consistent Permit to Work process is underway and expected to be implemented in July 2017. • The next stage in the functionality of Synergi is the full inclusion of contractor data and statistics, which will be implemented and able to process mass data and generate safety performance statistics for all Watercare contractors by August 2017.
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2. Assurance

<p>An Independent verification audit was undertaken at the Rosedale Wastewater Treatment Plant looking at Confined Space and Traffic Management.</p> <p>The audit report has been jointly reviewed by the plant management and the health and safety team to address any areas for improvement and action.</p>
<p>A health and safety management systems audit against the AS/NZ4801 standard is scheduled to be carried out by Telarc on 25-27 July which will include visits to the following Watercare facilities:</p> <ul style="list-style-type: none"> • Pukekohe Wastewater Treatment Plant • Pukekohe Wastewater Treatment project – construction site • Watercare Laboratory Services • Huia Water Treatment Plant

HEALTH AND SAFETY QUARTERLY REPORT: Apr to Jun 2017

3. Significant Incidents

4.1

<p>Waikato 175MLD Project (Brian Perry Civil) – Near Miss</p> <p>Synergi Case 3817</p> <p>Date 10th April 2017</p>	<p>A contractor was cutting a vertical pipe with a grinder when the pipe moved against the disc causing it to disintegrate. The worker operating the grinder was wearing the correct PPE including gloves and face shield and was not injured. Learnings included:</p> <ul style="list-style-type: none"> • Shortfall in competence of the worker using the grinder – although the worker had been trained, he was not sufficiently experienced to carry out the cut required • Poor job planning and supervision <p>Watercare has issued a Safety Alert to reinforce the safe use of angle grinders. The contractor arranged refresher angle grinder training for its workers and the training was extended to cover the particular circumstance of this incident. This near miss highlights the importance of operator competence as well as training when planning for safe work, and allocating resources. This has been recognised by the contractor who has also undertaken to improve supervision on sites. We will ensure that our inspections (which will include evidence of operator competence) are increased to evidence the improvement.</p>
<p>Mangere WWTP / BNR Project (McConnell Dowell/HEB JV) – Incident</p> <p>Synergi Case 3819</p> <p>Date: 10th April 2017</p>	<p>A contractor failed to follow permit to work conditions when using a mechanical digger to excavate a trench within 500mm of known services. The excavator cut the earth cable for the adjacent 11Kv power source. Although under normal conditions an earth wire presents no hazard, had there been a fault there could have been an 11Kv current running through the cable. The consequences would also have been serious had the digger cut a live power cable. The area was cordoned off and a safe repair of the broken cable was effected. The contractor subsequently reinforced requirements for better planning of excavations, and the need to follow prescribed procedures via site toolbox meetings.</p>
<p>Mangere WWTP / BNR Project (McConnell Dowell/HEB JV) - Near Miss</p> <p>Synergi Case 3833</p> <p>Date: 13th April 2017</p>	<p>A contractor used an excavator to move a sheet pile within a demarcated and controlled exclusion zone. When the sheet pile was being lowered, the lifting chain separated from the lifting hook and the sheet pile fell to the ground. There was no one in the exclusion zone, and thus no danger to persons present. The site was secured and the uncontrolled release was reported to Watercare and WorkSafe NZ as a near miss. A site wide toolbox meeting was held to communicate the incident.</p> <p>Watercare has identified the following root causes from the investigation:</p> <ul style="list-style-type: none"> • Untrained workers undertaking high risk tasks (excavator operator not trained in lifting) • Inadequate pre-use checks being done (hook was certified but not fit for use). <p>Watercare has recently issued a Safety Alert to reinforce good practice when lifting plates. The contractor is required to confirm to Watercare the actions taken to prevent a recurrence, including providing adequate supervision for such activities. We will schedule a follow up site inspection to ensure the contractor remains on task regarding health and safety.</p>

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HEALTH AND SAFETY QUARTERLY REPORT: Apr to Jun 2017

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<p>McConnell Dowell (Glen Eden Storage Tank) – Property Damage Synergi Case 3867 Date: 24th April 2017</p>	<p>An overhead telecom cable was broken by a sub-contractor’s mobile plant. The contractor failed to use a spotter when operating near overhead services, and a lapse of situational awareness by the driver contributed to the incident. Chorus was contacted to undertake the repair. Watercare has issued a recent Safety Alert on working around overhead lines. The incident was communicated to the worksite team via toolbox meeting focusing on the requirement to use spotters at all times when operating or travelling near overhead cables. These measures are to be documented in the pre-start meetings.</p>
<p>MSN – Near Miss Synergi Case 3866 Date: 25th April 2017</p>	<p>A Watercare MSN vehicle experienced a brake failure at a job site. An investigation is underway to determine whether the scheduled maintenance had been carried out on time, and the cause of the failure of the brakes. A comprehensive investigation was conducted and the identified learnings and preventative actions tracked and closed out. A new fleet management service provider has since been appointed with an improved monitoring and notification system.</p>
<p>PS28 Millen Ave, Pakuranga (Pipeline & Civil Limited) - Near Miss Synergi Case 3872 Date: 26th April 2017</p>	<p>A re-usable rigging bolt snapped and a drill and motor fell onto scaffolding and then onto the floor below. The incident occurred when sub-contractors were mounting a drill rig to the wall of a dry well. The incident was notifiable, but WorkSafe has advised that the matter will not be investigated further. Watercare has identified the following:</p> <ul style="list-style-type: none"> • The bolt had been over tightened causing it to snap • The use of an uncertified scaffold structure • Exclusion zone not demarcated <p>The contractor has agreed to use new bolts on each occasion and has been requested to provide details on the issues identified, supplying proof of remedial actions undertaken.</p>
<p>Huia Aqueduct Emergency Repairs (Headworks / Eagleflight Aviation) - Incident Synergi Case 3883 Date: 1st May 2017</p>	<p>A contractor using a helicopter to lift a load failed to apply an exclusion zone and adequate tag lines, resulting in the suspended load coming into contact with his support vehicle, causing damage to the vehicle. The pilot managed the situation and the lift was completed successfully. Watercare have requested the contractor to revise their written procedures incorporating all learnings from causal factors identified and to include lift plans for all future lifts. That implementation is underway and until complete no further helicopter work will be undertaken by that contractor.</p>
<p>Local Networks Renewal Project 2016 (Pipeline & Civil) – Incident Synergi Case 4047 Date: 23rd May 2017</p>	<p>A 1.7 ton excavator overturned whilst off-loading a plate compactor from a truck in a manner differently than had been initially planned because of space constraint. Worksafe was notified of the incident but advised the contractor that they would not conduct any further investigations, and that the contractor could recover the excavator and resume work. The contractor is to revise its safe work procedures, conduct a re-assessment</p>

July 2017

HEALTH AND SAFETY QUARTERLY REPORT: Apr to Jun 2017

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	for the excavator operator and communicate all learnings to their work teams. Watercare have also issued a directive which informs all contractors and Watercare management that no lifting work can be undertaken using excavators except in the manner prescribed in the directive.
Mangere WWTP / BNR Project (McConnell Dowell/HEB JV) – Incident Synergi Case 4091 Date: 25 th May 2017	<p>During backfilling operations an excavator bucket made contact with an 11kv cable causing it to arc and fail. The contractor secured the site and notified Watercare and Worksafe. There was an immediate stand down site-wide and the incident was communicated to all workers.</p> <p>Causal factors were found to include:</p> <ul style="list-style-type: none"> • Insufficient protection around services; • Incorrect siting of excavator and safety watch resulting in limited operational visibility; • Inadequate supervision; • Worker complacency around live services; • Recent operator change (3 days prior); and • Diminishing control being applied towards end of works. <p>The contractor is progressively implementing remedial actions and the Watercare project manager is tracking and reviewing implementation of all actions.</p>
Mangere Sludge drying bed landfill Project (Broad Spectrum) – Isolation Breach Incident Synergi Case 4076 Date 30 th May 2017	<p>A Watercare project manager observed a contractor undertaking electrical work without having carried out full isolation controls. The work was immediately halted and the contractor stood down from all Watercare site work until the incident had been discussed with all personnel and correct isolation procedures re-communicated. Watercare await a full investigation report from the contractor.</p> <p>An investigation report was received identifying causal factors and actions required. All remedial actions have been undertaken and closed out.</p>
Local Networks Renewal Project 2016 (Interflow) – Near Miss Synergi Case 4088 Date: 31 st May 2017	<p>Whilst manually lifting a bag of debris out of a manhole, the knot in the rope securing the load came undone and the bag fell to the bottom of the manhole. The risk of a load falling had been identified prior and a decision had been made to have the worker inside the manhole stand in a protection location. As a result there were no injuries. Worksafe was notified of the incident and cleared the site to reopen. The investigation continues. The Watercare contract manager will maintain engagement with the contractor to ensure all causal factors are identified and adequate remedial actions planned and implemented. If of broader significance they will be shared business wide.</p>

HEALTH AND SAFETY QUARTERLY REPORT: Apr to Jun 2017

HEALTH AND SAFETY QUARTERLY REPORT: Apr to Jun 2017**4.1****4. Items for Information****Health and Safety Workshop for Managers**

Additional training sessions have been arranged for 13-14 September for the 39 employees who did not get to attend the previous training workshop sessions due to the Tasman Tempest workloads. Calendar invitations will be sent out to all.

Health and Safety Toolkit

The Health and Safety Toolkit has been finalised and uploaded on OurPlace and was followed by Toolkit information sessions at various Watercare facilities, providing an overview, navigation guidance and responding to questions from managers.

Due Diligence Workshop for Watercare Directors

A Due Diligence workshop was conducted for Watercare directors. The workshop took place at Watercare's Newmarket premises on 27th April 2017.

Contractor Management

In a recent District Court decision, Auckland Council was prosecuted for a failure of its contracted waste disposal contractor (Veolia) to adequately maintain its vehicles. The Senior Management Health and Safety Committee has addressed the question about the extent to which a principal is required to monitor the plant, equipment and operations of its contractor.

It is generally understood that we do have a responsibility for the health and safety of contracted workers that we have engaged. However, our managers' respective understanding of what this requires in practical terms varies. The Health and Safety Training Workshops for Managers that was conducted over the March-April period addressed this. In addition, Tier 2 and Tier 3 managers are raising this issue with their subordinate managers and supervisors, and providing direction as required. Health and Safety advisors are also assisting managers by providing practical examples of the appropriate level of monitoring.

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HEALTH AND SAFETY QUARTERLY REPORT: Apr to Jun 2017

Drug and Alcohol Policy

The policy draft was finalised and approved by the senior management team. The policy has been socialised with union representatives advising them of our intention to implement the policy throughout the business. Once feedback and agreement is received, the policy will be circulated for implementation.

Health and Safety Plan Review

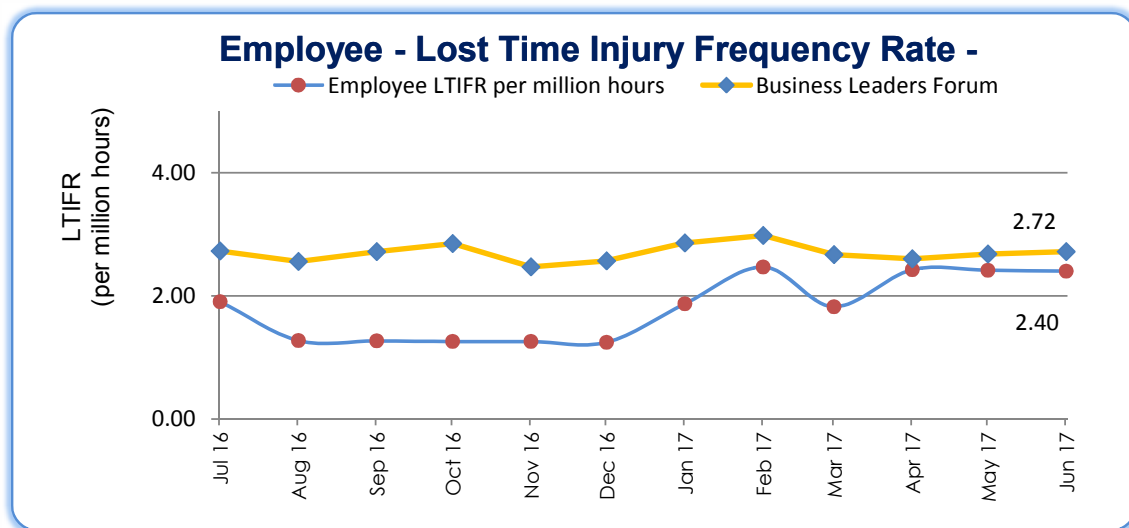
The current health and safety plan for the period April 2016 to June 2017 has been reviewed and a revised plan for the period 2017 to 2020 with detailed programmes for the next financial year 2017-2018 has been compiled. The new health and safety plan has been reviewed by the senior management team, for approval by the Chief Executive.

5. Statistics

Lag Indicators

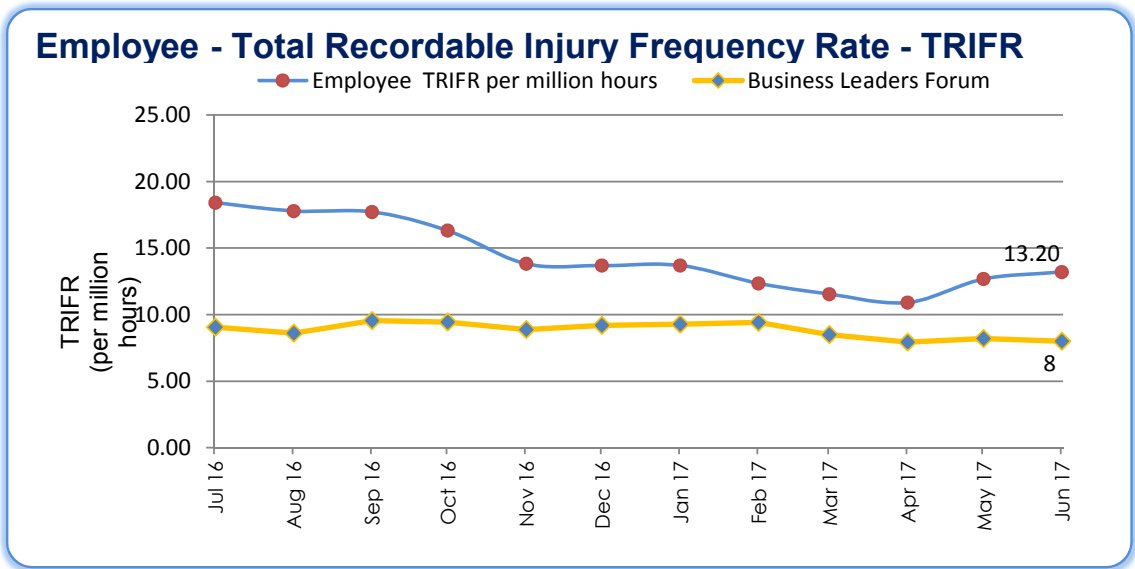
The rolling 12 month Lost-Time Injury Frequency Rate (LTIFR) as at the end of June is 2.40 per million hours. The LTIFR remains lower than the Business Leaders Forum benchmark of 2.72, and significantly below the SOI target of ≤ 5

The Watercare employee Total Recordable Injury Frequency Rate (TRIFR) remained static into the first month of the quarter, but has since increased to 13.20 per million hours. It remains in excess of the Business Leaders Forum benchmark of 8.00, but very significantly below the SOI target of ≤ 20 .



HEALTH AND SAFETY QUARTERLY REPORT: Apr to Jun 2017

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(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).

Watercare Employee Injuries

Synergi Case number	Business Unit	Injury	Description	Corrective Actions & WSL learnings
3895 30/04/2017	MSN	LTI	A worker sustained a muscle strain to his back whilst manually loading broken out sections of tar seal onto a truck.	The worker was unfit for work for 3 days. His return to work was managed with necessary assessments and workload management. A manual handling refresher training has been arranged for the worker. The need for caution when lifting has been communicated to all MSN teams.
3894 01/05/17	Laboratory Services	RDI	A sampler came into contact with a small quantity of nitric acid on her hand during sample collection. The acid burn was irrigated immediately but worsened overnight.	The acid burn was assessed by a medical practitioner and the worker was placed on alternative duties for 3 days. Lab management have amended the procedure to include the use of gloves (previously considered to impede task completion) while undertaking such work, and communicated the change to all sampling teams. The possibility to reduce the acid concentration used in

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HEALTH AND SAFETY QUARTERLY REPORT: Apr to Jun 2017

				this type of sampling is also being investigated.
4009 06/05/17	Laboratory Services	RDI	A sampler strained her neck whilst lifting 10L containers of water into the van.	A medical assessment concluded that the injury was an exacerbation of a pre-existing condition not disclosed to Watercare. The worker was placed on restricted duties avoiding any heavy lifting. The task process was reviewed and communicated to fill the containers in the rear of the vehicles thereby eliminating the need to lift them from ground level. Workers were also reminded to declare all pre-existing medical conditions.
4057 23/05/2017	MSN	MTI	A worker sustained a cut to the cheek when he bumped his head whilst hitching a trailer to a vehicle	The worker reacted to this minor injury and was treated to avoid infection. Blood tests have been arranged to establish underlying reasons for these reactions. The need for caution and awareness was communicated to all MSN teams.
4060 25/05/17	MSN	RDI	A maintenance worker sustained a shoulder muscle strain whilst manually loading pieces of concrete onto a truck.	The worker was assigned to alternative duties for one week. Reminders have been communicated to employees around ongoing vigilance in the workplace and following correct manual handling practices. Work methods are being reviewed for improvements.
4247 24/06/17	MSN	MTI	While removing a meter box underneath a Phoenix palm tree, a frond spike punctured through a worker's safety glove and into his finger.	The worker received medical treatment and had the spike removed. The need for caution, awareness and the use of heavy duty gloves was communicated to all teams.

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HEALTH AND SAFETY QUARTERLY REPORT: Apr to Jun 2017

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Watercare Injuries per Business Unit

Business Unit	First Aid Injury (FAI)	Medical Treatment Injury (MTI)	Restricted Duties Injury (RDI)	Lost Time Injury (LTI)	Total Recordable Injuries (MTI+RDI+LTI)
Laboratory Services	3		2		2
Maintenance Services Networks	7	2	1	1	4
Water Supply	1				
Total (Watercare)	11	2	3	1	6

Contractor worker Injuries

Synergi Case number	Contractor Name	Injury Type	Description	Corrective Actions & WSL learnings
3856 03/04/2017	Downer	RDI	A worker sustained a minor fracture to his wrist when inattention to his surroundings caused him to trip down some steps at the Rosedale Plant	The worker did not realise the extent of the injury at the time, but a subsequent visit to the doctor and an x-ray the following day diagnosed a minor fracture. The worker was on light duties for 5 days, and we have issued reminders to staff concerning ongoing vigilance in the workplace.
3742 05/04/2017	Meter reading in Milford (Arthur D. Riley)	MTI	While reading a meter in a customer's overgrown garden a worker's finger was pierced by a strand of wire which had become entangled around her leg.	Medical treatment with antibiotics was required to prevent infection. Workers were reminded to take care when working in overgrown and unfamiliar areas.

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HEALTH AND SAFETY QUARTERLY REPORT: Apr to Jun 2017

3826 07/04/2017	Making a new connection to the water Network (Fulton Hogan)	RDI	A worker applied an incorrect technique when lifting a concrete saw and sustained a minor muscle strain.	The worker did not realise the extent of the injury at the time. The following day he saw the company doctor and was placed on light duties for 5 days. The worker was sent on a refresher manual handling/lifting training course. A reminder to workers on the importance of timely reporting of such incidents has been communicated to avoid even minor strains resulting in more serious injuries.
3909 04/05/17	Total Group	LTI	While carrying two bags of rubbish down a flight of stairs at Mangere WWTP and not using the handrail a cleaner lost her balance and fell.	The worker sustained bruising to her lower back and a sprained ankle and was unfit for work for 10 days. Learnings: Care must be taken when ascending/descending stairs. Actions: The staircase was inspected and no issues found. The contractor communicated the importance of care when ascending/descending stairs and maintaining three points of contact.
4332 19/06/17	McConnell Dowell/HEB JV BNR	RDI	Worker sprained his ankle when walking down a pedestrian walkway that had loose gravel on the surface.	The worker was assessed by a medical practitioner and placed on restricted duties for 3 days. The walkway was resurfaced to prevent a recurrence, and the incident communicated in a toolbox meeting.

HEALTH AND SAFETY QUARTERLY REPORT: Apr to Jun 2017

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Contractor Injuries per company

Company	Medical Treatment Injury (MTI)	Restricted Duties Injury (RDI)	Lost Time Injury (LTI)	Total Recordable Injuries (MTI+RDI+LTI)
ARTHER D. RILEY LTD	1			1
DOWNER		1		1
FULTON HOGAN		1		1
TOTAL GROUP			1	1
McCONNELL DOWELL/HEB JV		1		1
Total (Contractors)	1	3	1	5

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HEALTH AND SAFETY QUARTERLY REPORT: Apr to Jun 2017

Lead Indicators - Inspections

Targets were set with business units for Health and Safety Inspections for the 2016-2017 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-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Total	Target for 2016-17	% Complete
Watercare House	1	0	1	0	0	1	0	1	0	1	0	1	6	6	100
Infrastructure Delivery															
Construction Delivery	23	18	22	30	18	15	28	29	22	19	17	24	265	230	115
Laboratory Services	8	11	7	8	10	9	15	20	6	8	11	11	124	104	119
MSO	16	15	10	24	10	10	9	28	15	28	21	17	203	138	147
MSN	22	33	16	32	26	16	28	21	26	14	15	20	269	168	160
Total	69	77	55	94	64	50	80	98	69	69	64	72	861	631	136
Service Delivery															
Networks	19	18	20	20	35	24	20	31	26	13	14	0	240	150	160
Asset Protection & Engineering Performance	2	2	5	3	5	3	6	2	3	18	6	5	60	40	150
Water Supply	17	20	29	27	28	18	36	18	8	19	21	14	255	192	133
Wastewater	18	19	21	21	25	22	27	24	21	19	25	16	258	232	111
Total	56	59	75	71	93	67	89	75	58	69	66	35	813	614	132
Watercare Total	325	136	330	165	157	118	169	174	127	139	130	108	2078	1231	169

Business units are implementing any improvements they have identified and have not reported any trends of significance coming out of these inspections. We are currently looking at improving system categorisation options for those completing inspections so those inputting data can pre-categorise matters so as to improve the granularity of automated reporting available to us.

July 2017

HEALTH AND SAFETY QUARTERLY REPORT: Apr to Jun 2017**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 these more accurately and provide 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						
April	3	25	88	54	5	145
May	1	37	148	84	6	185
June	0	19	64	110	4	34
Total	4	81	300	248	15	364
Pukekohe Trunk Sewer Upgrade						
April	0	13	64	359	159	18
May	0	22	72	437	166	55
June	0	17	103	514	90	32
Total	0	52	239	1310	415	105
Glen Eden Wastewater Storage Tank						
April	0	4	12	12	9	12
May	0	4	8	23	9	20
June	0	4	25	31	8	60
Total	0	12	45	66	26	92
Waikato 175MLD Upgrade						
May	1	4	4	15	29	15
June	0	4	5	18	5	18
Total	1	8	9	33	34	33

July 2017

Watercare Services Limited

Subject: Chief Executive Report – June 2017

Date: 24 July 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 13.20 per million hours.

2. CUSTOMER FOCUS

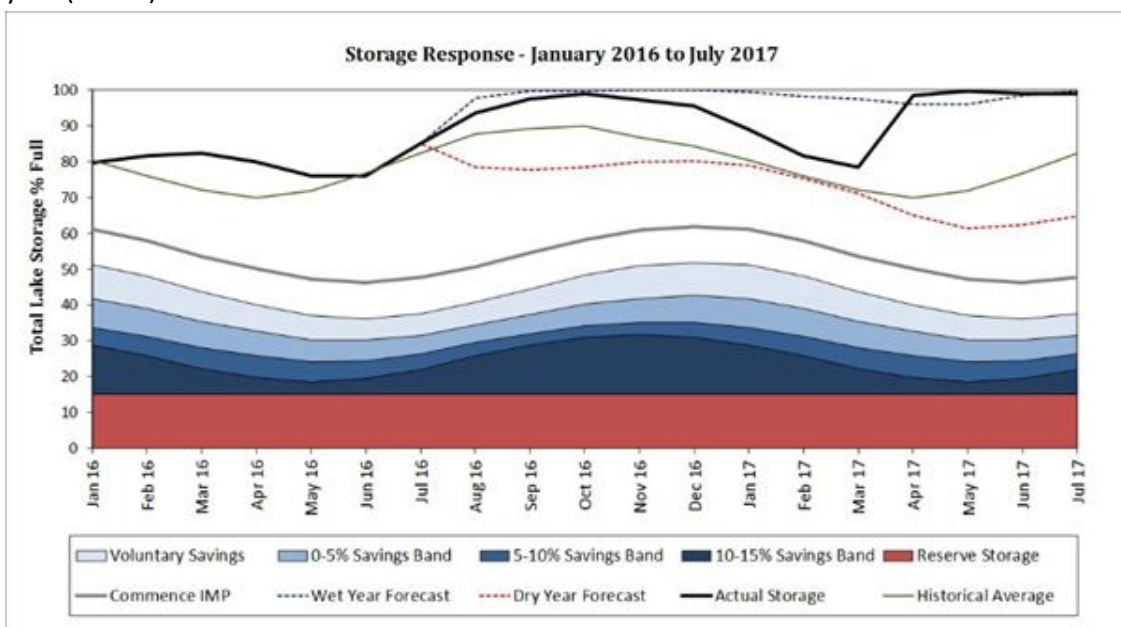
Performance against Statement of Intent measures for June was good. All customer service performance metrics were above target for the month. The customer satisfaction score in June was 83.0% and the rolling 12 month average is 82.4%, against a target of 80%.

Complaint resolution was 98.4% for June. The rolling 12 month average is 98.1%, against a target of 95%.

3. SERVICE DELIVERY

Rainfall and Water Resources

Rainfall in June was well below average in most areas in the Auckland region, with some locations observing record, or near-record low rainfall totals in 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 storage for this time of year (83.4%).



Commissioning of Triangle Road Water Pumping Station

Triangle Road Water Pumping Station has been installed on the North Harbour No. 1 watermain to alleviate capacity constraints until the North Harbour No.2 watermain is installed (mid 2020s). The station was commissioned on the night of the 24th of June after three years of planning and preparation. This had the potential to dislodge iron and manganese from the pipe wall, which can result in dirty water within the network servicing up to 60,000 people in West Auckland and the North Shore.

The commissioning generated some discoloured water as expected. Due to the controls that were put in place, the impact on customers was minimised with only three complaints being recorded.

Ultrasonic Trial for Control of Algae in Lower Nihotupu Lake

Cyanobacteria have become more prevalent in Auckland's raw water sources since the early 2000s. These are very difficult to manage out of a raw water source once they establish themselves. They release taste and odour compounds into the water, which are difficult and expensive to remove in the treatment process. Even at low concentrations, if they remain in the treatment water, customers will taste these and complain. Some species have the potential to produce toxins that are harmful to humans. Lower Nihotupu Lake has typically been the water source most affected by cyanobacteria.

A developing method of controlling cyanobacteria levels in raw water sources is through the use of ultrasonic technology. It works by emitting ultrasonic wave frequencies well above the upper limit of human hearing. These waves cripple the cells by disrupting their gas vesicles, making them less buoyant and causing them to sink. Once they are at depths below which light penetrates the water, the cells will die. This method disables the cells without bursting their cell walls, preventing any release of by-products. This technology is not harmful to other aquatic life.

Watercare has been undertaking this trial in conjunction with a supplier based in the Netherlands, since December 2016. There are five solar powered units operating in the Lower Nihotupu Lake, all of which have the ultrasonic units and two have water quality monitoring instrumentation. The data collected by the units is provided in real time to the supplier in the Netherlands from where operational changes are made to improve removal of specific cyanobacteria.

If the ultrasonic trial is successful, this technology will provide significant benefits to Watercare. It will reduce the operational complexity of the addition of Powdered Activated Carbon (PAC), for which the existing Huia WTP processes were never designed to accommodate. This will reduce the risk of WTP outage or capacity constraints. There will be a financial benefit, as the annual cost of dosing PAC at Huia WTP is in the order of \$350k,

along with significant laboratory costs associated with sampling when there is an elevated presence of cyanobacteria in the sources.

4. BOARD CORRESPONDENCE

There was no correspondence during the month.

5. EXECUTION OF DOCUMENTS

There were nine documents executed during June in accordance with the delegated authority provided to the Chief Executive by the Board in relation to deeds, instruments and other documents.

These included two surrenders of a Watercare easement over a private property, one disposal of Watercare land and section 40 Public Works Act exemption, two disposals of land, one easement in favour of Watercare, one transfer of an easement to Auckland Council, one exemption agreement from Part X of the Resource Management Act and one agreement to acquire land.

There were four Capex approvals totaling \$4.221m 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 – June 2017		
	Vehicle Replacement FY17	\$641,000
	Clarks Beach WWTP Interim Upgrades	\$2,750,000
	Meola Reef Catchment Flow Gauging and Modelling	\$830,000

There were three contracts over \$100,000 approved during June 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 – June 2017		
09/06/17	Maskell	Warkworth Wellsford (Hudson Rd) WTP - Underground Chlorine Tanks
12/6/17	Wells Instrument & Electrical Limited	Mangere Screenings IPS
21/6/17	Mechanical Technology Limited	Warkworth Wellsford (Hudson Rd) WTP – Design

6. COMMUNICATIONS

Media summary

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

- Radio NZ, TV3 and Stuff reported a protest by residents outside the Huia Water Treatment Plant. Efforts by Titirangi protestors to engage media interest in their protest against Watercare's decision to locate the new water treatment plant in

Manuka Road have been unsuccessful. Chatter continues on social media but outside the Western Leader nothing further has been picked up.

- Scoop reported Watercare’s water and wastewater price changes.
- Bob Dey Report (online) covered the NZ Infrastructure report which includes a recommendation that selling Watercare to fund Auckland growth would have minimal impact on the cost of services.
- Interest online reported the Mayoral Taskforce on Auckland Housing Supply that identified collaboration between the Auckland Council family (including Watercare), central government, and the development sector as necessary to build more in Auckland.
- The Western Leader and Stuff reported Watercare’s inflow and infiltration operation in Te Atatu.
- NZ Herald published an op-ed from Michael Barnett saying that “Council could unblock cash flow” by selling Watercare.
- Stuff and North Harbour News featured editorial warning residents about potential water discoloration due to Watercare works. This story formed part of an extensive media campaign to make residents aware of the project. Radio, newspaper and digital advertising had been placed and posters in English, Mandarin and Korean were distributed via social media.
- Scoop covered Watercare’s Annual Report win in Australia.
- Radio Live interviewed Shayne Cunis about water.
- Radio Live interviewed Anin Nama about I&I.

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
June	PRICE CHANGE	
	Domestic and non-domestic customers will receive a letter about the price changes with their bill	Complete
	Non-domestic customers will receive a letter about the price changes and plan changes with their bill	Complete
	Price change public notice in newspapers	Complete

	<p>FRANKLIN UPGRADES</p> <p>Residents in Franklin will receive a Franklin Matters newsletter about our investment in the area</p> <p>COMPLETE</p> <p>INFLOW & INFILTRATION</p> <p>I&I letters, reports and brochure for residents in Mellon's Bay where a fault was found during May's investigations</p> <p>COMPLETE</p> <p>TRIANGLE ROAD</p> <p>Public notices, information flyers, letters and website information about upcoming commissioning of Triangle Road pump station</p> <p>On-going</p> <p>NEW WEBSITE</p> <p>Forms, diagrams and images for new website</p>	<p>Complete</p> <p>Complete</p> <p>Complete</p> <p>On-going</p>
July	<p>TAPPED IN</p> <p>Domestic and non-domestic customers are receiving the winter issue of Tapped In. The primary focus will be on educating customers on how to avoid blockages in their pipes by correctly disposing of wet wipe products and the consequences of blockages on private property – cost to fix the issue, damage to property and risk to health.</p> <p>This ties into a media campaign that will run at the same time.</p> <p>Also reiterates price changes.</p> <p>NEW WEBSITE</p> <p>Forms, diagrams and images for new website</p> <p>Commissioning photo shoot for website</p> <p>Uploading to website media library</p>	<p>Currently being distributed</p> <p>On-going</p> <p>Being arranged</p> <p>Ongoing</p>
August	<p>BILL INSERT</p> <p>Insert to domestic customers about water-efficient applications</p>	Planned
September	<p>TAPPED IN Tapped In (spring 2016) – outlining our Water Demand Management and efficiency strategies (Mangere and Rosedale plants to be energy neutral by 2025, gravity feeding for water network). Also featuring an updated 'our projects' spread for 2017.</p>	Planned

October	BILL INSERT Insert to domestic customers about the Watercare Coastal Walkway	Planned
November	BILL INSERT Insert to all customers with water saving tips	Planned
December	TAPPED IN Tapped In – summer 2017 with a focus on water savings	Planned
Mid-December	BILL INSERT Insert – put fats, oils and grease in the bin this Christmas holiday season	Planned
January	BILL INSERT For Round the Bays	Planned
February	BILL INSERT For outlining payment options for customers	Planned

Internal communications

Completed:

- The compliance framework for contractors was launched.
- Statement of Intent with amendments based on Council feedback was finalised and distributed to Council.
- The health and safety toolkit was launched to staff.
- Comms support for IS Service Now launch.

Underway:

- Design of the July YourSource, which was distributed to staff week commencing 17 July.
- Work on the annual report, theme, case studies and performance measures.

Stakeholder Communications

Watercare Education Programme:

- Watercare's education coordinator has delivered 359 lessons so far this year. Demand for lessons continues to be exceptionally high.

Projects:

- Triangle Road pump station commissioned on the 25th of June
 - Extensive stakeholder communications undertaken in preparation for the risk of a discoloured water event.

- Localised communications and targeted communications undertaken. Good feedback received from businesses provided with advanced warnings.
- Commissioning was successfully undertaken without incident.
- 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 will be sent on completion seeking feedback.
- Glen Eden wastewater storage tank and network upgrades project
 - Project update flyer distributed in June.
 - New signage created informing of walkway closures.
 - Traffic management and diversions are working well with few complaints received.
- Huia Water Treatment Plant replacement project
 - A flyer informing of the new treatment plant location and the next steps will be distributed to local residents.
- Wynyard Quarter wastewater network upgrade project
 - Watercare is working closely with Panuku and AT to create artwork for display on the pump station construction fence.
 - Halsey Street works have commenced with minimal complaints.
 - Discussions continue with AT to minimise any traffic impacts.
- Fred Thomas Drive wastewater storage tank and local network upgrade project
 - As the project progresses, temporary road layout changes are being modified. Notifications continue to be provided to local residents, schools and businesses.
 - Work is progressing on the pump station with the storage tank roof now complete.
- Ponsonby pipeline upgrades
 - Upgrades to the water network surrounding Ponsonby Reservoir commenced 10 July 2017, for two months.
- Wairau Road wastewater upgrade works
 - Flyers have been issued to the local businesses and VMS signs are in place to advise the general public.
 - Works start mid-July.
 - Discussions with the business association and local board are underway to establish additional ways to advise the public and gain support.
 - Public notices will be issued in the local paper.

Coming up:

- Fred Thomas Drive - Mayor visiting site on the 2nd of August 2017
- Councillor site visit to Mangere and Rosedale on the 28th of July
- 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 September 2017
- Trunk Sewer 8 Northcote
 - Construction works are due to begin in October 2017

7. WORKING WITH LOCAL BOARDS

Watercare's winter edition of 'Tapped In' was sent to Local Board members and Councillors. The newsletter included information on being aware of what you put down your toilet to avoid blockages and overflows. Material was also sent as a JPG file so as members could share the information via social media.

Franklin Local Board Chair and deputy chair joined Councillor Cashmore for a photo opportunity to include on the cover of a 'Franklin Matters' newsletter. The Franklin Local Board also received a presentation on Watercare's response to growth. Deputy Chair Andrew Baker also referenced this material in a local newspaper column "Watercare's funding not to be sniffed at".

Western and Northern Local Boards were notified in advance of the Triangle Road Pump Station commissioning. Switching on the pump station had the potential to cause widespread discoloured water complaints. The commission was completed without incident.

Updates were sent to the Waitakere Ranges Local Board following the Huia Water Treatment Plant Community Liaison Group Meeting. Information was also shared on discussions related to the Nihotupu Filter Station. This information was also shared with the Western Councillors and the Mayors Office.

Project updates were sent to the Waitemata Local Board ahead of construction works in Halsey Street.

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

8. GROUP INSURANCE

The Chief Executive received a letter from the Chief Executive of Auckland Council thanking Watercare for its assistance in helping the Council group achieve an all-of-council insurance placement. It noted that the Council team was appreciative of the valuable input provided by Nigel Toms, Watercare's Risk Manager, and the co-operative approach demonstrated while completing the work. The letter noted that the optional outcome has been achieved for all parties involved.

The letter also confirmed that the Council will ensure that in a major event, Watercare's previous limits would not be eroded.

9. NORTH WEST SHARED INFRASTRUCTURE WORKSHOP

During June, Watercare participated in the sixth North West Shared Infrastructure Workshop along with The Transport Authority, Auckland Transport, Vector Ltd, Healthy Waters, The

Development Programme Office, Transpower, Housing NZ, and other Auckland Council entities.

Watercare has been involved in six of these workshops over the last two years.

These workshops were developed to provide a collaborative forum to address the challenges faced that arise from urban growth in the northwest of Auckland. The purpose of these workshops are to assist with developing resilient and serviceable infrastructure, future proofing the area's infrastructure needs, promoting the efficient delivery of infrastructure, and through this, realising wider community benefits and promoting the well-being of Aucklanders'.

The workshops have assisted the participants to identify the key infrastructure risks for the northwest which include constraints from competing requirements for land, ineffective community and stakeholder interface, inappropriate infrastructure built, missed collaboration opportunities and inadequate notice about significant developments.

The workshops have encouraged knowledge transfer and identifying where collaboration would assist. The outcome is that there is an improved understanding of the challenges faced by each entity.

The aim is for a similar models to be set up for other geographically definable areas under developmental pressure (including the South and the North).

The next workshop will be held in October 2017.

10. HUIA WATER TREATMENT PLANT REPLACEMENT

As reported previously, the Huia Water Treatment Plant (Huia WTP) is over 90 years old and it is required to be replaced with a more advanced and higher capacity facility by 2023. Watercare owns a site opposite the current water treatment plant that is designated for this purpose (Manuka Road). Watercare carried out a comprehensive alternative assessment to determine whether this was the most suitable site to erect and operate the required plant. The last stage of this investigation included a Multi Criteria Analysis of this site and three other sites.

The assessment indicated that two sites, one on Parker Road and the subject site were equal in their suitability. The only factor that distinguished the two was that the Woodlands Road site is designated for water treatment purposes. The designation gave those that live within the locality notice that in the future the site could be developed for a water treatment plant whereas those in Parker Road had not been away of any potential plant being established in their road.

The Board of Watercare were presented with a recommendation from Watercare and independent technical experts for the preferred location at the May Board meeting. The Board resolved that:

- The preferred site for the replacement Huia Water Treatment Plant be on the Watercare owned Manuka Road site, with reservoirs constructed on the Watercare

owned Woodlands Park Road site avoiding wherever possible significant trees and significant ecological effects, undertake off set mitigation, and explore other opportunities set out in Section 7 of the paper;

- The statutory approvals be sought to allow the Huia Water Treatment Plant replacement to proceed by way of application to Auckland Council; and
- Set up a Community Liaison Group or similar and undertake consultation with stakeholders.

During the quarter, 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 held its first meeting on the 5th of July and was both cordial and constructive. Paul Walbran was confirmed as the Chair. The group was amenable to Greg Presland or other Waitakere Ranges Local board representation attending. The draft terms of reference was circulated and discussed – this will be confirmed at a later meeting. The group identified a range of issues they would like Watercare to report back on and discuss further.

The meeting minutes and Terms of Reference when confirmed will be made publically available on Watercare's website: <http://www.watercare.co.nz/about-watercare/news/Pages/Huia-water-treatment-plant-replacement.aspx>.

The next meeting was held on the 19th of July at the Huia Water Treatment Plant.

Responses to commonly asked questions have been posted on the Watercare website. This will continue to be updated as new information comes to hand.

11. GIRLS IN HI-VIZ EVENT

Watercare, in conjunction with industry ITO Connexis, hosted a Girls with Hi Vis event in June along with other significant employers. The objective was to raise profile around our employment brand by showcasing the variety of careers available within Watercare. There is a broader objective of encouraging women to consider a trade or technical role in the water and infrastructure industry. Women are one of the demographics we are targeting in our recruitment activity.

It also provided a development opportunity for the Watercare women who volunteered to speak about their careers in Watercare and also to connect with each other in a collaborative manner.

Watercare reached out to the high schools and colleges around its Mangere wastewater treatment plant and asked staff to invite friends and family members who might be interested. The half day event began with informal networking. It then included presentations on what Watercare does, the learning pathways and on the job training available in the infrastructure industry, followed by one on one interactions with the Watercare team members and their experience of working for Watercare. #BuildAKI and Connexis staff who attended also interviewed several of our key operational people for subsequent articles. The event was very well received by the attendees and has received positive feedback on social media.

12. NZTA's NORTHERN CORRIDOR IMPROVEMENTS PROJECT

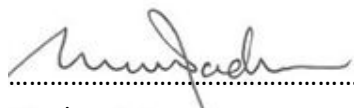
Submissions to the Environmental Protection Authority Board of Enquiry for NZTA's Northern Corridor Improvements project and East-West Link were lodged on the 22nd of March. Watercare will present its evidence at the Board of Inquiry Hearing, which commences on the 18th of July. Watercare is supportive and the submissions focused on protecting Watercare assets.

13. SAFESWIM PROGRAMME

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.

14. THE INFLOW AND INFILTRATION PROGRAMME

An infiltration and inflow exercise was carried out in the Mellons Bay area after frequent overflows were reported during rain events. Out of 1,560 properties inspected, 27 were confirmed with incorrect stormwater connections to wastewater sewerage system. A further 21 properties require further investigations as evidence suggests that there is inter-connection between the storm drains and wastewater sewers. The owners of the 27 properties confirmed non-conformance have been notified in writing and Council compliance staff informed.



R Jaduram

CHIEF EXECUTIVE

Local Board Interaction (As at 7 July 2017)

Local Board	Chair	Deputy Chair	May 17	June 17	July 17
Albert - Eden	Peter Haynes	Glenda Fryer	Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May)	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)	Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May). Response to question on Watercare's response to watermain breaks on the north shore.	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June)	
Franklin	Angela Fulljames	Andy Baker	Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May). Response to drainage issue raised by Brendon Compton – forwarded to Healthy Waters (24 May). Liaison with Deputy Chair over project escalation – Buckland (30 May)	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)
Great Barrier	Izzy Fordham	Luke Coles	Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May)	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June)	
Henderson - Massey	Shane Henderson	Peter Chan	Information shared with Phil Twyford on Te Atatu wastewater overflows was also sent to the Local Board for information (8 May). Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May)	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)	
Hibiscus and Bays	Julia Parfitt	Janet Fitzgerald	Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May)	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June)	
Howick	David Collings	Katrina Bungard	John Spiller joined staff and media to view smoke testing underway in Mellons Bay (5 May). Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May)	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)	Feedback on Lake Road works (10 May). Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May)	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)

Board - Public Session - For Information

Local Board	Chair	Deputy Chair	May 17	June 17	July 17
Mangere - Otahuhu	Lydia Sosene	Walter Togiama	Photo opportunity for article on Central interceptor (8 May). Media release shared with the Local Board including quotes (9 May). Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May)	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June).	
Manurewa	Angela Dalton	Rangi McLean	Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May)	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June).	
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.	Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May)	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	Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May)	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June).	
Otara - Papatoetoe	Lotu Fuli	Ross Robertson	Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May)	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June).	
Papakura	Brent Catchpole	Felicity Auva'a	Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May)	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June).	
Puketapapa	Harry Doig	Julie Fairey	Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May)	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June).	
Rodney	Beth Houlbrooke	Phelan Pirrie	Sanderson Road site blessing – chair attending (1 May). Local Board briefing on Wellsford water and wastewater consents (4 May). Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May). Response to information on water quality at Point Wells (22 May).	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June).	Site visit to Wellsford Wastewater Treatment Plant (2 July)
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)	Joint presentation with NZTA, Parks and Watercare regarding Northern Corridor Development (4 May). Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May). Local Board meeting on NZTA Northern Corridor project and local board leases (18 May).	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	Cath Handley (26 October 2016 to Sunday, 22 April 2018) Paul Walden (23 April 2018 to the	Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May).	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June).	Information provided in response to private application for development (3,4 July).

Local Board	Chair	Deputy Chair	May 17	June 17	July 17
	2018 to the end of the 2016-2019 political term)	end of the 2016-2019 political term)			
Waitakere Ranges	Greg Presland	Saffron Toms	Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May). Notification of pending Watercare Board decision on site selection for replacement of the Huia Water Treatment Plant (26 May). Notification of Watercare Board decision on Huia Water Treatment Plant replacement (30 May)	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)
Waitemata	Pippa Coom	Shale Chambers	Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May).	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)
Whau	Tracey Mulholland	Susan Zhu	Shared "Your Source" Watercare's staff newsletter with interesting stories (18 May).	Announcement of Watercare price increase (6 June). Tapped In Newsletter (23 June).	