

Agenda for a meeting of the Waters Governance Board to be held in the Committee Rooms 1 & 2, District Office, 15 Galileo Street, Ngaruawahia on **WEDNESDAY, 29 MARCH 2023** commencing at **10.00am**.

- | | | |
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GJ Ion
CHIEF EXECUTIVE

TERMS OF REFERENCE AND DELEGATION

Reports to:	The Council
Chairperson:	Mr David Wright
Membership:	Mr Garth Dibley Ms Rukumoana Schaafhausen Mr Gavin Ion (Chief Executive) Ms Jackie Colliar (Board Intern)
Meeting frequency:	Six Weekly
Quorum:	A majority of members (excluding the Board Intern)

The Waters Governance Board is a subordinate decision-making body of the Waikato District Council established under Schedule 7 of the Local Government Act 2002.

Purpose and Terms of Reference:

1. To provide governance and oversight of the development and implementation of the Council contract with Watercare Services Limited ('Watercare').
2. To ensure the activity goals are clearly established, and strategies are in place for achieving them.
3. To establish policies for strengthening the performance of the water activity including ensuring management and the contractor are proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital.
4. To monitor the performance of management through the Chief Executive.
5. To ensure high standards of health & safety are maintained by management and Watercare and undertaking appropriate due diligence.
6. To decide on whatever steps are necessary to protect the Council's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken.
7. To ensure the water activity's financial statements are true and fair and otherwise conform to law.
8. To ensure the water activity adheres to high standards of ethics and corporate behavior.
9. To ensure the water activity has appropriate risk management/regulatory compliance policies in place.
10. To look to improve environmental outcomes from this activity.
11. To consider kaitiakitanga as part of decision-making.
12. To monitor and ensure Watercare are meeting their obligations.
13. To report to Council twice yearly on progress with Waters' Management.

14. To provide innovation and ideas that could improve profitability, service levels or environmental outcomes.
15. To hold Watercare to account over the delivery of the operational and capital programmes.
16. To work with Council to agree the overall funding requirements of the business.
17. To undertake any other matters considered relevant by the Board or referred to the Board by the Council.

The Board is delegated the following powers to act:

- Agree the form of the transactional arrangement with Watercare.
- Negotiate with Watercare and recommend to Council the final, or any amended, contract value for waters management.
- Conclude the contract (after Council approval of contract value) and terms and conditions, including any amendments, with Watercare.
- Ensure that transitional contract requirements are met by Watercare and Council.
- Hold Watercare to account for their performance at all levels.
- Monitor and oversee the performance of staff and Watercare in terms of the water activity.
- Consider and ensure improvements or innovation are implemented by Watercare or through the Chief Executive as appropriate.
- Approve changes to the operation of the contract with Watercare.
- Develop strategies to improve contractual performance or to improve business practices.
- Recommend to Council infrastructure strategy and Asset Management Plans for adoption.
- Develop an annual works programme (operating and capital) and submit to council for final approval.
- Approve alterations and transfers within the programme of capital and operational works as prepared for the Long Term Plan and Annual Plan, subject to the overall scope of the programme remaining unchanged and the programme remaining within overall budget.
- Set and ensure Watercare's adherence to health and safety requirements, and wellbeing practices.
- Set and maintain standards of ethics and corporate behavior.
- Consider development opportunities for the Waters' business.
- Define and set levels of service for Waters' management now and in the future.
- Responsible for the financial performance of the contract and operation.
- Approve and/or amend existing or new contracts relating to the delivery of three waters' services and operation unless additional funding by the Council is required or the approval or amendment is inconsistent with Council Policy.

- Recommend to Council any new or additional funding requirements over and above that contained within the Long Term Plan.
- Develop plans to improve the overall resilience of the Waters' networks and allow for growth.
- Consider the impact of growth on the Waters' infrastructure.
- Implement and monitor the risk management framework for the waters' management and activity.
- Approve the annual and half yearly financial statements for the Waters' operation and provide any relevant commentary to the Council.
- Annually review the Board composition, structure and succession and make recommendations to council on these matters.
- Ensure the Waters' business delivered by Watercare provides value for the community in terms of the four wellbeings.
- Determine the approach for resource consent applications for the Waters' business, and monitor progress of those applications on behalf of the Council.
- Review and monitor existing strategic resource consents.
- Ensure that Kaitiakitanga and environmental outcomes are key decision making considerations for the Board.
- Uphold the vision and strategy of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010.

To	Waters Governance Board
Report title	Register of Interests
Date:	Monday, 20 March 2023
Report Author:	Elizabeth Saunders – Democracy Advisor
Authorised by:	Gaylene Kanawa – Democracy Manager

1. Executive summary

Whakaraapopotanga matua

A copy of the Register of Interests is attached for the Board's information. The register will be updated following receipt of information during the year.

2. Staff recommendations

Tuutohu-aa-kaimahi

THAT the Waters Governance Board receives the Register of Interests.

3. Attachments

Ngaa taapirihanga

Register of Interests – Water Governance Board

Register of Interests – Waters Governance Board

Ruku Schaafhausen

Companies and Trusts	Te Waharoa Investments Ltd AgResearch Miro Hautupua Ltd Contact Energy Ltd Kaitaki Guardian Services Ltd
Community organisations	Equippers Trust Tindall Foundation Princes Trust New Zealand
Other appointments	Chair, Freshwater Iwi Leaders Group Board Member, Three Waters Establishment Board
Property within the District	Nil
Any other interests	Nil

Garth Dibley

Companies and Trusts	Water New Zealand – Director
Community organisations (membership)	Electricity Networks Association – member E-Charge working group – MfE member
Other appointments	Director of Smartco Infratec NZ Ltd – Chairperson
Property within the District	Yes - Tamahere
Any other interests	Nil

David Wright

Companies and Trusts	Director, David Wright Limited Trustee, Tervuren Trust Chair of Waimea Water Ltd Chair, Solomon Islands Airport Corporation Limited Haapa Research Limited Chair, Unrealised Potential
Community organisations	Chair, Tokelau Renewable Energy Steering Group
Other appointments	Chair, Central Air Ambulance Rescue Limited Chair, Search and Rescue Services Limited
Property within the District	Nil
Any other interests	Nil

Gavin Ion

Companies and Trusts	Trustee and Beneficiary in a family trust
Community organisations	<p>Member Swimming Waikato Technical Panel</p> <p>Member Swimming New Zealand Technical Advisory Committee</p> <p>Chairperson Swimming Waikato</p> <p>Member of the Waikato Regional Sports Facility Plan Steering Group</p> <p>Member of Institute of Directors</p> <p>Member of International City Managers' Association</p> <p>Member of Chartered Accountants of Australia and New Zealand</p> <p>Member of Business Leaders Health & Safety Forum Steering Group</p> <p>RMA Commissioner</p> <p>Member of the Waikato Regional Leadership Group</p>
Other appointments	<p>Chief Executive, Waikato District Council</p> <p>Director, Waikato Local Authority Shared Services Limited</p> <p>Chair, Audit & Risk Committee (WLASS)</p>
Property within the District	Nil
Any other interests	Nil

Jackie Colliar

Companies and Trusts	Te Whakakitenga O Waikato Inc Member of Te Arataura
Community organisations	Nil
Other appointments	Trustee and Chair of Taniwha Marae Trustee (Taniwha Marae Representative) – Nga Muke Development Trust Waipa District Council – Co-Governance Committee Waikato Regional Council – Co-Governance Committee Waikato River Authority Board Member Director – WEL Networks
Property within the District	Nil
Any other interests	Employee of Hamilton City Council Project Lead for the Subregional Three Waters project on behalf of Future Proof Project Manager of the Hamilton Waikato Metro Wastewater Detailed Business Case Project

To	Waters Governance Board
Report title	Confirmation of Minutes
Date:	Friday, 17 March 2023
Report Author:	Elizabeth Saunders, Democracy Advisor
Authorised by:	Gaylene Kanawa, Democracy Manager

1. Purpose of the report

Te Take moo te puurongo

To confirm the minutes for a meeting of the Waters Governance Board (WGB) held on Tuesday, 7 February 2023.

2. Staff recommendations

Tuutohu-aa-kaimahi

THAT the minutes for a meeting of the Waters Governance Board held on Tuesday, 7 February 2023 be confirmed as a true and correct record.

3. Attachments

Nгаа тааpирihanga

Attachment 1 – WGB Minutes – Tuesday, 7 February 2023.

MINUTES for a meeting of the Waters Governance Board Meeting of the Waikato District Council held in Committee Rooms 1 & 2, District Office, 15 Galileo Street, Ngaruawahia on **TUESDAY, 7 FEBRUARY 2023** commencing at **10.00AM**.

Present:

Mr D Wright (Chair)
Ms R Schaafhausen
Mr G Dibley
Mr GJ Ion (Chief Executive, Waikato District Council)
Ms J Colliar (Intern)

Attending:

Her Worship The Mayor Mrs J Church – *departed at 11.31am*
Cr V Reeve
Mr M Telfer (Watercare)
Mr R Puller (Watercare)
Mr P Crabb (Watercare)
Mr R Laurensen (Watercare)
Mr G Miers (Watercare)

Mr R MacCulloch (General Manager Service Delivery)
Mr D Sharma (Three Waters Reform Project Manager)
Ms E Saunders (Democracy Advisor)

APOLOGIES AND LEAVE OF ABSENCE

Resolved: (Mr Wright/Ms Schaafhausen)

THAT an apology be received from Mr Keith Martin (Waters Manager) for non-attendance.

CARRIED

WGB2302/01

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Mr Dibley/Mr Wright)

THAT the agenda for a meeting of the Waters Governance Board Meeting held on Tuesday, 7 February 2023:

- a. be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 7 which shall be discussed with the public excluded; and
- b. all reports be received.

CARRIED

WGB2302/02

DISCLOSURES OF INTEREST

There were no disclosures of interest.

ACTION: Democracy Team to include the Register of Interests on the next agenda.

CONFIRMATION OF MINUTES

Resolved: (Mr Ion/Ms Schaafhausen)

THAT the minutes of a meeting of the Waters Governance Board Meeting held on Tuesday, 22 November 2022 be confirmed as a true and correct record of that meeting.

CARRIED

WGB2302/03

REPORTS

Actions Register
Agenda Item 5

Mr M Telfer spoke to the report which was taken as read and highlighted some key points:

Te Kauwhata Wastewater Discharge:

- Site visit was undertaken with key stakeholders and two options were visited with it being decided that no decision was to be made on the day.
- Watercare were to go back and work on a concept design which would be presented to the key stakeholders.
- Watercare would continue to provide regular updates to the board on the progress and preferred option at each WGB meeting which the board agreed to.

- Mr Ion made the comment that the meeting with key stakeholders and mana whenua was really productive and a very positive experience.

Huntly & Ngaruawahia WWTP Resource Consents

- Separate reports have been prepared for the February meeting which will be spoken to throughout the meeting

Resolved: (Mr Wright/Mr Ion)

THAT the Waters Governance Board receives the Actions Register to January 2023.

CARRIED

WGB2302/04

Three Waters Governance Report – February 2023 Agenda Item 6.1

Mr Telfer spoke to the report which was taken as read and further discussion was held.

- Abatement Notice received for Raglan is disappointing particularly with no notice being given but has been looked at by Mr Ion and discussion has been held with WRC
- A comment was made about WRC potentially sending out more abatement notices particularly if timeframes aren't met. It isn't thought that this is the direction of WRC but the point is noted.
- Fire in the Ngaruawahia Water Pump Switchboard – firewall and fire protection was in place and incident was able to be taken care of quickly with minimal damage.
- The question was asked if there were any other water assets next to a public facility (like the Ngaruawahia switchboard) – it was confirmed that we don't have any other water assets like this and it's an exception.
- The Tuakau/Pokeno Pipeline has been completed and the next step is property acquisition. Work is underway with the Council property team to progress this.
- Staff movement is happening at Watercare which was made aware to the Board.

Key Discussion:

- The question was raised around water quality in Huntly & Ngaruawahia – is there any work underway to ensure this is being looked at and no breaches have been made?
- The issue remains significantly with Huntly and the treatment plant infrastructure in place. Mr Telfer spoke to options that are underway to make the infrastructure better to take care of water quality (in particular brown water) and in the meantime different ways to manage the water quality and other options for upgrading the infrastructure is underway.

- Timber Reservoirs; a report would come back to the board once discussions are completed (discussions are still ongoing). Significant rain event had occurred and an inspection needed to be undertaken to ensure compliance was being met.
- Te Kauwhata & Te Kowhai – update given by Mr Telfer and work to continue with both Waikato District Council (WDC) & Waikato Regional Council (WRC).
- The Service Delivery General Manager spoke to a conversation he had with WRC around service levels for significant rain events in the rural zone. WRC have a service level of 3 days of ponding before action which causes issues for land areas which have been recently re-zoned. A Multi Agency meeting is to be held with both WDC & WRC to discuss this issue further.

ACTION: Mr M Telfer to report back to the board via email once inspections have been undertaken at the timber reservoirs in the district and to advise any issues that need immediate action.

Resolved: (Mr Wright/Mr Ion)

THAT the Waters Governance Board receives the report.

CARRIED

WGB2302/05

Three Waters Reform Project Update
Agenda Item 6.2

The Three Waters Reform Project Manager spoke to the report which was taken as read and further discussion was held.

- A question was raised about where the board sits in relation to significant decision making and funding decisions. The Waters Manager is to speak to the implications that the Water Services Legislation Bill may have on the board at the next meeting and bring some clarity around this.

ACTION: The Waters Manager to have a look at the implications the Water Services Legislation Bill will bring to the WGB and what obligations there are moving forward.

Resolved: (Mr Ion/Mr Wright)

THAT the Waters Governance Board notes that the project management for Three Waters reform is ongoing.

CARRIED

WGB2302/06

Risk Register
Agenda Item 6.3

The report was taken as read and further discussion was held.

- Assets that are at risk of flooding did not appear to be addressed in the register.
- Reservoir Integrity; Risk to assets of flooding; Environmental Risk – these items also needed to be added to the risk register for reporting purposes.
- Underground assets – is there anything recorded for the risk of these? A discussion around underground assets and recording of these took place and was not required for the register.
- How often is the Risk Register reviewed and how often is the register being presented back to the board? The Risk Register is combined with both Watercare and Council and is reviewed every 6 months.

ACTION: Assets that are at risk of Flooding as well as Reservoir Integrity needs to be added to the risk register moving forward. The register is to be brought back to the board for review at the next WGB meeting.

Resolved: (Ms Schaafhausen/Mr Dibley)

THAT the Waters Governance Board notes the update on the risk register.

CARRIED

WGB2302/07

Ngaruawahia Wastewater Treatment Plant Headworks Upgrade
Agenda Item 6.4

Mr G Miers spoke to the report which was taken as read and further discussion was held.

- A concern was raised around works being progressed and further funding being required – is it known what is actually required? Is the damage that has been found a surprise or should we have seen this coming?
- Work on this project is intended to begin dependant on funding approval.
- The Tender process will need to be done and a full procurement process aswell and will look to be completed by next summer.
- Long Term Plan vs Waters Governance Board funding, how do we ensure there is funding available for projects and what is taking priority? A discussion around what we should know needs to be upgraded and what comes as a surprise took place. It needs to be ensured that funding is available for the projects that have been approved.
- Is the risk of this work not being undertaken immediately significant? Deferral is not an option and this work needs to be approved

Resolved: (Mr Wright/Ms Schaafhausen)

THAT the Waters Governance Board:

- a. approves the upgrade of the headworks at the Ngaruawahia Wastewater Treatment Plant; and
- b. approves a budget of \$1,200,000 to deliver the upgrade with funding available within the LTP.

CARRIED

WGB2302/08

At this time Mayor Jacqui addressed the Board in relation to Capital Projects and the need to have more detailed information (particularly around project status and money spent to date) presented at meetings so Council and the Board can make better informed decisions. It was confirmed that Capital Projects were going to be discussed further under Agenda Item PEX 3.5. A brief update for the Infrastructure Committee was requested which would be provided.

Inflow and Infiltration Plan 2023

Agenda Item 6.5

Mr M Telfer spoke to the report which was taken as read and no further discussion was held.

Resolved: (Mr Ion/Mr Wright)

THAT the Waters Governance Board supports the delivery of the planned Inflow & Infiltration programme in place for 2023.

CARRIED

WGB2302/09

Maramarua Treated Wastewater Disposal Upgrade

Agenda Item 6.6

Mr M Telfer spoke to the report which was taken as read and further discussion was held.

- Timeframe around completion of works – it will be completed within this financial year
- The budget requested – is it accurate? It has been quoted by the contractor doing the work and is accurate.
- A Cost breakdown was required for budget requests in order for the board to be able to make good decisions. The following questions need to be answered with funding requests moving forward:
 - What are the risks?
 - Where is the project currently at?
 - What are the costs that have been spent to date?
 - When will the projects be completed once budget is approved?
 - What are the contingency plans in place if the weather becomes a factor?

- This was a reoccurring theme through all the papers presented at the meeting today.
- When does the board want to see these projects and what budget do we have for the projects and where is the money coming from?

ACTION: All Staff (both Council and Watercare) are to ensure moving forward that all recommendations and reports that are sent to the Board include the key information points as outlined in the discussion to allow the Board to make better informed decisions.

Resolved: (Ms Schaafhausen/Mr Wright)

THAT the Waters Governance Board:

- approves the proposed upgrade in principal to the Maramarua Wastewater Treatment Plant Effluent Disposal Field subject to further detailed budget costing analysis and timeframes for project completion information being presented back to the board

CARRIED

WGB2302/10

Hakanoa Stream Erosion Protection

Agenda Item 6.7

Mr M Telfer spoke to the report which was taken as read and further discussion was held.

- Mr Telfer outlined the key highlights of the report and it was resolved that further details will be provided at the next Board meeting.

Resolved: (Mr Dibley/Ms Schaafhausen)

That the Waters Governance Board:

- approves the proposed project in principal to address erosion in the Hakanoa Stream near Hakanoa Street, Huntly subject to further detailed budget costing analysis and timeframes for project completion information being presented back to the board.

CARRIED

WGB2302/11

Cambrae Road, Raglan – Flood Remediation

Agenda Item 6.8

Mr M Telfer spoke to the report which was taken as read and further discussion was held.

- Concern was expressed around the WRC consent condition wording. Council would need to look at condition wording in future to ensure we understand the implications and what triggered the condition.
- The abatement notice needed to be addressed and the General Manager Service Delivery spoke to the history of the WRC consent condition and the reason behind it.

ACTION: Watercare to follow up with WRC around the condition of the consent to ensure it is being met and there is no longer any risks.

Resolved: (Mr Wright/Mr Dibley)

That the Waters Governance Board:

- a. **approves the proposed remedial works project in principal to address flooding at Cambrae Rd, Raglan subject to further detailed budget costing analysis and timeframes for project completion information being presented back to the board.**

CARRIED

WGB2302/12

Te Kauwhata Wastewater Treatment Plant Consent Application Preparation Project
Agenda Item 6.9

Mr R Pullar spoke to the report which was taken as read and further discussion was held.

- The Key Stakeholder meeting that was undertaken was very encouraging and positive.
- It was believed that the community was on board with the current outcomes along with the Waikato Regional Council. It is tracking as best as it can right now.
- Transition after 1 July 2024 – it would be good to have detailed reports for what was happening in all areas of Asset Management so there is consistency and continuity along with a paper which outlines:
 - Capital projects
 - Details of the project statuses
 - Consent projects and their status
- This will be very good for the incoming or next entity and will ensure that all council objectives and timeframes are captured.

Resolved: (Mr Dibley/Mr Ion)

THAT the Waters Governance Board support steps outlined within this paper, given that they will progress the discharge optioneering required for consent application preparation, in a manner that will be accepted by WRC.

CARRIED

WGB2302/13

EXCLUSION OF THE PUBLIC

Agenda Item 7

Resolved: (Mr Wright/ Ms Schaafhausen)**THAT** the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Item PEX 1 Confirmation of Minutes Item number PEX 2 Action Register	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
Item PEX 3.1 Waters Financial Results to 31 December 2022		
Item PEX 3.2 Raglan Wastewater Treatment Plant Consent Application Preparation Project		
Item PEX 3.3 Huntly Water Supply Reticulation Upgrades		
General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Item PEX 3.4 Network Renewals Programme 2021 – 2024	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
Item PEX 3.5 Capital Project Delivery Update		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item No.	Section	Interest
Item PEX 1 Confirmation of Minutes Item number PEX 2 Action Register	Refer to the previous Public Excluded reason in the agenda for this meeting.	
Item PEX 3.1 Waters Financial Results to 31 December 2022	7(2)(b)(ii)	To protect information that would otherwise unreasonably prejudice a person's commercial position.
	7(2)(h)	To enable commercial activities to be carried out without prejudice or disadvantage.
	7(2)(b)(ii)	To protect information that would otherwise unreasonably prejudice a person's commercial position.
	7(2)(h)	To enable commercial activities to be carried out without prejudice or disadvantage.
Item PEX 3.2 Raglan Wastewater Treatment Plant Consent Application Preparation Project	48 (1)(d)	To enable deliberations in private on a decision or recommendation in any applicable proceeding
	7(2)(b)(ii)	To protect information that would otherwise unreasonably prejudice a person's commercial position.
Item PEX 3.3 Huntly Water Supply Reticulation Upgrades	7(2)(h)	To enable commercial activities to be carried out without prejudice or disadvantage.
	7(2)(j)	To prevent use of the information for improper gain or advantage

Item No.	Section	Interest
Item PEX 3.4 Network Renewals Programme 2021 – 2024	7(2)(b)(ii)	To protect information that would otherwise unreasonably prejudice a person’s commercial position.
	7(2)(h)	To enable commercial activities to be carried out without prejudice or disadvantage.
	7(2)(j)	To prevent use of the information for improper gain or advantage
Item PEX 3.5 Capital Project Delivery Update	7(2)(b)(ii)	To protect information that would otherwise unreasonably prejudice a person’s commercial position.
	7(2)(h)	To enable commercial activities to be carried out without prejudice or disadvantage.
	7(2)(j)	To prevent use of the information for improper gain or advantage

CARRIED**WGB2302/14**

The meeting adjourned at 12.16pm for lunch and resumed at 12.38pm.

Resolutions WGB2302/15 - WGB2302/22 are contained in the public excluded section of these minutes.

Having resumed open meeting and there being no further business the meeting was declared closed at 2.01pm.

Minutes approved and confirmed this day of 2023.

Mr David Wright
CHAIRPERSON

To	Waters Governance Board
Report title	Actions Register
Date:	Tuesday, 21 March 2023
Report Author:	Gavin Ion, Chief Executive

1. Purpose of the report

Te Take moo te puurongo

To update/inform the Waters Governance Board on actions following the Waters Governance Board meeting held on Tuesday, 7 February 2023.

2. Staff recommendations

Tuutohu-aa-kaimahi

THAT the Waters Governance Board receives the Actions Register to March 2023.

3. Attachments

Ngaa taapirihanga

Attachment 1 – Action Register

Waters Governance Board Actions Register

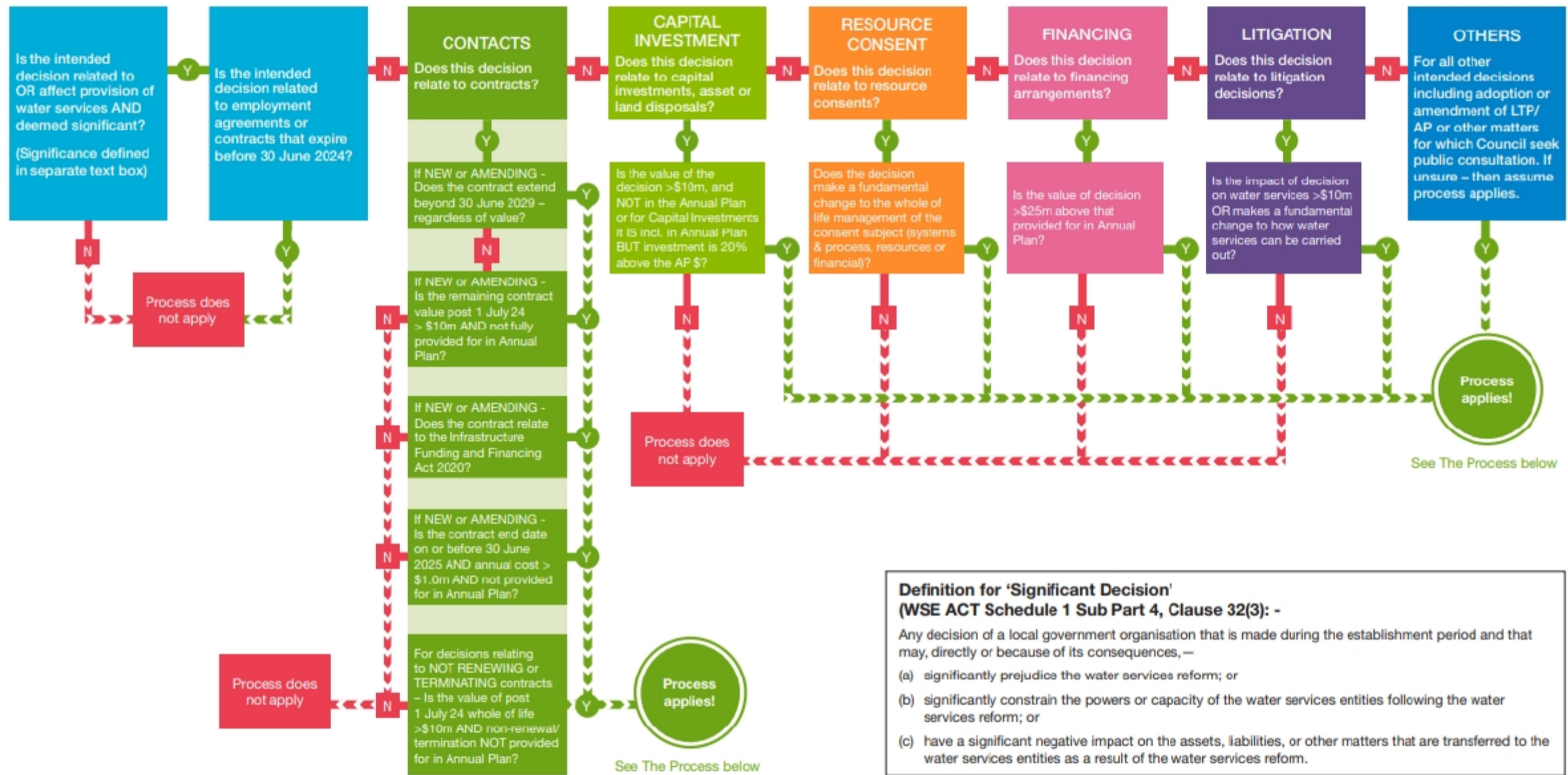
OPEN MEETING

Meeting Date	Action	To Action	When	Status
7/02/2023	<u>Three Waters Governance Report – February 2023</u> Mr M Telfer to report back to the board via email once inspections have been undertaken at the timber reservoirs in the district and to advise any issues that need immediate action.	M Telfer Watercare	Prior to March Meeting	
7/02/2023	<u>Three Waters Reform Project Update</u> The Waters Manager to have a look at the implications the Water Services Legislation Bill will bring to the WGB and what obligations there are moving forward.	Keith Martin	March 2023	Verbal update
7/02/2023	<u>Risk Register</u> Assets that are at risk of Flooding as well as Reservoir Integrity needs to be added to the risk register moving forward. The register is to be brought back to the Board for review at the next WGB meeting.	Ian Cathcart	March 2023	
7/02/2023	<u>Cambrae Road, Raglan – Flood Remediation</u> Watercare to follow up with WRC around the condition of the consent to ensure it is being met and there is no longer any risks.	M Telfer Watercare	March 2023	Verbal update

3WR OVERSIGHT AND MONITORING PROCESS – February 2023

Applicable from now until 30 June 2024

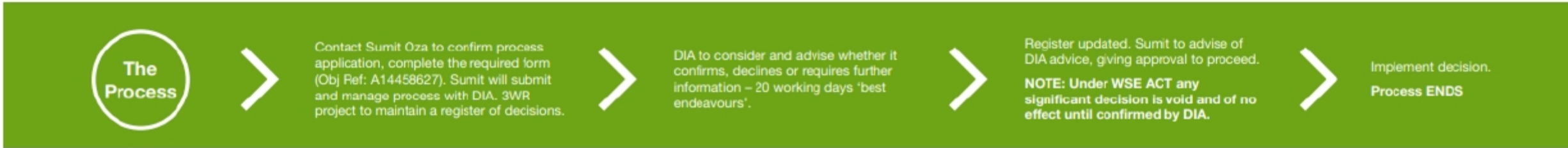
NB: The determination of significance rests with Council – if in doubt assume significant & process applies.



Definition for 'Significant Decision' (WSE ACT Schedule 1 Sub Part 4, Clause 32(3)):

Any decision of a local government organisation that is made during the establishment period and that may, directly or because of its consequences, –

- significantly prejudice the water services reform; or
- significantly constrain the powers or capacity of the water services entities following the water services reform; or
- have a significant negative impact on the assets, liabilities, or other matters that are transferred to the water services entities as a result of the water services reform.



To	Waters Governance Board
Report title	Three Waters Governance Report – March 2023
Date:	29 March 2023
Report Author:	Keith Martin, Waters Manager
Authorised by:	Gavin Ion, Chief Executive

1. Purpose of the report

Te Take moo te puurongo

To update the Waters Governance Board of the current workstreams, key matters and metrics under the three waters operational and maintenance agreement with Watercare Serviced Ltd.

2. Executive summary

Whakaraapopototanga matua

Please refer to the Highlights and Lowlights summary section in the attached report prepared by Watercare Services Ltd.

3. Staff recommendations

Tuutohu-aa-kaimahi

THAT the Waters Governance Board receives the Three Waters Governance report.

4. Attachments

Ngaa taapirihanga

Attachment 1 – Waikato DC Three Waters Governance Report – March 2023

WAIKATO DC
THREE WATERS GOVERNANCE REPORT
MARCH 2023



Mathew Telfer
Operation Manager
Watercare Waikato
March 2023

1. Highlights and lowlights

- There was one recordable lost time in January. A staff member was injured while moving a manhole lid and did not work the following day due to the need to visit the doctor. This resulted in taking extended leave to recover, and he will return in February 2023. There were no events in February.
- One performance measure was not achieved in January, but the year-to-date results are achieved in all areas.
- The collapse of the Hill road reservoir caused significant damage. The reservoir had been isolated for three months eliminating any water contamination risk, and thankfully there were no injuries. All timber and Concrete tanks have been assessed since the event.
- Staff performance, support and engagement during Cyclone Gabrielle were exceptional under difficult circumstances working with a community and people under extreme stress.
- The Port Waikato area was significantly impacted by heavy rainfall and landslides. A lesson learned from the event was regarding the fragility of the power supply to the area. The inspection and maintenance of the area are underway to realign the scheduled maintenance.
- Due to the exceptional rainfall, Raglan and Huntly required flow bypasses to operate at the wastewater treatment plants. The Regional Council was kept informed during both events.

2. Health and Safety

2.1. What we've seen this month

- There was one Lost Time Injury (LTI) and 0 Restricted Duties Injury (RDI) involving Watercare employees in January and no events in February
 - A staff member was injured while moving a manhole lid and did not work the following day due to the need to visit the doctor. This resulted in taking extended leave to recover, and he will return in February 2023
- There were zero recordable injuries involving contractors in January and February.

2.2. Looking ahead and wellbeing

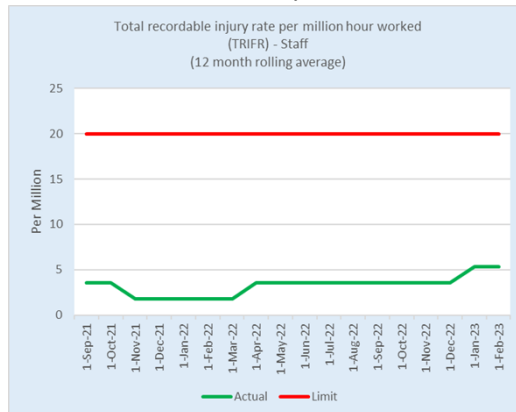
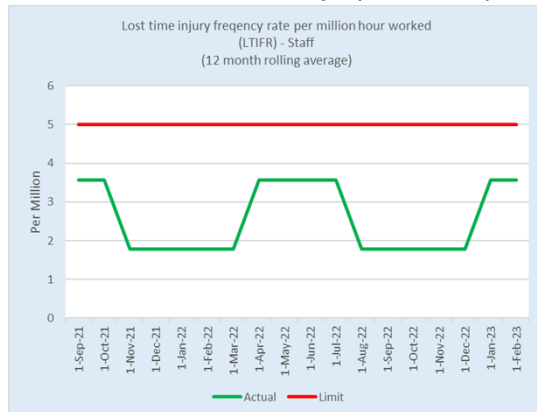
- Next month's focus is manual handling.

2.3. Critical risks

- Watercare is assessing one of our critical risks (Appendix 1) each month (excludes Nov and Dec) as per the schedule below.
- A workshop on lessons learned was undertaken, and sole working during storm events has been identified as an area of focus, with additional lessons from Auckland included.
- The focus for the month was staying safe over the holiday period in January and suspended loads in February

2.4. January and February metrics

- There was one lost time injury in January and zero instances in February



3. Operations

3.1. Production

- Work continues on the switch room for the Ngaruawahia raw water intake pump. External doors and wall framing has been made secure. The damaged roof has been covered with Tarpaulins to make weather tight. Electrical equipment has been checked and tested for safe operation, and temporary lighting has been installed in the switch room. Temporary security fencing will remain in place until the decision is made to either make repairs or build a new structure, which WDC is managing.



Ngaruawahia switch room



- The Raglan wastewater treatment plant ponds (WWTP) reached extremely high levels during the storm on 29 January. At 1430hrs that day, we started a continuous discharge to the harbour. This discharge continued until 31 January at 2215hrs, when it returned to normal tidal discharges. During this period, all effluent received full pond and UV treatment of the discharge flow. The District and Regional councils were notified. Community messaging and temporary health warning signs (below) were set at strategic access points to the foreshore, and additional water quality samples were collected and processed.
- The Raglan WWTP ponds were again inundated with high flows during the cyclone event. A temporary diesel pump was required for pumping from the “roadside pond to the final discharge pond due to a failure of the permanent pump. Normal tidal discharge of UV-treated final effluent continued during the cyclone, and a bypass was not required
- Huntly WWTP #1 and #2 Ponds filled to a high level due to extreme rainfall. The Kimihia stream level rose to the same level as the wetlands/rock filters. 2 diesel pumps were set up, 1 (4”) to pump from #1 Pond to #2 Pond and 1 (6”) set up to pump from #2 Pond directly to the Kimihia stream as the wetlands/rock filters were already at max level. The UV plant was bypassed and fed directly to the wetlands. WDC, WRC and the community were notified.
- The Te Kauwhata WWTP ponds were inundated with the high incoming flow during the storm event. This required over-pumping from Pond 1 to Pond 2 to prevent embankment overtopping. Large quantities of algae were lost from the ponds during this event, potentially leading to odour issues. An odour canon has been put in place to be used as required.



Raglan health warning signs



Te Kauwhata WWTP ponds odour cannon

- Ngaruawahia WTP UV installation has made good progress with tie-in work completed. Both UV units are running and need final automation to be completed.



Ngaruawahia UV treatment units and connection pipework

Severe storm damage from Cyclone Gabrielle

- Port Waikato WTP erosion undermined the stream bank and the filter backwash tank immediately behind the treatment plant and the land upstream of the plant at the stream bend.



Port Waikato water treatment plant damage to stream banks



Port Waikato Water treatment plant – bank reconstruction.

3.2. Networks

- Nivec Civil continues to progress with the renewal of water meters >15 years. The work for February focussed on Tuakau and Southern Districts, with a handful of jobs also completed in Pokeno. 87 meters were replaced in Tuakau, 45 in Southern Districts, and 3 in Pokeno, totalling 135 meters for February. 849 meters have been replaced to date.
- RTU Upgrade Project – ControlWeb was engaged to restore historian data for all sites and begin planning programming works for all sites to align the scripts with Kingfisher hardware. The remaining Kingfisher hardware is scheduled to arrive in the first week of March, and McKay and ADR in conjunction with Neo, will commence the rollout of hardware in late March in Raglan.
- CCTV surveying continued in Raglan, completing the Daisy St / Wallis St area. Minor remedial works were carried out on the identification of issues (patching and sleeve relining) by Streamline. Maps for the Huntly area have now been issued to Streamline, and this will be the next area addressed upon completion of the Raglan portion of the network.
- Reservoir inspections and Maintenance – TimberTanks carried out inspection works of all timber reservoirs throughout the district in Feb. No significant defects were found, but several minor defects at the Te Kauwhata WTP and Western B reservoirs were observed and will be addressed in the coming weeks.

Severe storm damage from Cyclone Gabrielle

- Cyclone Gabrielle hit the Waikato the weekend of the 10th Feb. The impacts to the reticulation network mainly centered around Huntly, with several trees falling over and ripping up water mains and some sites becoming inaccessible due to trees and flooding. Generators were deployed to several sites to ensure continual operation, but the impacts were not overly severe.



Mary St, Huntly – Water central broke due to the tree falling Rosser St, Huntly – Inaccessible due to debris and flood waters

3.3. Stormwater

- Port Waikato stormwater maintenance has been scheduled but delayed due to poor weather conditions. The Port Waikato area was significantly impacted by heavy rainfall and landslides.
- The application for consent for the Hakanoa stream is underway, with property owner engagement to start in May.
- Two stormwater detention ponds were identified after a customer made contact due to storm damage to their driveway. It appears the assets were not correctly recorded/transferred during the 2010 amalgamation.
- Current Raglan abatement notice work is still ongoing. WRC has approved the latest proposed option (a combination of pipe and open channel) for Cambrae Road, the final outstanding item on the abatement notice.
 - WRC has approved the Resource consent for the Cambre road construction.
 - The work will progress to construction with the consent in place.

Severe storm damage from Cyclone Gabrielle

- Port Waikato was impacted by significant flooding and landslips, which impacted the stormwater networks open drains. Lesson to learn from the event about the fragility of the power supply to the area. The inspection and maintenance of the area recommenced in late February to realign the scheduled maintenance.
- The slips were removed, and the open drains that had been blocked were cleared. The community was supported during the event and ongoing recovery, and Watercare attended several community meetings during this time.

4. Planning and project delivery

4.1. Infrastructure Planning

There are several work packages underway, including.

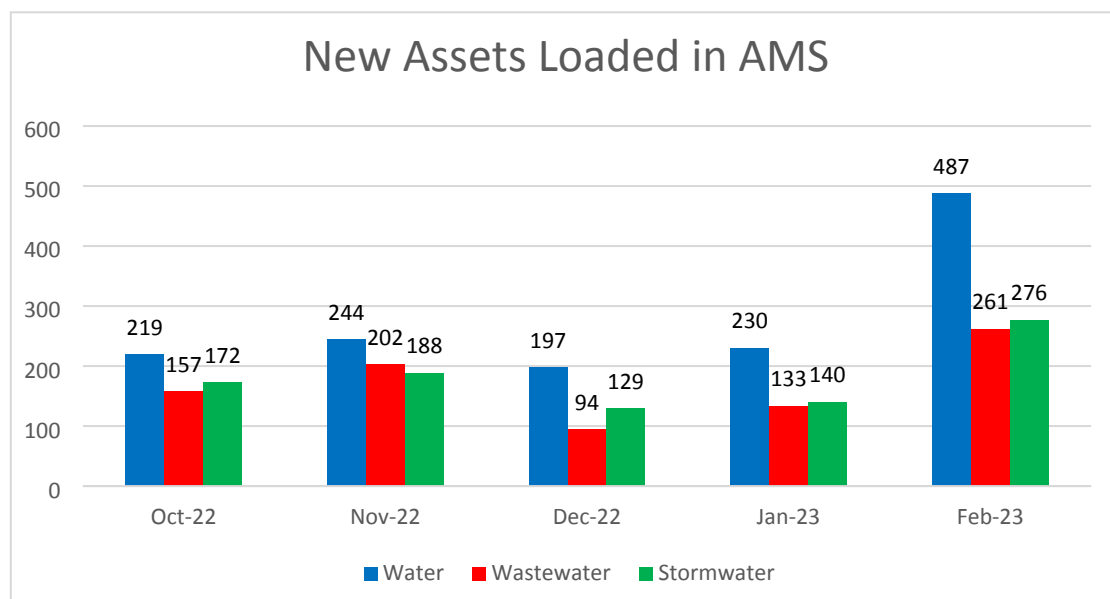
- The update of the Southern Districts and Tuakau Water Network Models was completed. The monitoring of the network began this month.
- The Raglan WW model - We have yet to install new Magflow meters at Wallace St PS with Nero Pumpstation before progressing with option development.
- Huntly Wastewater network model - Consultants have assessed the asset data, and Magflow meter installation at two key pump stations is progressing (one is installed). We are regauging flows through the network for three months before model calibration.
- A servicing strategy for Raglan Water and Wastewater is underway.
- A servicing strategy for Ngaruawahia/ Taupiri/Horotiu? Te Kowhai Water and Wastewater is complete.
- Investigations for Tuakau, Raglan, and Tamahere Reservoir sites are underway.
- A further meeting was held with the transition representatives for DIA relating to LTP development.
- 2nd version of 24-27 LTP is underway and due for submission in March

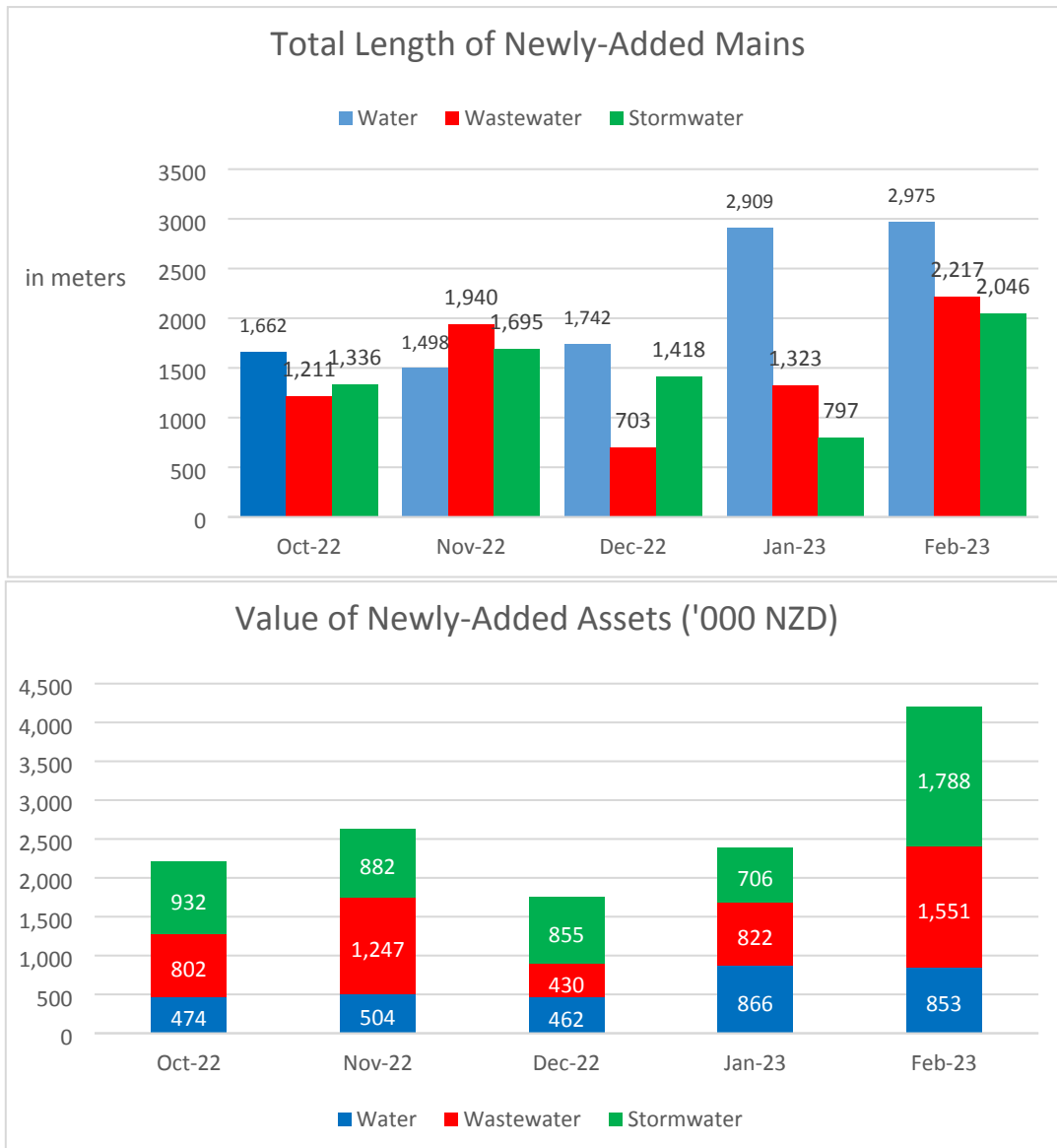
4.2. Development and growth

- Input into District plan Appeals on servicing of appeal areas.
- Discussions with WDC land Development engineers on several development sites.

4.3. Asset Management

- This month, 1,024 three-water assets were added to the database, covering 7.24 km of main lines and a combined value of \$4.19 m.





4.4. Project Delivery

Before the cyclone, the status of sites was confirmed to be safely shut down ahead of the event.

Water Network Upgrades

- Mid-Waikato water main replacements on **Hall Road, Te Kauwhata, and Te Kauwhata Boosted Zone** are complete.
The remaining two Mid-Waikato replacement projects, **Rangiriri** and **Meremere**, were advanced to the board to resolve funding shortfalls recognised across the two projects. A recommendation to progress the single Rangiriri project only and defer Meremere to the 2024-34 LTP was supported.
Final procurement tasks are underway, with works planned to recommence in March.
- Watermain replacements and network reconfiguration are underway in **Tuakau**.
 - A new water supply main is now complete on **River Road, Tuakau**, mitigating the frequent failures on this section of the pipeline (72 in the five years).

- A watermain replacement and upsized are now on **Ryders Road, Tuakau**. The team overcame several challenges to successfully install the full length of upsized pipeline ahead of the Christmas break, with commissioning, connection, and abandonment tasks underway.
- Network reconfiguration tasks are planned for the two aged AC watermains located through private property, including under a natural waterway and, in some cases, under property dwellings.

Hydraulic modelling has confirmed the approach to reconfiguring the network rather than replacing these mains has little hydraulic impact on the network performance and provides a cost-effective and risk-averse solution to the proposed renewal.



Tuakau - Water assets located through private property

- **Raglan** Water Supply Reticulation Upgrades are planned to avoid the holiday seasonal peak period. Works include various water main upgrades, reconfiguring critical network connectivity, and an upsized pipeline supply to the east. Procurement of the physical works contractor is well underway.
- **Tuakau** Water Supply Upgrades and Extensions, the first stage, is complete. The updated Zonal Model Plan has defined the remaining scope, including local network upgrades providing missing connectivity, enabling network resilience, and extensions to urban supply zones. A water booster pumpstation is also planned. The works are predominantly funded and planned for the 23/24 financial year.
- **Southern Districts** – Zonal modeling and operational assessment have defined the project scope for a complex watermain replacement on SH26. Investigation tasks on SH26 are planned for February, with actions to assess ground conditions, identify critical assets and determine a suitable pipe alignment as the top priority.
- **Taupiri** – To support water supply and firefighting capacity for Taupiri and its eastern growth zone, a new water booster pump station and replacement polyethylene transmission main are planned. Procurement of the physical works contractor is underway.

- **Huntly** – to support firefighting shortfalls in the west, a pipeline replacement and upsize is proposed for Riverview Road, Huntly. Design and procurement planning are underway.
- **Pokeno** – works to extend and connect the critical bulk supply water mains on Pokeno Road are being planned. A pipeline extension previously avoided by numerous parties due to the challenging environment will support servicing the rapidly expanding Hellenslee growth area.

Reservoir Upgrades

The transfer of preload for reservoir 2 is complete. The subgrade preparation and inspection for Reservoir 1 is underway. The construction of the gravel raft and connecting pipework will follow.



Te Kauwhata – Reservoir 2 preload construction

Wastewater Network Upgrades

- **Ngāruawāhia Pipeline** – The well-pointing for controlled dewatering is set up, allowing the pipeline construction to commence safely. The concrete pour for the wet-well foundation slab is complete. The installation of the coupling structure and placement of the wet-well chamber will follow.



Ngāruawāhia Pipeline – The wet-well construction and the pipeline are both underway.

- **The POAL WWPS** – The control building has been installed. The installation of the control panel will follow. The remainder of the gravity sewer awaits the new road, a project led by Waikato District Council.

- Tuakau to Pokeno pipeline: The detailed design is complete. Meetings with landowners and utility providers continue to secure access agreements to enable the land survey and Geotech works.
- Whangamarino WTP 4.5MLD Upgrade – The final tie-in is scheduled for March, assuming summer water demand remains low. This will complete the work under this project.

Treatment Plant Upgrades

- Te Kauwhata WWTP Upgrade – The detailed mechanical and pipework design is being finalised. The blower room off-slab concrete pour is complete, and the slab upstands for the new tanks are underway. The chemical deliveries and training are being arranged for the temporary UF plant.



Te Kauwhata WWTP – New Blower room and MABR tank upstand construction

- Huntly WWTP Upgrade – The concept designs are complete, and comments are being collated along with a paper presenting the next step in the delivery process.
- Raglan WWTP Upgrade – Detailed design starts with preparing the Process Basis of Design and Geotech investigations.
- Ngaruawahia WTP Upgrade – The UV treatment system is in service. The run-to-waste tank pipework is complete, and a manual test is planned. To complete this work, electrical control and automation will follow.



Ngaruawahia WTP – New run-to-waste tanks to store backwash water before a steady release to the local sewer.

5. Compliance

- All January and February drinking water quality assurance rule monthly reports demonstrated compliance. Event Investigation Reports (EIR) are available for the technical non-compliances highlighted in the monthly reports.
- All February monitoring reports for Wastewater will be submitted to Waikato Regional Council during the second week of March 2023 with relevant notes, updates, and other resource consent reporting requirements as scheduled.
- Huntly wastewater treatment plant (WWTP) experienced weather-related issues during February 2023. Significant stormwater infiltration into the wastewater network and rainfall into the ponds resulted in extraordinary inflow volume into the Huntly WWTP. In addition, the inundation of the treatment plant wetlands by the adjacent Kimihia Stream affected the normal discharge. As such, the WSL Ops team was required to pump the partially treated wastewater from pond 2 to the stream, bypassing UV and wetlands to prevent overtopping the ponds and causing damage to the pond embankments. WRC was notified, and comprehensive sampling was undertaken to monitor the effect. A report detailing the actions and results submitted to WRC.
- Increased lab sampling/monitoring was organised during February 2023 in response to weather events.
- Port-W weather updates were sent to WRC, and direct backwash discharge to the stream with weekly sampling continues until erosion works are complete.
- Water Outlook reporting setup is in progress for the official reporting to Taumata Arowai by 14 March 2023 for the DWQAR rules.
- The DWSNZ Wai Comply audit was completed during February 2023 for the July-December 2022 period. All WDC supplies and zones have MET compliance for this period.
- Low FAC notifications were received for the Ngaruawahia zone, so flushing and FAC checks were organised as a response. Further investigation into low FAC is ongoing.
- Huntly WWTP 2021-22 audit report received from WRC, Low-Risk non-compliance, and Letter of Direction received; the response is required by 3 April 2023.

5.1. Abatement notices

- The Raglan stormwater Discharge Consent has an Abatement Notice for the 2018/2019 compliance period highlighting non-compliances. See above section 4.3 Stormwater for the latest works update.
- Raglan WWTP 2021-22 audit report received from WRC, significant non-compliance, and abatement notice. The audit response letter was provided to WDC for submission to WRC.

6. Customer

6.1. Customer

- The team met with the Customer Contact Centre Team Leader to discuss triage and categorising service requests and agreed to a monthly meeting schedule to ensure alignment.

6.2. Billing

Service Request Category	Jan	Feb	Jul	Aug	Sep	Oct	Nov	Dec	Grand Total
WTR3Enq			9	14	17	15	12		67
WTRFinRead	50	55	89	90	75	64	75	60	558
WTRWtrBill	28	42	30	39	25	27	23	18	232

Six monthly reads Count	Sep	Oct	Nov	Dec	Jan	Feb	Grand Total
READING	1,922	2,138	3,403	2,170	4,139	4,081	17,853

6.3. Backflow Testing

- Testing completed by contractors. A final update on July and August retesting is due in March.

Repaired backflow	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Grand Total
Yes	28	30	17	17	5	2	2	44	6		151
Grand Total	317	326	232	259	169	174	50	669	824	875	3895

6.4. Tradewaste

- Hearing for Bylaw Review, Council is working through the Mortuary Waste Clause and its definition.
- Trade Waste Management Plan template created: This will be sent to all new high-risk businesses (consent Holders). It will improve the assessment of their applications, establish what their processes are, the type of pre-treatment and the management of their pre-treatment device. It will also help to assess their risk class.
- Audit/Inspections/Application templates in Safety Culture were reviewed and updated for improvements (OFI) – Annually.
- Accessing and searching for new customers throughout the district, applications to be sent out to all new customers (ongoing).

- 2 Credit notices for Q2 invoicing:
- Chocolate Works – Incorrect internal meter reading was provided.
- Hynds Pipes Systems - Water loss factor was not factored into the calculation.

Trade Waste Agreements	Conditional Consents	Permitted (low risk)	Permitted Audited (med risk)	Septage Tanker Consent
2	10	40	141	6
Audits	Non-Compliance	Samples	New Consents	Conditional consents renewals
13	1	0	Four new applications were received for PA consents (permitted audit – low risk). These were processed, site visits, and issued.	<ol style="list-style-type: none"> 1. Carleys Transport Te Kauwhata. 2. NZ Drinks Pokeno

7. Strategic resource consents.

Raglan WWTP resource consent application preparation

- A meeting with key stakeholders and the community has been scheduled, chaired by Councillor Patterson, with a monthly update schedule. (see agenda below)
- The meetings will be held online or via vlogs, unless a project milestone (such as securing land) requires an in-person meeting, which the WDC will organise.
- Technical studies are ongoing in preparation for signing a Memorandum of Understanding with the landowner, allowing for more spending on assessing environmental effects.
- Once the agreement is in place, a business case will be prepared for the Water Governance Board to ensure they clearly understand the project's activities, risks, and opportunities.

Raglan WWTP Discharge Consent Application Project

March 23 – Technical update

Whakataka te hau ki te uru,
Whakataka te hau ki te tonga.
Kia mākinakina ki uta,
Kia mātaratara ki tai.
E hī ake ana te atakura.
He tio, he huka, he hauhū.
Tihei Mauri Ora!

Cease oh winds of the west
and of the south
Let the bracing breezes flow,
over the land and the sea.
Let the red-tipped dawn come
with a sharpened edge, a touch of frost,
a promise of a glorious day.
Let there be Life!

Agenda		
Welcome/ Introductions/ Overview	Cllr & KM	5m
1) Treatment plant upgrade	Richard/Steve	10m
2) Inflow and Infiltration	Richard/Steve	10m
3)(a) Private Land Discharge Optioneering 3)(b) NZ examples- Rotorua Steve H		15m
4) Questions/Closing	Cllr & KM led	15m

Image: Online Project Meeting to be held (9 March)

Te Kauwhata WWTP resource consent application preparation

- Progress has been made on investigating the proposed "Water hub" site following a productive onsite meeting in January.
- Property experts are now in talks with the landowner regarding the project, and drawings are being prepared to show potential site enhancements using a free-flowing discharge method.
- An investigation has also been launched into how treated water can be conveyed from the treatment plant to the proposed site.
- The Te Kauwhata Community Committee has been updated on the theoretical studies, and monthly progress reports will be provided to keep them informed.

8. Key performance indicators

KPI – description	Results	Target 2022/2023
Water		
<i>The extent to which the Council's drinking water supply complies with Part 4 of the drinking water standards (bacteria compliance criteria).</i>	18	18
<i>The extent to which the Council's drinking water supply complies with Part 5 of the drinking water standards (bacteria compliance criteria).</i>	15	15
<i>Attendance for urgent call-outs: from the time that Council receives a notification to the time that service personnel reaches the site.</i>	February - 64 Year to date - 49	≤ 60 mins
<i>Resolution of urgent call-outs: from the time that Council receives a notification to the time that service personnel confirms resolution of the fault or interruption.</i>	February – 115 Year to date - 135	≤ 240 mins
<i>Attendance for non-urgent call-outs: from the time that Council receives a notification to the time that service personnel reaches the site</i>	February – 2 Year to date - 1	≤ 3 days
<i>Resolution of non-urgent call-outs: from the time that Council receives a notification to the time that service personnel confirms resolution of the fault or interruption.</i>	February – 3 Year to date - 1	< 3 days
<i>The total number of complaints related to Water services received by Council (expressed per 1000 connections to the networked reticulation system):</i>	February – 1.2 Year to date Result – 8.95	≤ 22/1000
Wastewater		
<i>The number of dry weather sewage overflows from Council's system (expressed per 1000 sewage connections to that sewage system.) - Non-sensitive receiving environments</i>	February – 0.08 Year to date Result – 0.95	≤ 2/1000
<i>The number of dry weather sewage overflows from Council's system (expressed per 1000 sewage connections to that sewage system.) - Sensitive receiving environments</i>	February – 0 Year to date Result – 0.17	≤ 2/1000

<i>Attendance time: from the time that Council receives a notification to the time that service personnel reaches the site.</i>	February – 83 Year to date Result – 42	≤ 60 mins
<i>Resolution time: from the time that Council receives a notification to the time that service personnel confirms resolution of the blockage or other fault.</i>	February – 207 Year to date Result – 111	≤ 240 mins
<i>The total number of complaints received by Council about any of the following (expressed per 1000 connections to the sewage system):</i>	February – 0.32 Year to date Result – 3.78	≤ 10/1000
<i>Stormwater</i>		
<i>The number of Stormwater flood/blockage events that affected habitable floors (expressed per 1000 connections):</i>	February – 3 Year to date Result – 3 Network failure due to a slip	< 5
<i>The total number of complaints received by Council about the performance of the stormwater system (expressed per 1000 connections):</i>	February – 0.95 Year to date Result – 3.65	< 1.25
<i>Level of compliance, number of the following, Abatement, infringement notices, enforcement orders or convictions</i>	2020/21 - 0 (1 existing Abatement from 2018/19)	0
<i>Health and Safety</i>		
<i>Safety: Lost time injury frequency rate (LTIFR) per million hours worked</i>	1.78	≤ 5
<i>Safety: Total recordable injury frequency rate (TRIFR) per million hours worked</i>	3.56	≤ 20
<i>Safety: 100% of Notifiable (or serious non-notifiable) Events reported to WDC within 2 hours of the occurrence</i>	75% 4 notifiable events YTD	100%

<i>Safety: 100% of Notifiable Event reports supplied to WDC within 21 business days</i>	100%	100%
	No events YTD	
<i>Safety – the percentage of complaints resolved within ten working days</i>	100%	95%
<i>Safety- Health and safety Audit programme and action plan completed (6 monthly and then annually)</i>	100%	1
<i>Safety - All site emergency plans to be drilled six-monthly as per drill schedule</i>	100%	> 100%
<i>Safety - Monthly Health and safety meeting held with all workers</i>	1	> 90%
<i>Safety-Critical risk audit to be conducted by HSW BP Bi-monthly</i>	100%	1
<i>Safety -Actions required to be closed within one month</i>	100%	> 90%

To	Waters Governance Board
Report title	Three Waters Reform Project Update – March 2023
Date:	29 March 2023
Report Author:	Deron Sharma - Three Waters Reform Project Manager
Authorised by:	Gavin Ion - Chief Executive

1. Purpose of the report

Te Take moo te puurongo

To update the Waters Governance Board of current workstreams, activities, and key matters under the Three Waters Reform Project.

2. Executive summary

Whakaraapopototanga matua

Governance Arrangements

Each water service entity will have its own two-tier governance arrangements, which has been legislated through the Water Services Entities Act 2022. Staff have assessed that Council's Waters Governance Board will likely cease to exist once the Water Services Entities become operational on 1 July 2024.

Risk Register

Staff have undertaken a risk assessment of the waters reform project to be presented to the Waters Governance Board for discussion. Twenty-five key risks have been identified.

Better off Funding

While the funding has been released to Council, Crown Infrastructure Partners (CIP) is still due to deliver the reporting template. Further progress is conditional on this document.

Debt Settlement Process

The National Transition Unit's Finance and Corporate workstream has provided Council's Chief Financial Officer with debt settlement funding strategies and options for feedback. Staff will be meeting with representatives from the local transition team to understand the potential financial implications of the proposed high-level debt settlement strategy at the Entity B level before meeting with the Department of Internal Affairs.

Water Services Legislation Bill

Council made a submission to the Finance and Expenditure Select Committee on 3 March 2023, following approval by Council resolution on 24 February 2023.

Legal Transfer Questionnaire

Staff have convened directly with the National Transition Unit's Legal and Commercial workstream to seek clarification on the level of detail required at this juncture. Following this discussion, staff are confident that a response can be provided by 31 March 2023, thereto.

3. Staff recommendations Tuutohu-aa-kaimahi

THAT the Waters Governance Board:

- a. receives the report; and
- b. notes that the project management for three waters reform is ongoing.

4. Discussion Matapaki

4.1 Governance Arrangements

The Water Services Entities Act 2022 establishes the ownership, governance, and accountability arrangements for each water service entity (**Attachment A**).

At the strategic level, regional representative groups will provide regional and local level direction and oversight, including joint monitoring of the water services entities based on a co-governance model. The constitution will be between 12 to 14 members, with half of its members appointed from mana whenua of the region, and half from territorial authorities.

Regional advisory panels may be established by the regional representative groups to counsel on how to perform or exercise their duties, functions, and powers.

At the operational level, the water services entities will appoint independent, skills based, professional boards. These independent boards, which will not have a requirement for co-governance, will manage the entities' daily operations and oversee the maintenance and renewal of water infrastructure (**Figure 1**).

The National Transition Unit has not made any indications that an interface will exist between the water service entity's governance structure and the Waters Governance Board.

Instead, the Department of Internal Affairs envisages Council's views to be represented at the regional representation group through the shareholdings model. Thus, staff believe that the functions of the Waters Governance Board will cease to exist upon establishment of the water service entity's regional representation group.

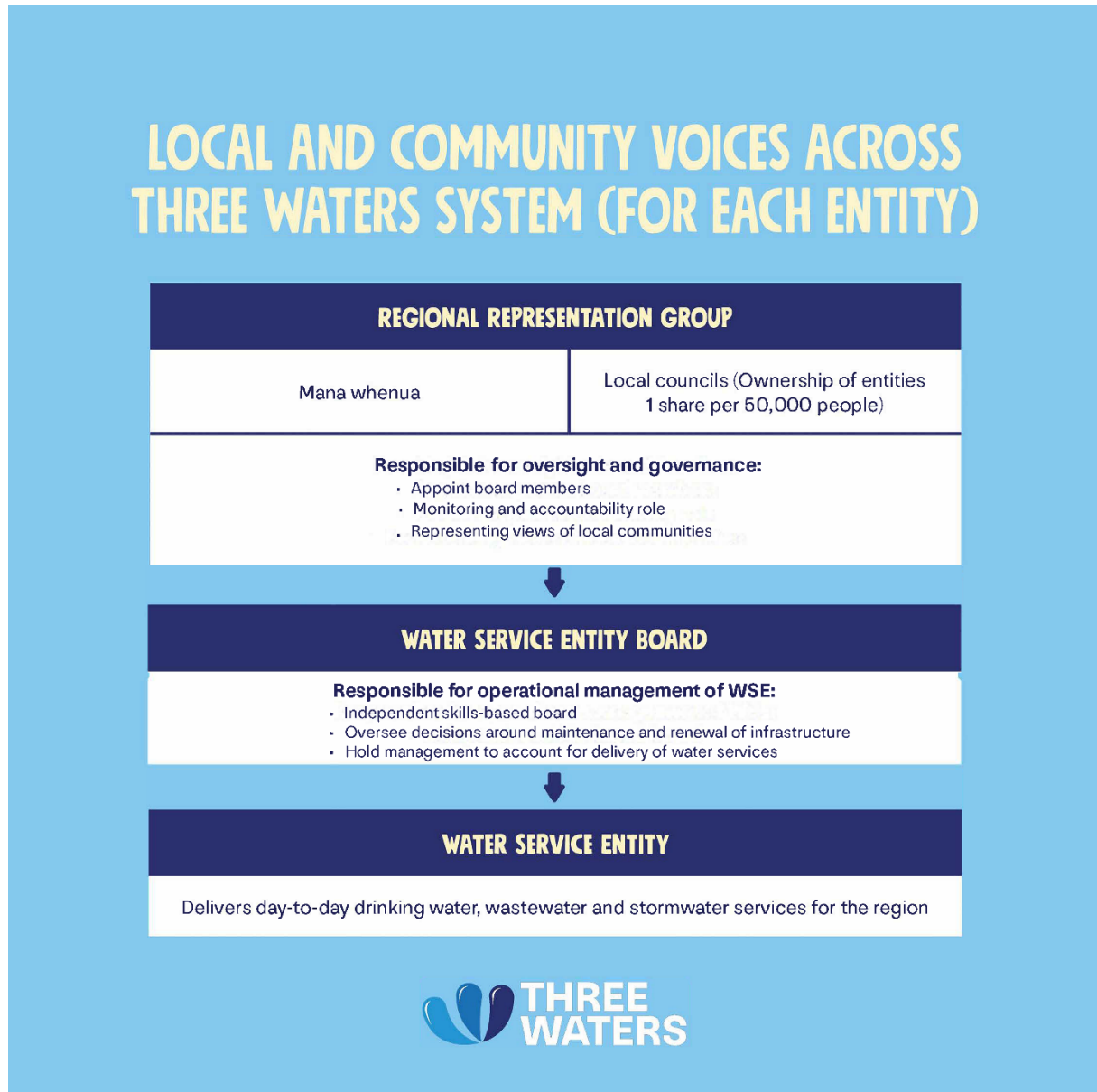


Figure 1: High-level water service entity governance structure

4.2 Better off Funding

The Three Waters Reform Better Off Package (Tranche 1) Funding Agreement that Council signed with the Department of Internal Affairs poses a financial risk to Council and other applicants if the reporting requirements are not met. For example, if one applicant does not adhere to the Department of Internal Affairs' reporting requirements, other applicants could be at risk of not receiving the funds.

Staff had anticipated this risk in running a contestable-funding application process for the better off funding and requested that CIP should provide Council with a reporting template in fulfilling its function as monitor of the funding arrangement.

While the funds have been committed to Council and is ready to be claimed, staff have not sought to claim the fund until the reporting template is made available. This is because the reporting requirements will have to be mirrored in the back-to-back funding agreements between Council and the successful applicants to minimize the financial risk.

4.3 Risk Register

Staff have prepared a draft risk register for the Waters Governance Board to consider and provide feedback on **(Attachment B)**. Being centrally driven, most of the risk treatments are outside of Council control which means Council needs to be adaptive to steep pivots in the planned program.

4.4 Debt Settlement Process

The debt settlement funding strategy and options has been attached for the Waters Governance Board's consideration **(Attachment C)**. At the Local Transition Team meeting held in Ngāruawāhia in December 2022, it was decided that the councils that will constitute Entity B will convene to review and outline any issues with the high-level debt settlement process.

4.5 Water Services Legislation Bill

The Finance and Expenditure Select Committee had initially set a closing date for submissions of 17 February 2023, but granted Council an extension up to 6 March 2023 upon request, owing to the impacts of the Auckland Anniversary weather event and Cyclone Gabrielle. Upon receiving Council approval on 24 February 2023, a submission was made on 3 March 2023 **(Attachment D)**.

The submission was congruent with a previous submission made on the Water Services Bill 2021. The submission illustrated that Council has already undertaken a journey to improve the delivery of water services to our communities through the Operations and Maintenance contract with Watercare Services Limited.

It was articulated that, while Council welcomes the opportunity to improve three waters service provision through the benefits the water service entities can unlock, the current contract should remain in place until the water service entities are fully operational.

5. Next steps Ahu whakamua

5.1 Governance Arrangements

Staff have considered the loss of local, arms-length governance as a risk and will continue to monitor this.

5.2 Better off Funding

CIP is due to provide the reporting template by the end of March **(Attachment E)**.

5.3 Risk Register

Staff will continue to report on the risks to the Waters Governance Board every six months or at a frequency determined by the Waters Governance Board.

5.4 Debt Settlement Process

Based on the feedback Council provides on the draft high-level settlement process, the National Transition Unit will report back on a detailed process in April 2023, as outlined in the Finance and Commercial 90-day plan (**Attachment F**).

5.5 Water Services Legislation Bill

The Finance and Expenditure Select Committee is due to report on the Bill to the Parliament House by 25 May 2023.

5.6 Legal Transfer Questionnaire

Staff are on track to submit this to the National Transition Unit by 31 March 2023.

6. Attachments

Ngaa taapirihanga

Attachment A	Water Service Entity Governance Structure
Attachment B	PR-23172 20230215 DRAFT Three Waters Reform Risk Register
Attachment C	Debt Settlement Funding Strategy & Options
Attachment D	Waikato District Council Signed Water Services Legislation Bill Submission
Attachment E	DIA Better Off Fund - CIP Update Feb 2023
Attachment F	Finance and Commercial 90-Day Plan Feb-May 2023

1. A CASE FOR CHANGE

This Government has ambitions to significantly improve the safety, quality, resilience, accessibility, and performance of three waters services, in a way that is efficient and affordable for New Zealanders. This is critical for:

- public health and wellbeing;
- environmental outcomes;
- economic growth and employment;
- housing and urban development;
- adapting to the impacts of climate change;
- mitigating the effects of natural hazards.

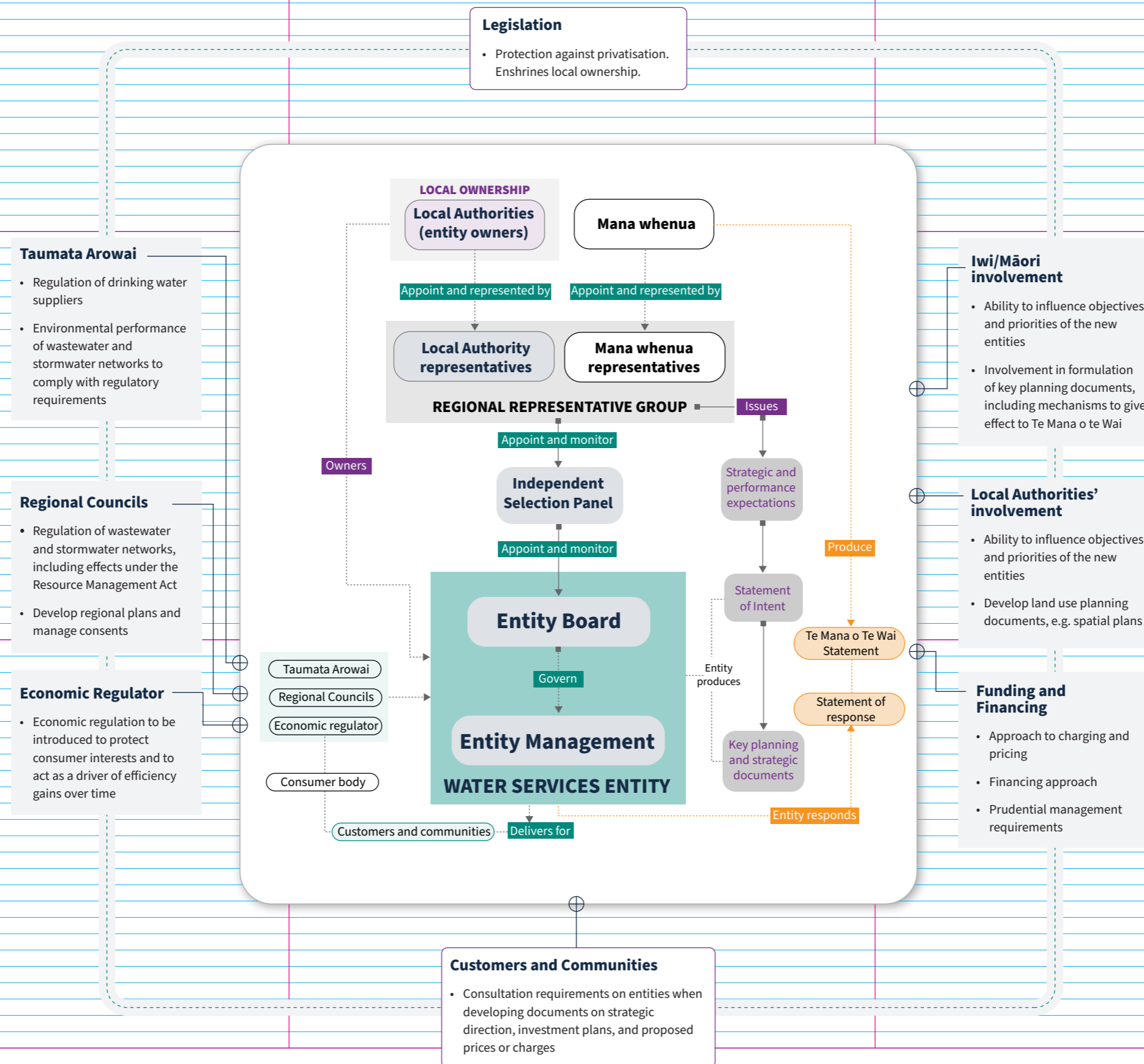
Government also wants to ensure it delivers on Treaty-related obligations, including by improving outcomes for iwi/Māori in relation to three waters service delivery.

Integral to this is effective infrastructure delivery, underpinned by an efficient, high-performing, financially-sustainable, and transparent three waters system.

2. KEY DESIGN FEATURES

- Maintaining local authority ownership of water services entities;
- Protecting against privatisation;
- Retaining influence of local authorities and mana whenua over strategic and performance expectations;
- Providing the necessary balance sheet separations from local authorities; and
- An integrated regulatory system.

3. A NEW WATER SERVICES SYSTEM



4. OBJECTIVES FOR THE CROWN/MĀORI RELATIONSHIP

Enabling greater strategic influence to exercise rangatiratanga over water services delivery.

- A Integration of iwi/Māori rights and interests within a wider system.
- B Reflection of a holistic te ao Māori perspective.
- C Supporting clear account and ensure roles, responsibilities, and accountability for the relationship with the Treaty partner.
- D Improving outcomes at a local level to enable a step change improvement in delivery of water services for iwi/Māori.

5. A PARTNERSHIP-BASED REFORM

- Government will continue to work in partnership with iwi/Māori and local authorities.
- A large scale communication effort is required to ensure local government support reform.
- Further decisions are yet to be taken by Cabinet on the arrangement for transition to, and implementing, the new system.

A new system for three waters service delivery⁵¹

The number and boundary of entities needs to balance scale with other factors

1. FACTORS CONSIDERED TO DETERMINE NUMBER AND BOUNDARIES

A range of factors have been analysed to help determine how many entities there should be, and their boundaries:

- A** Potential to achieve scale benefits from a larger water service delivery entity to a broader population/customer base.
- B** Alignment of geographical boundaries to encompass natural communities of interest, belonging and identity including rohe/takiwā.
- C** Relationship with relevant regulatory boundaries including to enable water to be managed from source to the sea - ki uta ki tai.

Applied economic analysis, informed by international evidence, provides further confidence that each entity would need to serve a connected population of at least 600,000 to 800,000 to achieve the desired level of scale.

The preferred approach is to create four new water services entities, and to enable all communities to benefit from reform.

2. PROPOSED BOUNDARIES

Government has agreed to a preferred set of entity boundaries. However, the Government remains interested in continuing discussion with local government and iwi/Māori most affected by the proposed boundary choices. In particular:

- 2 Taranaki region**
Which entity would include the Taranaki region, taking into account ki uta ki tai, whakapapa connections, and economic geography/community of interests.
- 1 South Island entity**
Whether there should be a single entity covering the whole of the South Island, or instead take an approach that uses the Ngāi Tahu takiwā.
- 3 Hauraki Gulf**
Whether to include other districts surrounding the Hauraki Gulf, enabling a more integrated approach to the management of the Hauraki Gulf marine catchment.

The map highlights the recommended boundaries.

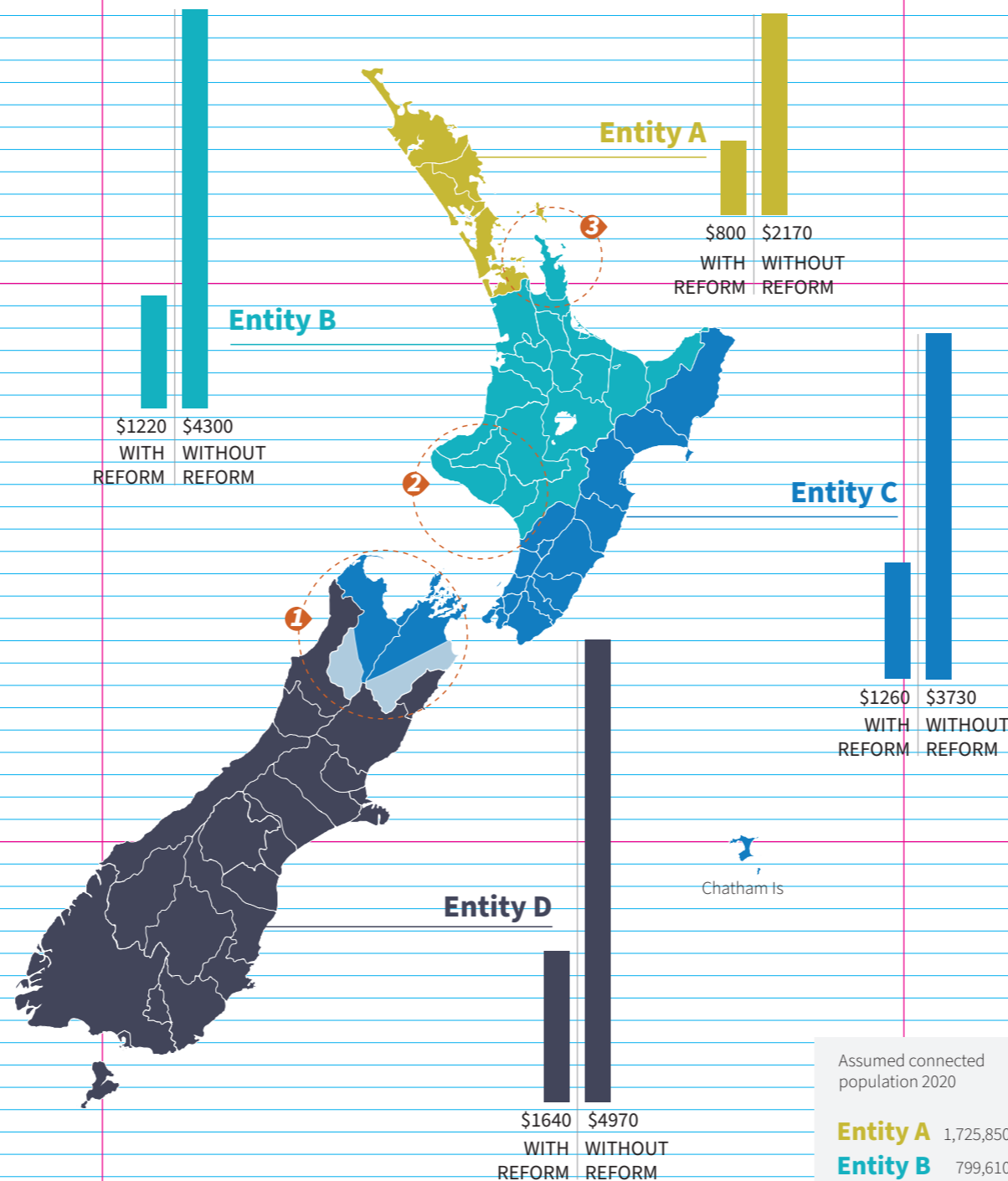
3. OUR INTENTION IS THAT ALL COMMUNITIES BENEFIT FROM REFORM

Latest estimates indicate that the amount of investment required to:

- provide for future population growth
- replace and refurbish existing infrastructure
- upgrade three waters assets to meet drinking water and environmental standards

Is in the order of
\$120 billion to \$185 billion
over the next 30 to 40 years.

4. PROJECTED HOUSEHOLD COSTS 2051



The figures presented above for household bills with and without reform set out what an average household would be likely to pay for three waters services in 2051, in today's dollars, based on analysis by the Water Industry Commission for Scotland.

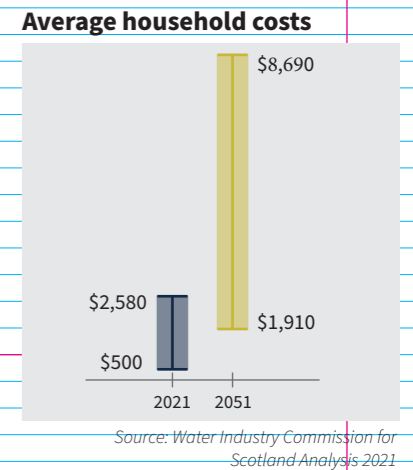
A weighted average figure is presented for household bill estimates without reform, to account for the wide variance between council pricing policies. This weighted average figure reflects the proportion of the connected population that resides in each council area relative to neighbouring councils within the relevant water services entity.

5. POTENTIAL IMPACTS

Difference in household costs

Average household costs for most councils on a standalone basis in 2051 are likely to range from between \$1,910 to \$8,690.

The scale of investment required between now and 2051, would require average household costs to increase by between three to 13 times in real terms for rural councils, between two and eight times for provincial councils and between 1.5 and seven times for metropolitan councils.



Current household costs

Currently there are a wide range of current (2019) average household costs.

	LOW	HIGH	MEDIAN	MEAN
Metro	\$500	\$1,920	\$1,050	\$1,120
Provincial	\$610	\$2,550	\$1,120	\$1,300
Rural	\$210	\$2,580	\$1,340	\$1,390

Source: Water Industry Commission for Scotland Analysis 2021

Current costs are not necessarily a good reflection of what funding is required to meet the full costs of economic depreciation (that is, to provide resources for asset maintenance and renewal).

Potential economic impact of reform


The economic impact assessment estimates the impact of a material step up in investment in connection with reform, relative to the level of investment that might be expected in the absence of reform.

Change relative to counter-factual, 2022-2051


Net change in GDP p.a. over 30 years	▲	0.3% to 0.5%
Present value increase in GDP	▲	\$14b to 23b
Average increase in FTEs	▲	5,850 to 9,260
Increase in average wages	▲	0.2% to 0.3%
Present value increase in taxes	▲	\$4b to \$6b

Source: Deloitte Three Waters Reform Economic Impact Assessment 2021

Risk Register 15/02/23

 Team / Project Name: Three Waters Reform Transition Project Number: PR-21372															
Risk Ref	Risk Statement			Inherent Risk		Risk Treatment		Residual Risk		Contingency action(s)	Risk Owner	Business Objective	Monitoring/ Reporting	Monitoring timeframe	
	Cause Because of...	Risk There might be...	Consequence Resulting in ...	Likelihood	Consequence Factor	Treatment to Cause	Treatment to Consequence	Likelihood	Consequence Factor	If the risk becomes reality... what action(s) will we implement?	Who will take responsibility for this risk? (One person)	Which Business objectives are impacted by this risk? (See next sheet)	Who will monitor and report on this risk?	What is the frequency for monitoring	
7	The legislation clearly foresees the water service entities having their own governance arrangements.	Council's Waters Governance Board will cease to exist after 1 July 2024.	Council losing a governance oversight arm on the waters operations that serves the district.	5	4	Extreme	Outside of Council control.	5	3	High	Allocate an internal risk owner within Council that can consider governance issues from a distance. There is an opportunity for Council to be involved in the Regional Representative Groups which can act as a vehicle for fulfilling governance oversight arrangements.	COO	Political & Strategic	Waters Reform PM	6-Monthly Risk Reporting
14	Cross-boundary service provision.	Watercare unable to provide appropriate LOS leading up to transition due to staff movement or changes to business.	Loss of service levels.	4	5	Extreme	Council to stay abreast of status of CCOs in the waters reform program. NTU and relevant entity chief executives are aware of our arrangements.	3	5	High	De-transition and bring back waters inhouse or transfer to the water service entities before establishment date.	Waters Manager	Business Continuity	Waters Reform PM	6-Monthly Risk Reporting
15	Transition of capital project delivery, budgets, and staff.	Time critical projects and other, important capital projects delayed due to transitional issues, lack of resourcing, unclear decision-making and other teething issues with the water service entities.	Delays to CAPEX projects required by Council's communities.	5	5	Extreme	Review from service delivery team on what projects will be impacted by transition. Change in scope of projects, acceleration, or reprioritisation of projects may be required. Ensuring that critical projects are represented in asset management plans, long-term plans, and highlighting the importance of these in executive discussions with the water service entity.	5	4	Extreme	Outside of Council control. Council will need to establish a channel of communication with the water service entity.	Waters Manager GM Service Delivery	Business Continuity	Waters Reform PM	6-Monthly Risk Reporting
16	The water service entity's programme of works does not align with Council's priorities.	Time critical projects and other, important capital projects delayed due to transitional issues, lack of resourcing, unclear decision-making and other teething issues with the water service entities.	Delays to CAPEX projects required by Council's communities.	5	5	Extreme	Review from service delivery team on what projects will be impacted by transition. Change in scope of projects, acceleration, or reprioritisation of projects may be required. Ensuring that critical projects are represented in asset management plans, long-term plans, and highlighting the importance of these in executive discussions with the water service entity.	5	4	Extreme	Outside of Council control. Council will need to establish a channel of communication with the water service entity.	Waters Manager GM Service Delivery	Business Continuity	Waters Reform PM	6-Monthly Risk Reporting
17	Water Services Legislation Bill stipulates a Monitoring and Guidance process requiring Council to obtain prior approval from the DIA regarding significant decisions.	Council's investments and decisions being overturned by the DIA.	Delays to CAPEX projects required by Council's communities.	5	5	Extreme	ELT oversight over project to aid with reprioritisation as required.	5	4	Extreme	Make a case for appeal to the DIA for reconsideration of their decision.	Waters Reform PM	Business Continuity	Waters Reform PM	6-Monthly Risk Reporting
18	Separation of water infrastructure planning and other functions that will continue to reside within Council.	Urban growth, land development, resource consents, and renewals disjointed from water infrastructure planning.	Threats: Tier 1 Growth requirements not met meaning housing supply falls short of housing demand in the district. Resource consents not aligned with water service entity activities meaning plans and equipment operate without appropriate authorization. Buildover applications overlooked or improperly processed. Reduced levels of service due to renewals funding gap or incorrectly prioritized maintenance program. Opportunities: Water service entity may have the capability and capacity to integrate strategic growth and water infrastructure planning more efficiently.	4	5	Extreme	Ensuring that there is a clear owner of this process or interfacial manager either within Council or within the water service entity.	5	4	Extreme	Council to advocate for its communities and hold the water service entities accountable for their responsibilities to public health and wellbeing.	GM Growth	Political & Strategic	Waters Reform PM	6-Monthly Risk Reporting
19	Assets and liabilities transferred to the water service entities.	Council's credit rating or ability to borrow potentially impacted.	Decreased level of service to communities.	4	5	Extreme	There is funding from the DIA to offset the impacts of this.	4	3	High	Council may need to undertake an exercise to assign a dollar amount to this. If the funding provided by the DIA is insufficient to cover these costs, more can be requested.	CFO	Financial	Waters Reform PM	6-Monthly Risk Reporting
20	Change in Parliament	Three waters reform cancelled or significant change in direction	More uncertainty for staff, communities, and Council at a strategic level. Creates more work stop BAU.	4	4	High	Outside of Council control.	4	3	High	MDC adopting an approach not to be reliant on the reform. The three waters operations has been designed to continue regardless of reform. Communicate to relevant stakeholders. Plan future steps with ELT.	Waters Manager	Political & Strategic	Waters Reform PM	6-Monthly Risk Reporting
21	Public scrutiny and political pressures opposing the reform.	Increased uncertainty or dissonance in the community	Community Boards, staff, and Councillors being subject to antagonized customers in public forums. Staff asked to answer questions that Council does not have control over.	4	4	High	Regular updates to public via public forums. Education on the fact that this is Centrally driven and Council is legally obliged to comply under New Zealand's democratic delegations.	3	2	Moderate	Utilize communications channels to run education campaigns. Council website will be a critical tool.	Waters Reform PM	Reputation / Image	Waters Reform PM	6-Monthly Risk Reporting
22	Poor communication from Central Government.	Council not fully informed or engaged on the reform.	Ability to plan ahead impacted. Staff having to re-prioritize between LTP projects, BAU, and reform. Council's ability to engage with the program requirements impeded.	4	3	High	Proactively engage with the NTU. Obtain signoff from ELT for project and create a communications pool within project workstreams to ensure oversight.	4	2	Moderate	Shared knowledge within Council and via the LTT.	Waters Reform PM	People	Waters Reform PM	6-Monthly Risk Reporting
23	Significant uncertainty on the direction the Government is taking.	Establishment date extended.	Council continues to deliver ancillary water functions.	4	3	High	Outside of Council control.	4	2	Moderate	Enter into agreement with the water service agreement to establish clear processes and responsibilities.	ELT	People	Waters Reform PM	6-Monthly Risk Reporting
24	The water service entities will compress for other Council staff, beyond waters staff, once stood up.	Council may lose other staff from core areas of the business.	Business continuity impacted. IP loss, and key personnel leave projects mid-flight.	4	4	High	Fortify Council's staff retention strategies.	4	3	High	Council will need to prepare for a mass exodus scenario.	P&C Manager	People	Waters Reform PM	6-Monthly Risk Reporting
25	Data and digital workstream has not been communicating the data transfer mechanisms.	Council will not be adequately resourced to partake in data migration activities.	Increased workload in short timeframes. Availability of consultants may be limited.	3	4	High	Engage over project to aid with re-prioritisation as and that NTU provide resources to backfill posts	3	3	Moderate	Outsource resources from three waters funding or at the cost of NTU's data and digital workstream.	CIO	People	Waters Reform PM	6-Monthly Risk Reporting
26	Multiple Government-driven reforms that require input from iwi and mana whenua without adequate compensation for money, time, or capacity.	Iwi and mana whenua unable or unwilling to meaningfully contribute to the design and planning of the water service entities. Iwi and mana whenua have opposing viewpoints or priorities related to wai and/or awa.	Council may suffer reputational damage. Council's activities that require collaboration with mana whenua or iwi impacted due to over-engagement from Government activities. Council may be found in contravention of treaty or JMA obligations due to undermining of Maori rights or interests in wai.	4	4	High	Largely outside of Council control. DIA does have funding buckets to assist with this. Council can redirect iwi representatives to this by increasing awareness. The public website would be a good forum to achieve this. Further training will be given to customer delivery staff to assist customers in accessing this information.	4	3	High	Transparent messaging from Council. Clear and consistent messaging will be required to customers.	Waters Manager	Compliance Regulatory	Waters Reform PM	6-Monthly Risk Reporting
27	Water service entity renegotiating contracts and suppliers to capitalize on larger economy scale.	Council loses access to local and/or smaller contractors. Informal arrangements between Council and contractors not captured. Loss of local knowledge and years of technical expertise of the network. Levels of service reduced as a result.	Council's Procurement objectives not met.	4	3	High	Outside of Council control. Council can recommend to the water service entity to maintain certain contracts for business continuity as done for the Watercare Operations and Maintenance Contract.	4	3	High	Outside of Council control.	Waters Manager	Technical	Waters Reform PM	6-Monthly Risk Reporting
28	Overestimation of infrastructure renewal requirements and/or ability for water service entities to fund these due to flawed financial modelling by the DIA.	Large margins of error in funding and pricing plans.	Possibility for significant rates increases due to affordability issues or communities not better off in terms of funding the required investments.	3	4	High	Largely outside of Council control, but Council can provide feedback on these based on funding impact statements once the water service entity's funding and pricing plans are published.	3	4	High	Council will be legislatively limited in courses of actions.	CFO	Financial	Waters Reform PM	6-Monthly Risk Reporting

Risk Register 15/02/23

 Team / Project Name: Three Waters Reform Transition Project Number (if applicable): PR-21372																
Risk Ref #	Risk Statement			Inherent Risk		Risk Treatment		Residual Risk score		Contingency action(s)	Risk Owner	Business Objective	Monitoring/ Reporting	Monitoring timeframe		
	Cause Because of...	Risk There might be...	Consequence Resulting in ...	Likelihood	Consequence Factor	Treatment to Cause	Treatment to Consequence	Likelihood	Consequence Factor	If the risk becomes reality... what action(s) will we implement?	Who will take responsibility for this risk? (One person)	Which Business objectives are impacted by this risk? (See next sheet)	Who will monitor and report on this risk?	What is the frequency for monitoring		
21	Local Government Act places certain obligations on Council during civil defence emergencies.	New entity may be unprepared for emergency management functions after transition. Uncertainty on water service entity's role in Civil Defence.	Council may be required to undertake these functions with less control, recalling that water is a lifeline utility. Council staff that would otherwise assist with Civil Defence and Emergency Management efforts are transferred to the water service entities and unavailable to assist in the future.	3	5	High	Council's civil defence emergency management team may be required to prepare for this scenario. To be proactive, Council's incident management team can work with the water service entity to develop a plan of action for these events.	Council's civil defence emergency management team may be required to prepare for this scenario. Training other staff that likely will not transfer to the water service entities. To be proactive, Council's incident management team can work with the water service entity to develop a plan of action for these events.	3	1	Low	Council's civil defence emergency management team may be required to prepare for this scenario. To be proactive, Council's incident management team can work with the water service entity to develop a plan of action for these events.	CDEM Manager	Business Continuity	CDEM Manager Waters Reform PM	6-Monthly Risk Reporting
24	Development Agreements not captured adequately within transitional arrangements.	Development Agreements do not get transitioned to the water service entities for continuation of management i.e. no ownership from water service entity.	Council's social and economic objectives jeopardized. Council finds it difficult to attract businesses to the district due to infrastructure deficits.	3	5	High	Ensuring that there is a clear owner of this process or interfacial manager either within Council or within the water service entity.	Discussions regarding economic development, to recognize the impacts of three waters reform. Notify the DIA of future projects via the monitoring and guidance process. Formalize arrangements via agreements or through Council's planning documents so they can be easily novated to the water service entities.	3	3	Moderate	The legislation and process is currently unclear on this matter. If this risk was to eventuate, Council will have to carry out its statutory obligations under the LGA 2002 and hold the water service entity accountable for delivering.	GM Growth	Political & Strategic	Waters Reform PM	6-Monthly Risk Reporting
26	Misinformation and inconsistent messaging leads to public unrest, establishment of CALD and protests.	Council's position is not aligned with the communities.	Potential for relationship strains with other entities that Council partners with.	3	3	Moderate	Clear and consistent messaging from Council.	Clear and consistent messaging from Council.	3	2	Moderate	Fortify community education. Run more community hui. Council needs to ensure that the NTU and DIA are following the documented procedures from Archives NZ.	Waters Reform PM	Reputation / Image	Waters Reform PM	6-Monthly Risk Reporting
28	Lack of planning on records transfer.	Council will be required to retain records and feed into WSEs on adhoc basis.	Increased workload on records team.	3	3	Moderate	Archives New Zealand dictates certain procedures that need to be undertaken during administrative change.	Archives NZ provide resources to backfill positions.	3	2	Moderate	Clear and consistent messaging will be required to customers.	Waters Reform PM	Compliance Regulatory	Waters Reform PM	6-Monthly Risk Reporting
11	WDC has responsibility to collect payments during the establishment period and five years beyond 1 July 2024.	Water service entities require Council to continue collecting rates.	Threat: Council still seen as the face of three waters from community perspective. Community confusion regarding waters service provider. Opportunity: Community see us as advocates for them to central government and appreciate us more.	3	2	Moderate	Council has made a submission on the Water Services Legislation Bill to require the water service entities to charge themselves and align the pricing to current Council standards for the first three years of operation.	Council will have to comply with these requirements if directed to do so as it is legislated.	3	2	Moderate	Clear and consistent messaging will be required to customers.	CFO	Financial	Waters Reform PM	6-Monthly Risk Reporting
22	Three waters reform is taking many aspects of Council functions and creating a national model e.g. RITS, AMP, Growth Plans.	Council's strategic planning is impacted.	Council's ability to adapt strategic plans for communities and prioritization framework is adversely impacted due to entities' needing to prioritize the competing needs of 22 councils. Interface with the water service entity will likely be required.	3	3	Moderate	Council will need to reevaluate strategic planning process in accordance with the new legislative planning process. Council will need to establish a channel of communication with the water service entity.	Council will need to work closely with the water service entity to map out what this looks like.	3	3	Moderate	Clear and consistent messaging will be required to customers.	ELT	Political & Strategic	Waters Reform PM	6-Monthly Risk Reporting
23	Changing legislative drivers in the waters reform programmes.	New, unforeseen legal obligations on Council.	Increased workloads on Council staff or raises on communities.	3	3	Moderate	Largely outside of Council control, but Council can monitor changes to voice concerns in appropriate forums and remain agile.	Largely outside of Council control, but Council can monitor changes to voice concerns in appropriate forums and remain agile.	3	2	Moderate	Clear and consistent messaging will be required to customers.	CFO Legal Counsel	Compliance Regulatory	Waters Reform PM	6-Monthly Risk Reporting
25	Council has contracts which has touchpoints with waters.	Existing contracts where part of the scope (Waters) will be handed over to new entities.	Requiring renegotiation or novation of entire contract to the water service entities.	3	2	Moderate	Council may be required to enter into service level agreements.	Where appropriate, the entire contract should be novated to the water service entities.	3	1	Low	Outside of Council control.	Waters Manager	Business Continuity	Waters Reform PM	6-Monthly Risk Reporting
27	Many Council-owned assets are mixed-use assets administered by different teams.	Other WDC BAU functions are compromised.	Unclear demarcation of departmental jurisdiction to undertake works.	2	2	Low	Request for information from DIA to capture all land areas and assets that are mixed use.	Ensure DIA is clearly delineating responsibilities via the Water Services Legislation Bill.	2	2	Low	Council's internal teams will need to delineate responsibilities.	Waters Manager	Business Continuity	Waters Reform PM	6-Monthly Risk Reporting

Consequence Category / Portfolio	Description
Business Continuity	Business continuity risks impacting the day to day business function and level of service delivery. These can be from inadequate or failed internal processes, activities and systems (recruitment, training, change management), or from unforeseen external events (such as a natural disaster) that disrupt normal business operations.
People (Zero Harm)	Risks associated with health and safety, or the capacity and capability of staff, elected members or partnerships; the behavioural and/or performance of staff, elected members or partnerships; and supplier confidence. People risks typically result from staff constraints (cannot fill critical open positions), incompetence (employees, partners or suppliers lack the necessary skill & knowledge to do jobs correctly), dishonesty (theft, fraud) or a corporate culture that does not cultivate risk awareness (i.e. lack of regard for Health & safety processes, risk management processes)
Financial	Risks related to the financial management of WDC and the ability to fund Council activities and operations now, and into the future. Risks related to the management of operational and or project budgets (potential for loss). External economic factors related to changes in the prevailing market conditions that impact on the organisations financial capability.
Reputation/Image	Risks related to the impact of organisational actions (business undertakings). Reputational risks typically result when public perception of Council actions and/or Council personnel are deemed to be inappropriate.
Compliance Regulatory	Risks related to WDC exposure to liability (legal action, fines, non-compliance against consent conditions, codes etc.)
Environmental	Potential or actual negative environmental or ecological impacts, regardless of whether these are reversible or irreversible in nature. Risks can arise from; - Natural hazards e.g. landslides - Waste & Refuse, emissions, resource depletion etc. - Emergency/ Disaster management - Growth & Development
Political/Strategic	Risks that may impact on the organisations ability to achieve its strategic objectives created by political conditions. This may be due to internal factors (actions of politicians) and or external conditions e.g. events or decisions that could have effect on the achievement of strategic objectives.

Prompt questions

What is the risk due to inadequate or failed internal processes, activities and systems (recruitment, training, change programmes, natural disasters?)

Are there risks related to health and safety, capacity and capability of staff, behavioural and or performance issues, supplier delivery confidence

What is the risk that there is inadequate funding provided for this activity/project (either by Council and/or external funders) and/or that the final activity/project cost is >10% of the budget?

What is the risk to Council's reputation / image? Potential for negative media coverage and/or negative experiences/perceptions of the activity/project by stakeholders and the community?

What is the risk of exposure to liability (legal action, fines, non-compliance against consent conditions)?

What is the risk to the environment (ecology, soil contamination, water quality, noise levels, odour, dust, etc.?)

What is the risk at the Political and or Corporate level due to possible impact to Council's core business objectives?

Technical (Cyber Security & IT Dependence)

Risks affecting the ability of WDC to complete or have confidence in the function or completion of a task, activity, project, operation. These are quality risks e.g. failure due to lack of technical capability or certainty in;

- Existing equipment, tools, technology, software, hardware etc.
- Design surety, manufacturing competency, technical performance etc.

Are there risks due to specific critical technologies and or the overall technical complexity of an activity/project (has it been done successfully before? Design and or implementation complexity? Specialised technical skill required? Speed of technology change, etc.)

RISK CONSEQUENCE CATEGORIES

Questions	Business Continuity	People	Financial	Reputation / Image	Compliance Regulatory	Environmental	Political & Strategic	Technical
	What is the risk due to inadequate or failed internal processes, activities and systems (recruitment, training, change programmes, natural disasters?)	Are there risks related to health and safety, capacity and capability of staff, behavioural and or performance issues, supplier delivery confidence	What is the risk that there is inadequate funding provided for this activity/project (either by Council and/or external funders) and/or that the final activity/project cost is >10% of the budget?	What is the risk to Council's reputation / image? Potential for negative media coverage and/or negative experiences/ perceptions of the activity/project by stakeholders and the community?	What is the risk of exposure to liability (legal action, fines, non-compliance against consent conditions)?	What is the risk to the environment (ecology, soil contamination, water quality, noise levels, odour, dust, etc.?)	What is the risk at the Political and or Corporate level due to possible impact to Council's core business objectives?	Are there risks due to specific critical technologies and or the overall technical complexity of an activity/project (has it been done successfully before? Design and or implementation complexity? Specialised technical skill required? Speed of technology change, etc.)

Likelihood

Likelihood	Likelihood	Probability	Frequency	Description	Rating
	Almost Certain	> 80%	Regular or frequently occurrence	Expected; Almost certain occurrence in the foreseeable future	5
	Likely	50 - 80%	1 - 5 times per year	Strong probability of occurrence in the foreseeable future / History of frequent occurrence	4
	Possible	20% - 50%	Once a year	Feasible; a possibility of occurrence / History of casual occurrence	3
	Unlikely	< 20%	Once every 2 -5 years	Not expected but there is a slight chance of occurrence at some time	2
	Rare	< 1%	Less than once every 5 years	Highly unlikely but may occur in exceptional circumstances	1

Consequences

Consequence	Descriptor	Business Continuity	People	Financial	Reputation / Image	Compliance Regulatory	Environmental	Political & Strategic	Technical	Rating
	Catastrophic	Essential services are unavailable causing customer disruption (> 1 day)	Life threatening injury/fatality (Severity 1) or potential to cause life threatening injury/fatality. Significant or prolonged resourcing deficit (trained/skilled specialist roles).	Financial exposure ≥ \$1.5M in any 12 month period	Sustained (in excess of one week) high profile adverse national media campaign or sustained (in excess of 4 weeks) cumulative adverse local media campaign or irreversible loss of community confidence or initiation of government tribunal of inquiry	Breach of policy, process or legislation requiring external investigation and resulting in significant tangible loss through civil or criminal prosecution and or significant damage to reputation.	Significant environmental disaster or natural hazard or unplanned population growth causing wide spread environmental degradation/damage and/or irreversible pollution or long term effects affecting future generations or uncontained, long term serious environmental degradation.	Significant and prolonged political attention with non-achievement of LTP objectives across multiple years.	Significant and prolonged effect to levels of service, business function or resource capacity as the result of malfunction/failure of technology, tools, equipment and or design/manufacturing competency.	5
	Major	Essential services are unavailable causing customer disruption (< 1 day) or non-essential services are unavailable (<7 days)	A WorkSafe NZ notifiable injury or illness (Severity 2) or potential to cause notifiable illness or injury. Major but short term resourcing deficit (trained/skilled specialist roles).	Financial exposure ≥ \$500k but <\$1.5M in any 12 month period	High profile adverse national media attention (less than one week) or sustained (in excess of 2 weeks) cumulative adverse local media attention or loss of confidence from significant portion of community sector.	Breach of policy, process or legislation requiring external investigation and resulting in a tangible loss through civil or criminal prosecution and some damage to reputation.	Major but localised environmental degradation/damage/pollution with long term effects or major off site release caused by either a natural disaster or unplanned population growth.	Significant but short term political attention with major impact to timing or deliverables associated with LTP objectives within one given year.	Major but short term effects to levels of service, business function or resource capacity as the result of malfunction/failure of technology, tools, equipment and or design/manufacturing competency.	4
	Moderate	Essential services are unavailable causing customer disruption (< 4 hours) or non-essential services are unavailable (<3 days)	Lost time injury (Severity 4). Moderate and short term resourcing deficit (trained/skilled specialist roles).	Financial exposure ≥ \$100k but < \$500k in any 12 month period	Adverse local media coverage that if repeated over time will adversely affect Council or negatively perceived business practice leading to widespread resident/ratepayer complaints or prolonged unresolved dispute requiring legal oversight	Breach of policy, process or legislation requiring internal investigation including moderate treatment for the purpose of damage control	Moderate localised environmental degradation/damage/pollution at a localised level caused by either a natural disaster or unplanned population growth with medium term effect or off site release contained.	Short term political attention with moderate impact to deliverables associated with LTP objectives.	Moderate short term effects to levels of service, business function or resource capacity as the result of malfunction/failure of technology, tools, equipment and or design/manufacturing competency.	3
	Minor	Non-essential services maybe impacted causing customer disruption (< 1 day)	Restricted work injury or medical treatment injury or potential for medical treatment is required (Severity 5). Temporary resourcing deficit (trained/skilled specialist roles) <7days.	Financial exposure ≥ \$10k but < \$100k in any 12 month period	Adverse local media coverage or adverse social media comment or short-term issue leading to localised complaints	Breach of policy, process or legislation requiring internal investigation but requiring only minor treatment for the purpose of damage control.	Minor localised environmental damage/pollution caused by either a natural disaster or unplanned population growth.	Short term political interest with negligible impact to LTP objectives.	Minor effects to day to day business function as the result of malfunction/failure of technology, tools, equipment and or design/manufacturing competency.	2
	Insignificant	No tangible impact on services to customer but monitoring maybe required.	First aid injury or potential for a person to seek first aid (Severity 6). Temporary resourcing deficit (trained/skilled specialist roles) <1day.	Financial exposure < \$10k in any 12 month period.	Minor adverse social media comment/questions but no subsequent public interest or event affecting an individual or small group only	Minor breach of policy or process requiring no investigation and only an approval or variance to prevent any damage control requirement.	Negligible localised environmental damage caused by either a natural disaster or unplanned population growth.	Negligible political interest with no impact on LTP objectives.	Negligible effects to day to day business function as the result of malfunction/failure of technology, tools, equipment and or design/manufacturing competency.	1



Debt Settlement Funding Strategy & Options February 2023

Background

The NTU worked closely with key stakeholders before Christmas to explore a suite of options for settling a council's water-related debt (henceforth abbreviated to "debt"). These ranged from full repayment on Day 1 to deferral of debt repayment.

The evaluation identified the preferred option as a deferred repayment over a period of several years. The exact period is yet to be determined and depends on a range of factors including credit rating considerations. The team is also working through several technical challenges before being able to definitively confirm the deferred payment option. This option's key benefits are as follows:

1. **Market:** Avoids market disruption from having to raise circa \$10b of debt on Day 1.
2. **Cost:** Avoids a situation where WSEs must borrow to repay councils, who are then long on cash, resulting in a net interest spread cost to the sector.
3. **Alignment:** Provides guidance ahead of settlement to assist councils in making necessary changes to their treasury policy for debt and hedging.

Under the deferred repayment option:

1. The WSEs will enter into a back-to-back loan arrangement with all councils with an agreed debt level above a \$20m de minimis.
2. Councils whose debt is below the \$20m de minimus will be repaid in full once the council has completed the settlement process post 1 July 2024.
3. The WSEs will meet the councils' debt maturity and interest payments (net of hedges) for a period being the shorter of (i) ideally 5 years but still tbc, or (ii) the point at which that council's water-related debt falls below \$20m.

During the transition period through 30 June 2024, councils are expected to continue raising and hedging debt (including Three Waters debt) in accordance with the maturities and hedging levels set out in their Treasury policies, as they would have done were the Three Waters reform not happening.

Next Steps

1. **Feb/Mar 2023:** The NTU seek to agree a settlement amount of debt with councils during, or shortly after, the NTU/council meetings to work through Version 1 of the Settlement Accounts.
2. **Apr/Jun 2023:** The NTU will work with councils to agree the specific tranches of debt and swaps which "transfer". Our starting principle is, if X% of a council's debt is attributable to Three Waters, then X% proportion of each debt tranche and swap will be attributed to Three Waters.
3. **Jun 2023 onwards:** The first assessment will be based on councils' 30 June 2022 debt. This will be updated post councils' 30 June 2023 Financial Statements. For the year ending 30 June 2024, we will make an initial assessment in March 2024 with a wash-up post-completion of councils' 30 June 2024 Financial Statements.

This methodology takes account of fixed/floating debt, maturities, interest rates, and swap hedging to align payment terms as closely as possible with debt falling due. However, we recognise that the "devil is in the details" and we will need to work through this with councils.

We trust the above makes sense. Please direct any questions to john.forster@dia.govt.nz.

Friday, 3 March 2023

Secretariat
Finance and Expenditure Committee
Select Committee Services
Parliament Building
WELLINGTON 6160

RE: SUBMISSION FROM THE WAIKATO DISTRICT COUNCIL ON THE WATER SERVICES LEGISLATION BILL

INTRODUCTION AND BACKGROUND

Waikato District Council (“**the Council**”) welcomes the opportunity to provide a submission on the Water Services Legislation Bill (“**the Bill**”).

The Council wishes to thank the Finance and Expenditure Committee (“**the Committee**”) for granting an extension until 6 March 2023 in light of the flooding events during Auckland Anniversary weekend and the effects of Cyclone Gabrielle. The Council acknowledges the efforts of staff, the community, incident management coordinators, and local marae in responding to these events and laments the tragic loss of life.

Waikato District Council, classified as a tier 1 Growth Council, is located in the heart of an area referred to as ‘the golden triangle’ of Auckland, Hamilton, and Tauranga. The district, home to around 89,000 residents, covers an area of more than 400,000 hectares. The Council owns seven water treatment plants, nine wastewater treatment plants, and services approximately 1,185 kilometres of pipes.

The Council’s vision is that we work together as a district to build “liveable, thriving, and connected communities” as our townships grow. Liveable communities reflect what is important to our residents and support a shared sense of belonging, both to the local community and the wider district. Thriving communities participate in Council decision-making and community-led projects, provide input into the management of their local assets, and sustain the local business sector by providing local employment. People in connected

communities have access to fit for purpose services, amenities, and infrastructure that meet their social, health, education, and employment needs.

Waikato-Tainui are tangata whenua of the Waikato region, wherein thirty-nine of the sixty-eight Waikato-Tainui marae reside within the Council's boundaries. Following the Waikato-Tainui Raupatu Claims (Waikato River) Act 2010, a Joint Management Agreement ("**the JMA**") between Waikato-Tainui and the Council was signed in March 2010. The JMA affirms the commitment between Waikato-Tainui and the Council to co-manage the Waikato River; to restore and protect the health and wellbeing of the river, and to provide an enhanced relationship between the parties on areas of common interest. The Council's District Plan and waters service delivery gives effect to Te Ture Whaimana o Te Awa o Waikato ("**Te Ture Whaimana**"), recognising that the Waikato River is tūpuna awa to Waikato-Tainui.

The Nga Wai o Maniapoto (Waipa River) Act 2012 was enacted on 5 April 2012. Under this Act, there is a requirement for the Council to enter into a Joint Management agreement with Ngāti Maniapoto. The purpose of the Act is to "...restore and maintain the quality and integrity of the waters that flow into and form part of the Waipa River for present and future generations..." Waikato District Council, alongside Waipā District Council, Waitomo District Council, Ōtorohanga District Council, and the Waikato Regional Council signed the Waipā River Joint Management Agreement with the Maniapoto Māori Trust Board on 3 April 2013.

From 1 October 2019, the Council contracted the provision of three waters to Watercare Services Limited ("**Watercare**"), which saw all previous three waters staff transition to Watercare. Whilst the three waters assets and resource consents are owned by the Council, the Operations and Maintenance Contract between Watercare and the Council allows Watercare to deliver three waters services to the district. The outsourcing of water services to Watercare was consulted upon by Waikato District Council as part of the 2018-2028 Long-Term Plan process. This agreement between the two parties has been arranged to encourage the production of better environmental outcomes and more affordable water services for the community. The Council has previously written to the National Transition Unit Board to request that the Watercare Operations and Maintenance Contract continue for a further five years beyond the formation of the Water Service Entities ("**the WSEs**") to ensure continuity of services and successful completion of large, capital projects.

The Council welcomes change for improved health outcomes and supports the overall intent and direction for the Bill. This is evidenced by the journey already undertaken by Council, in transitioning to Watercare, to fortify environmental outcomes and create more affordable

water services for the community. However, the Council remains concerned about the lack of clarity and specificity required to precisely contemplate the details of transition within the specified timeframes.

The Council supports the technical feedback provided by Water New Zealand and the policy considerations highlighted in Taituarā's draft submission to the Committee.

STORMWATER

The Council appreciates that stormwater systems often suffer from underinvestment and, out of the three waters, has the most regional variability owing to complex histories. Currently, stormwater services are delivered by multiple owners as these assets service multiple functions, leading to overlaps with roading corridors, parks and reserves, and urban drainage schemes, to name a few.

Assuming that stormwater services are transferred to the WSEs, the Council supports the WSEs obligations to prepare stormwater management plans. However, Council recommends that the Bill provide clarity on whether the WSEs will develop a "strategic framework for stormwater network management" or provide a basis for long-term planning.

It is evident that the Bill contemplates collaboration between the Council's stormwater service providers and the WSEs, however, clause 257(2) is unclear in stipulating the specific obligations on Council and its transport corridor managers to collaborate with the WSEs. The Council recommends that the Bill provide clearer guidance on the roles of these stakeholders and the extent to which collaboration would be required. To this end, the definitions of, and interface between, "transport stormwater system" and "stormwater network" needs clarification to avoid ownership disputes that currently exist for most territorial authorities.

Owing to the ambiguity of stormwater asset ownership, the Council has previously undertaken an exercise to demarcate stormwater assets, illustrating which assets the Council would be responsible for. In the Bill, the current definition of stormwater infrastructure indicates that the Council may be responsible for managing rural and transport stormwater systems. To this effect, the Council requests the Committee to recommend that the Bill defines how the different aspects of stormwater systems will be managed and clearly delineate overlapping responsibilities for mixed-use stormwater assets.

The Council notes that the Spatial Planning Bill and Natural and Built Environments Bill do not

define a stormwater system or network. Given the interconnected nature of concurrent, legislative reforms, the Council recommends that the Committee advocate for consistency between these bills and other legislation to come.

ACCESS TO LAND

The Council notes that the Bill can be strengthened in providing the WSEs with land access powers. As water service providers, the WSEs need to have appropriate mechanisms to lawfully access infrastructure, irrespective of location, for the maintenance of assets, emergency responses, and safeguarding of levels of service.

The Council supports Water New Zealand's recommendations to remove the landowner's ability to impose conditions in sections 200(2), 200(3), and 202. The Council further recommends that land access rights for the WSEs match that of territorial authorities under section 181 and schedule 12 of the Local Government Act 2002 ("**the LGA**"). For example, sometimes, Council requires access to adjacent land to carry out works when it is impractical to carry out works on or under land that the asset resides within. Council recommends that the Bill clarify that access can be obtained to adjoining land for the purposes of undertaking works.

Furthermore, it seems that the Bill envisages the WSEs obtaining prior, written consent from the owner or a court order before it can construct or place water services infrastructure on or under land. This is a material change from the LGA, seemingly making the process much more onerous. Particularly in light of Council's experience with Cyclone Gabrielle, Council firmly urges the Committee to remedy this deficiency in the Bill.

PRICING AND CHARGING

The Council supports charges from establishment day to 1 July 2027 being aligned to current Council charging mechanisms. The Council also supports the obligation of the WSEs to prepare and adopt funding and pricing plans as this is congruent with the financial management requirements of territorial authorities. However, the Council recommends to the Committee that the WSEs set charges in accordance with the current funding and pricing plans, as there is currently no obligation to do so.

Moreover, the Council requests that the Committee advocate for the WSEs to have greater flexibility in setting charges as the WSEs will need autonomy to achieve their objectives and

respond to the needs of their communities, for this generation and the ones to come. Specifically, Council foresees a risk with the charging principles in clause 331: restricting the WSEs board from setting charges based on affordability and equity could be the causative agent for steep changes to water bills for our communities.

The Bill contemplates that the Council may be required to collect charges on behalf of the WSEs up to 1 July 2029. Council recommends that the WSEs collect charges to keep balance sheets separated, thereby avoiding confusion for the consumer.

The Council does not agree with section 348 that the Crown be exempt from paying infrastructure contribution charges as Crown agencies often require the construction of significant public infrastructure.

Furthermore, the Council seeks justification for clause 341(4), which postulates that an owner of non-rateable land would be charged 50% of stormwater services, when the properties would be receiving stormwater services. The Council also recommends that the Bill provide a mechanism for adjusting stormwater charges based on type of land use.

The Council agrees with the intent of the Bill that successful delivery of three waters services will be contingent upon collaboration and information sharing with the WSEs, as per clauses 319-320. However, the Council believes that the use of this information by the WSE should be limited to carrying out statutory functions. Furthermore, the costs associated with preparing rating information should be shared. The Council's view is that section 43 of the Rating Valuations Act 1998 should be used as a guide if no other mechanism is developed for cost-sharing.

MANA WHENUA

The Council supports the Government's commitment to the Partnership/Pātuitanga principle of The Treaty/Te Tiriti, acknowledging the principles of Te Ture Whaimana. The Council recognises that Mātauranga Māori will be crucial for the WSEs to revive the mana in our waters and supports the inclusion of Te Mana o Te Wai statements as a strategic driver. To this effect, the Council would like to see the Bill set out how it will engage with mana whenua, beyond the stipulations made in section 13.

The Council recommends that mana whenua be empowered and resourced to be involved with the three waters reform programme during the establishment period.

Furthermore, the Council seeks clarity on the entity that monitors and regulates Te Mana o Te Wai obligations.

CLIMATE CHANGE

The unprecedented climate events that Aotearoa New Zealand has faced in the first two months of 2023 provide tragic examples of the effects of climate change and the pressures that it places on the waters industry. Just as the three waters reform programme is an intergenerational programme, so are the challenges of climate change.

In view of this, the Council is not adequately satisfied that the Bill challenges the status quo regarding climate change and resilience. The Council recommends that the WSEs be required to dedicate funding to climate change initiatives, publish a climate change response plan, carbon accounting statements, and other, appropriate climate related reporting.

ENGAGEMENT PRINCIPLES

The Council recognises the role it will continue to play in assisting the WSEs with effective delivery of three waters services and looks forward to the opportunities to create better outcomes for the district. A majority of the decision-making functions conferred on the WSEs require engagement with the Council, but there is no feedback loop which allows the Council to influence any decision-making on matters that involve or impact the Council.

Furthermore, sections 461 and 462 of the Bill do not adequately define what is meant by 'consult.' The Bill does not require the WSEs to respond to councils, mana whenua, consumers, or other stakeholders.

In closing, the Council recommends that the Bill provide more clarity on how the WSEs would engage with its stakeholders and impose clear timeframes and processes on WSEs to respond to its stakeholders.

The Council wishes to thank the Committee for the opportunity to provide comments on the Bill and extends its gratitude for the extension to enable this.

Should the Select Committee require any clarification from Waikato District Council, please contact Deron Sharma – Three Waters Reform Project Manager or Keith Martin – Waters Manager.

Nгаа mihi



Jacqui Church
Mayor

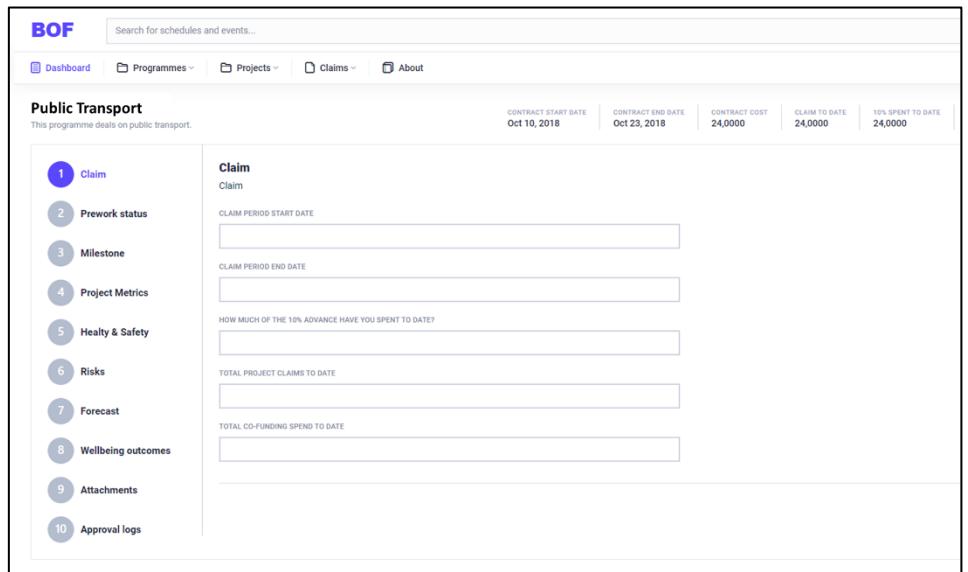
Reporting system and CIP portal

The DIA Grant Management System (GMS) does not have the level of functionality necessary for DIA’s reporting requirements on the Better Off Fund programme. Matters such as project expenditure (actual and forecasting), health and safety reporting, and managing project substitution/change requests, have not been able to be incorporated into GMS.

CIP have an existing system that is used for the Infrastructure Reference Group (IRG – *shovel ready*) projects; the IRG project owners access the system through the CIP website. CIP are ‘re-skinning’ and enhancing this system for the Better Off Fund reporting system.

The CIP Better Off Fund system will be reviewed and tested by the CIP Relationship Manager and Monitor team 8 March 2023, piloted, and refined over the following fortnight, targeting a roll-out to all Councils by the end of March 2023.

We will give an update on what Councils reporting inputs are likely to look like earlier in March 2023.



Progress claims

The DIA Funding Agreements allow for Councils to make progress claims as regularly as monthly or multiples of monthly periods thereafter, up to a maximum period of six-monthly.

Given our recent experiences with the Three Waters Stimulus Fund programme, it is generally expected three-monthly claims would be appropriate, and efficient, for all parties. The final call is however up to each Council to decide.

Further guidance will be given to Councils round what appropriate supporting information is required to accompany each claim. This will be included in the next CIP update in March 2023.

Reporting frequencies

Throughout the Three Waters Stimulus Fund programme 109 Project Substitution Requests (PSR) were approved with each PSR typically withdrawing, amending and/or introducing multiple new projects. Given the scope of the Better Off Fund programme is wider and over a longer period the same level of PSR activity is expected.

With the six-monthly Better Off Fund reporting period, it is expected that each six-monthly Report should be a full restatement of each Council’s Funding Proposal at that time including new expenditure forecasts, timeline and milestone adjustments and an overview of PSRs approved in the period showing all the adjustments between projects that have been made, any new projects that have been introduced and any projects that have been abandoned. This comprehensive restatement

of Council's position will be necessary to ensure all parties are clear and agree on the progress that has been made and what is expected. The CIP system will facilitate this reporting.

Reporting 'worker' hours and FTE determination

With the Three Waters Stimulus Fund programme, a myriad of methodologies were used to determine project worker hours. For the Better Off Fund the intention is to have a more consistent national methodology applied.

CIP will ask for all 'worker' hours in the month to be reported by project/programme. This will be, for example, all on and off-site hours for construction projects including all main and subcontractors plus consultants (design, construction supervision, health and safety etc) and/or other service providers directly supporting the project; or for a capacity building initiative all stakeholder direct involvement hours including project management time and facilitators and/or trainers.

For a given month, CIP will calculate FTE by dividing total reported hours worked by standard hours in a month (assuming 8 hours a day, excluding weekends and public holidays). This is also how FTE are determined from worker hours on IRG projects.

CIP will also report an indicative FTE using the total project value, in conjunction with the primary project category classification to assess the project's labour component, and a typical average labour wage rate for the category, plus overall percentage and hourly rates for e.g. design and contract supervision for consultant/project management input.

Reporting programmes of work of value greater than \$250k

To assist with reporting efficiencies the Council projects approved in the Better Off Funding proposals have been reviewed with recommendations suggested on combining similar project types, where possible, to a minimum combined-project value of \$250,000. The Relationship Managers will be in touch with each Council in the next week or two to: check the BOF crown amount per project (excluding co-funding), project summations to the Council total crown allocation, confirm any project roll-ups, and the project categorisations.

Contestable project funds

Several Councils have projects with components of contestable funds. In most cases the frameworks through which applications will be made for the contestable funds are still to be developed by the Council, including the way that CIP will be involved in the process to ensure the applications being evaluated by Councils comply with the DIA criteria for the Better Off Fund.

Please keep your CIP Relationship Manager informed on the development of the Council or partner frameworks so that all parties, including CIP, are efficiently involved in application processing once the local systems are open for applicants.

Finance & Commercial Workstream 90-Day Plan February – May 2023

Note that tasks in:

- Bold Red** require significant work from councils;
- Bold Black** are smaller tasks for optional review, feedback or noting; and
- Blue** do not require any council input and are FYI only.

Workstream	Tasks	Timeline
Financial & Settlement	Review Settlement Accounts & Agree Plan <ul style="list-style-type: none"> ▪ Review Meeting: Review meetings have been scheduled for mid-February through March. ▪ Approach: Two weeks prior to the meeting, the team will provide CFOs with a set of settlement accounts and items to be discussed. ▪ On the day, we envisage the process will work along the following lines: <ul style="list-style-type: none"> ○ ~1 hour jointly review settlement accounts and issues. Resolve items where able and agree action plan to close items that cannot be immediately resolved. ○ ~ 1 hour break for NTU team to write up plan. ○ ~ 1 hour reconvene to review and confirm plan. 	Feb/Mar 2023
	Debt Confirmation Letters <ul style="list-style-type: none"> ▪ Once we have agreed a debt figure, we will provide a formal confirmation letter. This will also cover the associated settlement account matters such as debt roll forward process, confirmation of water revenue figures, settlement process, etc. 	Apr 2023 onwards
	Review & Provide Feedback on Draft <u>High-Level Settlement Process</u> <ul style="list-style-type: none"> ▪ The draft high-level settlement process outlines the timeline and tasks for items such as valuation, audit, debt settlement, wash up, etc. ▪ We are seeking feedback on two questions: <ol style="list-style-type: none"> 1. Are there any material, macro-level omissions? 2. What questions/issues at the detailed level does the process need to address? 	To be emailed by end of February <i>Feedback due mid-Mar 2023</i>

	<p>Detailed Settlement Process Version 1</p> <ul style="list-style-type: none"> We will use the feedback from the High-Level Settlement Process to draft the Detailed Settlement Process version 1. This will include detailed guidelines on each of the areas noted above. We will then work with each council on the workplan to undertake the tasks required by the Detailed Settlement Process. 	April 2023
Planning, Pricing & Funding	<p>FYI only: Draft WSE Funding & Pricing Plans</p> <ul style="list-style-type: none"> The team have shared a prototype Entity A plan with the key regulatory stakeholders and incoming CEs. By the end of March, the team will use the feedback provided by these stakeholders to help complete draft plans for the 4 WSEs. The team are also working on an initial analysis of price vs debt vs investment. 	Feb-Mar 2023
Capital Structure	<p>Identify Transferring Debt – Tranches & SWAPS</p> <ul style="list-style-type: none"> Once we have agreed a debt figure, we will work with councils to determine the specific tranches of debt and swaps which “transfer”. Our starting point is likely to be, if X% of a council’s debt is attributable to three waters, then X% of each debt tranche and swap will be attributed to three waters. However, we recognise that the “devil is in the details” and will need to work through this with councils. 	Apr-Jun 2023
	<p>FYI only: Debt Settlement Funding Strategy & Options</p>	Emailed 22 Feb 2023 with Feb update
Legal & Insurance	<p>Complete Transfer Questionnaire & Principles</p> <ul style="list-style-type: none"> This questionnaire asks councils for information to populate each WSE’s Allocation Schedule, which will then be shared in draft with councils. A draft of the Transfer Principles has been shared for your comment. 	DUE 31 Mar 2023 Emailed 19 Dec 2022
	<p>Review Draft Relationship & Master Service Agreement Term Sheets</p> <ul style="list-style-type: none"> The team are working on the term sheets for these two agreements, including tranche 1 service descriptions (for low-complexity services). We will share these with “prototype” council teams for review before sharing more widely. Template Relationship and Master Service Agreements will be prototyped with 4 volunteer councils. We will continue to share refined versions of contract documents (and tranche 2 service descriptions for more complex services) thereafter. 	<p>~ Mar 2023 (prototype councils)</p> <p>~ Apr 2023 (prototype councils)</p> <p>May onwards</p>
	<p>FYI only: Status of legislation</p> <ul style="list-style-type: none"> The Water Services Entities Act 2022 is now (partially) in force. 	Feb 2023

- The Water Services Legislation Bill (Bill 2) has been referred to the Finance & Expenditure Committee for submissions. More information can be found on the [Parliament website](#).

FYI only: Insurance Strategy

Feb/Mar 2023

- Team is currently working on the insurance strategy for the WSEs. Based on the advice we have received, councils should work to ensure that their three waters insurances run through to midnight on 30 June 2024. The WSEs will then be placing their cover to commence on 1 July 24.

Requests from other NTU teams that may potentially arrive on CFOs' desks

Asset Management & Operations Team

Jan-Feb 2023

- Operations stocktake – have completed 50/67 councils. Covers key operational matters e.g., contracts, suppliers, development agreements.
- AMP clarifications – the AMP team are working with various Councils to clarify aspects of their AMP. In some cases, they may be accompanied by one of the Planning Team's analysts with them

Feb/Mar 2023

People & Workforce Team

Feb/Mar 2023

- May be a request for payroll information for some of transferring staff.

Customer & Digital Team

- Team is working with CIOs/IT managers to identify the best person with whom to have a readiness conversation. This conversation, taking less than 30 minutes, is to understand:
 - whether your teams are ready to start the asset data migration activity,
 - what you would need in place prior to starting,
 - what support you need from the
 - NTU, and
 - an indication of planned start dates.
- For Customer & Digital queries (regarding IT systems, including funding, for instance), please contact them via their [Customer & Digital webpage](#).

To	Waters Governance Board
Report title	Risk Register - Update
Date:	20 March 2023
Report Author:	Keith Martin, Waters Manager
Authorised by:	Gavin Ion, Chief Executive

1. Purpose of the report

Te Take moo te puurongo

To present the updated risk register to the Water Governance Board.

2. Executive summary

Whakaraapopototanga matua

The updated risk registered includes the addition of reservoir integrity and water assets exposed to flooding.

3. Staff recommendations

Tuutohu-aa-kaimahi

That the Water Governance Board receives the Risk Register report.

4. Attachments

Nгаа тааpирihanga

Attachment 1 - Risk Register

Risk Ref #	Risk Statement <i>Risk statement to include "Bad outcome - cause"</i>	Gross Risk score			Treatment plan <i>What can we do about each significant risk to either eliminate it or reduce it?</i>	Residual Risk score			Contingency <i>If the risk becomes reality...what action(s) will we implement?</i>	Risk Owner <i>Who will take responsibility for this risk? (One person!)</i>	Monitoring/ Reporting <i>Who will monitor and report on this risk?</i>	Timeframe <i>What is the frequency for monitoring/ reporting?</i>
		Likelihood	Consequence	Factor		Likelihood	Consequence	Factor				
40	Insufficient funds for Raglan WWTP consent application and plant upgrade in current LTP	5	5	Extreme	Reviewed estimates for both consent processing and plant upgrade in the 2021 LTP. Consent processing budget was increase by WDC late January 2020. The LTP budget was reviewed during 2020 as the best practical option is developed.	2	4	Moderate	Paper went to November 2022 WGB seeking approval to use LTP budget to start work with an expected shortfall of \$14.72m to deliver the overall program.	Waters Manager	Relationship Manager	Quarterly risk reporting
47	Abatement notice at Te Kauwhata WWTP is not complied with in time	4	5	Extreme	Strategy developed with Watercare. Part of the Mid Waikato Servicing Strategy. HIF funding secured. Community engagement has commenced and Project Manager appointed to co-ordinate the engagement. Plan agreed with WRC and exhaustive work being undertaken by Watercare. Plant being leased for a solution whilst WWTP upgrade is being undertaken, expected compliance March 2022	2	4	Moderate	Revisit the plan and adapt it with community and WRC approval.	Waters Manager	Waters Manager	Monthly Operations report
60	Contract for Hamilton City water supply to WDC has lapsed and is mid negotiation with cost exposure impacting savings anticipated in the LTP Watercare model	5	4	Extreme	Continue negotiations. HCC have not engaged to sign off the contract or CE letter exchange to agree to continue operating in current form and it remains in limbo pending reform. Risk is limited as there is little risk of HCC turning off the water.	2	4	Moderate	Await Entity B to resolve this cross boundary issue	Relationship Manager	Relationship Manager	Quarterly risk reporting
72	Letter received confirming Housing Infrastructure Funding (HIF) is all there. Budget at TKWWTP is not enough to deliver the whole upgrade. WDC now need to find funding for plant servicing between 6,000 and 9,000 population	5	4	Extreme	Ensure the next LTP has this included and that population projections are complete.	3	4	High	This has been included in DIA submissions for the new WSE AMP.	Waters Manager	Waters Manager	Quarterly risk reporting
5	Volumes of water per customer Volumetric charging could adversely impact on revenue. Revenue not sufficient to cover costs.	3	4	High	Volumetric charging is relatively new to the district so we could see behaviours change. Close tracking of volumes sold will need to be undertaken. Historic data used in 2021 LTP to ensure risk is covered.	2	4	Moderate	Consider impacts in next LTP or annual plan process	Waters Manager	Relationship Manager	Quarterly risk reporting
27	Disjoint between WDC Consents Planners/District Planners and WSL Planning. Increased timeframes to respond, financial consequence that WSL cannot meet price path, infrastructure may not be provided at the right times	4	4	High	WSL to provide input to WDC Infrastructure Strategy; understanding of AMP; stakeholder identification; clear communication process and timeframes between WDC and WSL. Growth Forum outlined in 23.1(e) Operations Mandate in Schedule 15 and Development of Assets and Resource Consents covered in Clause 14	3	3	Moderate		Relationship Manager	Relationship Manager	Quarterly risk reporting
34	Significant hazards related to third party staff / contractor operations	3	4	High	Implement WSL health and safety management system. Development of appropriate SOP's and permit to work systems	2	4	Moderate	WSL have SOP's, Take 5, JSA's, Permit to Work in place. Safety Framework in contract implemented	Waters Manager	Relationship Manager	Quarterly risk reporting
35	Control system failures lead to a failure of water or wastewater treatment process. Non compliance with regulations.	3	4	High	Continue with Control system upgrade project. Implement SOPs for manual operation of plant and equipment	2	4	Moderate	Scada upgrade underway and being rolled out across sites, forecast completion by 2024. Software programming under review and improvements are ongoing. Method Statements/SOP for manual intervention required (to confirm what is already in place vs what needs to be developed for emergency situations)	Waters Manager	Waters Manager	Monthly Operations report

Risk Ref #	Risk Statement <i>Risk statement to include "Bad outcome - cause"</i>	Gross Risk score			Treatment plan <i>What can we do about each significant risk to either eliminate it or reduce it?</i>	Residual Risk score			Contingency <i>If the risk becomes reality...what action(s) will we implement?</i>	Risk Owner <i>Who will take responsibility for this risk? (One person!)</i>	Monitoring/ Reporting <i>Who will monitor and report on this risk?</i>	Timeframe <i>What is the frequency for monitoring/ reporting?</i>
		Likelihood	Consequence	Factor		Likelihood	Consequence	Factor				
36	Failure of critical suppliers and contractors. Inability to meet contract or performance KPIs	3	4	High	Due diligence on contractors and suppliers prior to engagement	1	3	Low	Minimal new engagements from WDC now that with Watercare (and bulk supplies) in place.	Waters Manager	Relationship Manager	Quarterly risk reporting
37	Significant wastewater discharge to the environment	3	4	High	Ensure routine network maintenance and in place and completed. Public education programmes regarding fats etc	2	3	Moderate	Known capacity issues including renewals are upgraded at the right time; and funding available	Waters Manager	Relationship Manager	Quarterly risk reporting
38	Incomplete or insufficient asset planning and investment to service growth (Ohinewai)	4	3	High	Continued liaison between WSL and WDC regulatory planning team to ensure awareness of new developments as early as possible. Growth forum as the way to ensure collaboration is happening	2	2	Low	Creation of Growth and Analytics team helping with early assessment and planning	Growth & Analytics Manager	Waters Manager	Quarterly risk reporting
43	Non compliance with discharge consents not in abatement or further abatement notices	4	3	High	Identification of required upgrades early to allow upgrade costs to be included in LTP funding plan. Continued liaison with regulators. Paper submitted to WGB June 2020.	4	3	High	One lifted (Meremere), Raglan SW has one outstanding item scheduled for 22/23 construction season. Huntly and Nga WWTP are next plants to ensure compliances resolved so they do not escalate to Abatement	Waters Manager	Relationship Manager	Quarterly risk reporting
49	Long Term resource consent application for Raglan WWTP is poor or not completed in time. Reputational damage with the local community and lwi if the process is not expedited quickly and inclusively.	4	4	High	Short term consent gives WDC the time to work with Watercare to achieve the best outcome. Consent lodged 6 November 2019. Community meetings occurring regularly with detailed options analysis being undertaken for treatment and disposal	3	4	High	Planning underway and looking at land option with land owner, if all land based options exhausted, last resort will be to submit application to continue to discharge to harbour through outfall	Special Infrastructure Project Manager	Relationship Manager	Monthly Operations report
62	Risk of prosecution for failure to meet requirements of stormwater consents across the district. A letter of direction was received from WRC for the 2020 Stormwater audit.	5	3	High	Complete the required actions from the letter including an update of the Stormwater Management Plan. The contract requires a review of the approach to stormwater. Stormwater Engineer in place to manage this. A letter of direction for PARTIAL COMPLIANCE was received for the 2019-20 compliance year but included this commentary "I acknowledge all the hard work and effort that has been done during the last year to improve compliance and reporting of WDC's stormwater activities. I know that the existing abatement notice has had most of its required actions implemented and completed. The actions in the table above may include some overlap with the actions required in the existing abatement notice. Once the full set of required actions in the abatement notice has been completed then WDC may apply to Waikato Regional Council to have that abatement notice withdrawn."	1	3	Low	Dedicated Stormwater Engineer in place, all but one item (Cambrae) rectified and compliant under Raglan SW consent. Reputation with WRC has improved through dialog and proof of work.	Waters Manager	Relationship Manager	Quarterly risk reporting
14	Climate change and Sea level impacts service. Infrastructure compromised, need for rebuild/relocation	3	4	High	Consider in AMP and business plan	2	4	Moderate	AMP 2024-43 includes contingency amount in each of the three waters to mitigate climate change impacts	Waters Manager	Relationship Manager	Quarterly risk reporting
63	The risk of serious or fatal injury while working alone for Watercare staff is significant.	3	5	High	Watercare have safe systems of work in place but this requires regular re-visit and audit.	3	5	High	The risk remains there so an annual safety audit of the contract is recommended and this must include love working risk.	Waters Manager	WDC S&W Manager	Monthly Operations report

Risk Ref #	Risk Statement <i>Risk statement to include "Bad outcome - cause"</i>	Gross Risk score			Treatment plan <i>What can we do about each significant risk to either eliminate it or reduce it?</i>	Residual Risk score			Contingency <i>If the risk becomes reality...what action(s) will we implement?</i>	Risk Owner <i>Who will take responsibility for this risk? (One person!)</i>	Monitoring/ Reporting <i>Who will monitor and report on this risk?</i>	Timeframe <i>What is the frequency for monitoring/ reporting?</i>
		Likelihood	Consequence	Factor		Likelihood	Consequence	Factor				
68	Pokeno and Tuakau wastewater treatment service is not in place for growth leading to wastewater overflows or inability to grow the town	3	4	High	Regular conversations with key industry in the catchment are aimed at making sure capacity is there when required. Discussions also ongoing with Watercare for wastewater treatment capacity at the Pukekohe WWTP.	2	4	Moderate	Place a moratorium on development or delay connections slowing economic development.	Waters Manager	Waters Manager	Quarterly risk reporting
70	Third party damage costs not being recovered	4	3	High	Watercare to identify situations this occurs and where party who did the damage can be identified and recovery a possibility, Council to charge third party inline with provisions in LGA legislation	2	3	Moderate	Cost of enforcement and collection to be balanced with likelihood of success - where success unlikely, costs to be covered from reactive maintenance budget	Waters Manager	Relationship Manager	Monthly Operations report
71	Supply chain for critical parts impacted by COVID 19	4	4	High	The supply chain is adapting to the COVID 19 impacts.	3	4	High		Waters Manager	Waters Manager	Quarterly risk reporting
73	Future funding of \$14.72 for the completion of the Raglan WWTP doesn't materialise in the new WSE AMP.	3	5	High	Ensure this is included in Entity B transition risk assessment	1	3	Low	This has been included in DIA submissions for the new WSE AMP.	Special Infrastructure Project Manager	Waters Manager	Quarterly risk reporting
76	Te Kauwhata Water Association (TKWA) Resource Consent for abstraction from the Waikato River expires in mid 2024. There is a risk that TKWA do not gain the consent in time to be compliant.	3	4	High	The contract with TKWA stipulates they must have a consent.	2	4	Moderate	Provided an application is made then the take can continue. A consultant has been employed by WDC to actively manage this high risk issue.	Waters Manager	Relationship Manager	3 Weekly contact with Council's consultant working with TKWA
77	TKWA Operational performance is not high enough to ensure raw water is provided to WDC in line with the contract.	4	4	High	The contract is in place to ensure supply however there remains a risk that the work simply won't be completed in a timely or safe way and WDC is exposed.	3	4	High		Waters Manager	Waters Manager	Quarterly risk reporting
78	Surplus capacity in non Waters staff after Waters business fully transitioned to new water services entity	4	4	High	Any surplus capacity to be identified and review undertaken if redeployment/reallocation of tasks required	3	4	High		Waters Manager	GMSD/ELT	Quarterly risk reporting
6	Population Growth - Customer numbers don't increase to the extent anticipated in the model so revenue is impacted. Revenue not sufficient to cover costs.	2	4	Moderate	WDC have the revenue risk. The revenue requirements are reviewed every year. Growth numbers are derived from modelling at lower risk scenarios. The source of data is the National Institute of Demographic and Economic Analysis (NIDEA)	2	4	Moderate	2021 LTP has utilised latest growth figures. Costs for bulk supply of water and wastewater service drop too.	Waters Manager	Relationship Manager	Quarterly risk reporting
9	Not meeting Operational Period conditions. Relationship Manager in co-ordinating role needs dedicated time to actively manage all necessary project management responsibilities and tidy up historical issues	2	4	Moderate	Review the contract in early 2021 and start a program to secure transition of the contract to the operational period. Water reform has meant that this transition has remained in play.	2	4	Moderate	Stage the operational period commencement. Moving to Operational Period largely on hold pending Waters Reform, historical matters continue to be managed and resolved as identified.	Waters Manager	Relationship Manager	Quarterly risk reporting
10	WSL consultation with Auckland Consultation required by WSL specific to s137 LGA mean that there is uncertainty of the outcome. Depending on outcome, it	2	5	Moderate	Early consultation to determine impact and structure contract to allow for this. No need to consult as the contract is not material to AC. Some consultation	2	4	Moderate		Waters Manager	Relationship Manager	Quarterly risk reporting
21	Development Agreements are not put in place in a timely manner. WDC or WSL exposed to costs to get agreements in place retrospectively. Developer may not	2	4	Moderate	Focus is being placed on closing off development agreement discussions and continuing active dialogue with developers. A working group has been set up between in	1	3	Low	New team in Growth and Analytics dedicated to working with Developers and processes developed since Risk first raised	Growth & Analytics Manager	Waters Manager	Quarterly risk reporting

Risk Ref #	Risk Statement <i>Risk statement to include "Bad outcome - cause"</i>	Gross Risk score			Treatment plan <i>What can we do about each significant risk to either eliminate it or reduce it?</i>	Residual Risk score			Contingency <i>If the risk becomes reality...what action(s) will we implement?</i>	Risk Owner <i>Who will take responsibility for this risk? (One person!)</i>	Monitoring/ Reporting <i>Who will monitor and report on this risk?</i>	Timeframe <i>What is the frequency for monitoring/ reporting?</i>
		Likelihood	Consequence	Factor		Likelihood	Consequence	Factor				
29	Support systems necessary to maintain LOS are not available or reliable through transition period into the operational period	2	4	Moderate	New IM stream lead required to ensure the integration occurs. Maintenance of existing systems until new system are tested and ready. Project Manager in place and working with Watercare on the IM transition.	2	4	Moderate	Scada now on WSL systems/externally hosted. Improvements made to faults systems. Billing system still on WDC system and GIS has few tweaks to resolve (as at Nov22)	Waters Manager	Relationship Manager	Quarterly risk reporting
30	Communications to WDC customers is poor. Internal and external customer not aware of what is happening in waters resulting in complaints	2	4	Moderate	Comms Operations Mandate to spell out who does what and when.	1	3	Low	Comms Mandate complete including review and update. Media releases being done, Plan to attend Community Committee Meetings periodically to give general update	Relationship Manager	Relationship Manager	Quarterly risk reporting
1	Wage costs higher than expected impacting on the reasonable return to Watercare	2	3	Moderate	Wage inflation covered in the LTP price path so an allowance has been made – the range is uncertain but the test of reasonable return will mitigate the risk for WSL. LTP reser in 2021	1	2	Low		Relationship Manager	Relationship Manager	
3	Operating costs higher than LTP budgets due to 3rd party pricing uncertainty	2	3	Moderate	WSL will have greater purchasing power and supply of the supply chain and have committed to savings	1	3	Low	This will impact reasonable return for Watercare so a funding source would be	Relationship Manager	Relationship Manager	Quarterly risk reporting
7	Population Growth - Infrastructure is built and population doesn't increase to require or fund it. Debt	2	4	Moderate	Ensure planning is staged, makes sure all parties aware of growth in the District. Use the contract stipulated	2	4	Moderate		Waters Manager	Relationship Manager	Quarterly risk reporting
8	Population Growth - Infrastructure needs are amplified by an increase in population ahead of expected growth	2	4	Moderate	Ensure planning is staged, makes sure all parties aware of growth in the District. Use the contract stipulated growth forum as a place to make sure infrastructure is	2	4	Moderate		Waters Manager	Relationship Manager	Quarterly risk reporting
23	Fail to meet statutory obligations for AMP	2	3	Moderate	Ensure subject matter experts involved in AMP compilation and contract terms are met	1	2	Low	Submissions have been made to DIA to ensure the future AMP is robust for the District.	Waters Manager	Relationship Manager	Quarterly risk reporting
32	WSL utilises lower number of local suppliers. Suppliers have less business and are dissatisfied creating adverse media and reputational damage to both parties	2	4	Moderate	Careful review of existing supplier spend. Good communications and use of the greater good argument. Local content requirements written into the contract.	1	3	Low	WSL has a company wide goal of 5% of procurement to be with Iwi owned businesses.	Relationship Manager	Waters Manager	Quarterly risk reporting
42	Failure to maintain Iwi relationships across the District	3	3	Moderate	Develop and maintain relationships with Waikato Iwi as part of the Comms approach	2	3	Moderate		Waters Manager	Waters Manager	Monthly Operations report
51	Single source for Raglan WTP was impacted with recent earthquake	2	5	Moderate	Consider alternatives or enhanced Emergency Response plan and water reservoir storage.	2	5	Moderate	Plant improvements have been made to reduce earthquake impact on water quality but single source remains a risk	Waters Manager	Waters Manager	Quarterly risk reporting
52	Influent quality and quantity risk to WWTP that could impact on discharge water quality	2	5	Moderate	Trade waste bylaw to give power to WDC to control the risk	2	5	Moderate		Waters Manager	Waters Manager	Quarterly risk reporting
55	Design and construction of infrastructure risk	2	4	Moderate	Design and construct to Auckland standards. Sign off by WGB with subject matter experts involved.	2	4	Moderate		Waters Manager	Relationship Manager	Quarterly risk reporting
58	Funds not forthcoming to WSL to enable seamless delivery of the capital program	2	4	Moderate	Capital program to be agreed and WDC to ensure funding available. Approval process as per schedule 5 of the agreement	1	3	Low	WDC don't approved anything outside of LTP or debt cap to ensure payment can be made. Invoices from WSL submitted per Contract timeframe to enable time to	Relationship Manager	Relationship Manager	Quarterly risk reporting
69	Dirty water complaints in Huntly increasing	3	3	Moderate	The AMP has allowed for process improvements and Huntly included in recent watermain renewals	3	3	Moderate		Waters Manager	Waters Manager	Quarterly risk reporting

Risk Ref #	Risk Statement <i>Risk statement to include "Bad outcome - cause"</i>	Gross Risk score			Treatment plan <i>What can we do about each significant risk to either eliminate it or reduce it?</i>	Residual Risk score			Contingency <i>If the risk becomes reality...what action(s) will we implement?</i>	Risk Owner <i>Who will take responsibility for this risk? (One person!)</i>	Monitoring/ Reporting <i>Who will monitor and report on this risk?</i>	Timeframe <i>What is the frequency for monitoring/ reporting?</i>
		Likelihood	Consequence	Factor		Likelihood	Consequence	Factor				
74	Public Health risk. Non - Compliance risk with DWS. Quality of drinking water reduces	2	5	Moderate	Retention of trained staff members prior to transition to new water services entity. Ongoing delivery of drinking water (WTP 's)	2	5	Moderate	This has been included in DIA submissions for the new WSE AMP.	Waters Manager	Waters Manager	Quarterly risk reporting
54	Asset failure frequency risks (e.g. burst water mains or wastewater main collapse frequency greater than historic numbers)	1	3	Low	Due diligence from historic information builds the LTP maintenance budgets.	1	3	Low		Waters Manager	Relationship Manager	Quarterly risk reporting
57	Bad debts impact revenue	1	3	Low	Bad debts to be managed and reported	1	3	Low		Relationship Manager	Finance Manager	Quarterly risk reporting
59	Inflation is higher than expected impacting costs adversely	1	3	Low	Inflation covered in the LTP price path so an allowance has been made and it can be reset every 3 years	1	3	Low		Relationship Manager	Relationship Manager	Quarterly risk reporting
79	Water Assets are at risk of flooding or exposed to environmental effect as part of climate change	3	3	Moderate	Ensure assets that have been identified as having a risk to flooding or historically have flooded have an active management plan and/or plan to relocate or redesign to avoid and mitigate the effects of flooding	3	3	Moderate	Ensure emergency response plan is developed for each asset at risk. Resource consent conditions to enable deteriorated level of service during event.	Watercare	Relationship Manager	Annual
80	Reservoir Integrity	2	4	Moderate	All reservoirs are to have a scheduled inspection and maintenance plan	2	2	Low		Watercare	Relationship Manager	Annual
81												
82												
83												
84												
85												
86												
87												
88												
89												
90												
91												

RISK CONSEQUENCE CATEGORIES

Questions	Business Continuity	People	Financial	Reputation / Image	Compliance Regulatory	Environmental	Political & Strategic	Technical
What is the risk due to inadequate or failed internal processes, activities and systems (recruitment, training, change programmes, natural disasters?)	Are there risks related to health and safety, capacity and capability of staff, behavioural and/or performance issues, supplier delivery confidence	What is the risk that there is inadequate funding provided for this project (either by Council and/or external funders) and/or that the final project cost is >10% of the budget?	What is the risk to Council's reputation / image? Potential for negative media coverage and/or negative experiences/ perceptions of the project by stakeholders and the community?	What is the risk of exposure to liability (legal action, fines, non-compliance against consent conditions)?	What is the risk to the environment (ecology, soil contamination, water quality, noise levels, odour, dust, etc?)	What is the risk at the Political and or Corporate level due to possible impact to Council's core business objectives?	Are there risks due to specific critical technologies and or the overall technical complexity of this project (has it been done successfully before?, design and or implementation complexity?, specialised technical skill required?, speed of technology change, etc)	

Likelihood	Likelihood	Probability	Frequency	Description	Rating
Frequent	>50%	Continuous or will happen frequently	The threat will most certainly occur in the foreseeable future	5	
Often	20%-50%	5 - 12 times per year	The threat will probably occur in the foreseeable future	4	
Likely	10%-20%	1 - 5 times per year	The threat has a good possibility of occurrence	3	
Possible	1%-10%	Once every 2 - 5 years	The threat has little chance of occurring in the foreseeable future	2	
Rare	<1%	Less than once every 5 years	The Threat is unlikely to occur in the foreseeable future	1	

Consequence	Descriptor	Business Continuity	People	Financial	Reputation / Image	Compliance Regulatory	Environmental	Political & Strategic	Technical	Rating
Catastrophic	Significant effects to day to day business function with prolonged and significant impact on levels of service	Life threatening injuries or fatalities/ Significant and prolonged lack of internal staff capacity requiring significant and prolonged additional external resources/ Significant level of uncertainty with supplier delivering in full, on time and to specification.	Financial shortfall or loss > \$1M in any 12 month period	Serious or sustained national media attention	Significant breach of legal obligations (i.e. law, legislation, regulations, code etc) by Council with legal action and significant fines (> \$100k)	Significant and wide spread adverse effects on living organisms and environment by effluents, emissions, wastes, resource depletion, etc	Significant and prolonged political attention with considerable impact on Council meeting business objectives across multiple years.	Excessive project delays, significant cost overrun, complete technology or technical process failure.	5	
Major	Major effects to day to day business function with significant about short term impact on levels of service	Single life-threatening injury or fatality/ Significant but short term lack of internal staff capacity requiring short term external resources/ High level of uncertainty with supplier delivering in full, on time and to specification.	Financial shortfall or loss \$150k - \$1M in any 12 month period	Short term national media attention	Serious breach of legal obligations (i.e. law, legislation, regulations, code etc) by Council with legal action and major fines (\$20k-\$100k)	Major but localised adverse effects on living organisms and environment by effluents, emissions, wastes, resource depletion, etc	Significant but short term political attention with impact on Council achieving core business objectives within one given year.	Major project delays, major cost blowout, technology or technical process requires re-work to fit purpose.	4	
Moderate	Moderate effects to day to day business function with moderate short term impact on levels of service	An injury requiring moderate medical care/ Moderate but short term lack of internal staff capacity, possible short term use of external resource/ Moderate level of uncertainty with supplier delivering in full, on time and to specification.	Financial shortfall or loss \$50k - 150k in any 12 month period	Short term local media attention	Moderate breach of legal obligations (law, legislation, regulations, code etc) by Council with legal action and moderate level fine (\$5k-\$20k)	Moderate localised adverse effects on living organisms and environment by effluents, emissions, wastes, resource depletion, etc	Short term political attention with minor impact on Council achieving business objectives.	Moderate - Moderate project delays, small cost overrun, some minor technical errors to resolve.	3	
Minor	Minor effects to day to day business function with minor impact on levels of service	Injury no more than first aid/ Internal staff capable but require monitoring and management/ Some level of uncertainty with supplier delivering in full, on time ad to specification.	Financial shortfall or loss \$10k - 50k in any 12 month period	Some minor public attention	Moderate breach of legal obligations (law, legislation, regulations, code etc) by Council with legal action and low level fine (<\$5k)	Minimal localised adverse effects on living organisms and environment by effluents, emissions, wastes, resource depletion, etc	Short term political interest with negligible impact on business objectives.	Minor project delays and or minor cost overrun.	2	
Insignificant	Negligible effects to day to day business function with insignificant impact on levels of service	Health and safety monitoring required/ Staff fully capable/ Negligibly level of uncertainty with supplier delivering in full, on time and to specification.	Financial shortfall or loss <\$10k in any 12 month period	Minor internal interest	Minor breach of legal obligations (law, legislation, regulations, code etc) by Council with warning	Negligible or no localised adverse effects on living organisms and environment by effluents, emissions, wastes, resource depletion, etc	No political or core business objective impact.	Minor technical issue, negligible adverse effect to project.	1	

To	Waters Governance Board
Report title	Insurance compliance
Date:	29 March 2023
Report Author:	Alison Diaz - Chief Financial Officer

1. Purpose of the report

Te Take moo te puurongo

To update the Waters Governance Board on contractual insurance compliance.

2. Executive summary

Whakaraapopotanga matua

Council's (WDC) contract with Watercare has a number of risk management mechanisms in place, one of which relates to the insurance programme.

Clause 30 of the contract specifically covers insurance, and requires Watercare to take out and maintain adequate liability related cover, stipulated as:

- (a) Public liability; statutory liability and public liability insurance for an amount of not less than \$10 million,
- (b) Environmental liability for an amount of not less than \$10 million,
- (c) Professional indemnity for an amount of not less than \$10 million (for each claim, each 12 month period), and
- (d) Other; such other insurance as may be reasonably required by WDC

Watercare must provide insurance certificates to WDC each year confirming compliance with clause 30.

In addition to the contract requirements WDC has material damage insurance in place for critical water and wastewater assets both above and below ground, noting the latter is only triggered through natural disaster events. Te Kauwhata Water Irrigation assets are also covered by WDC's policy (and recharged).

As a subordinated decision making body the Waters Governance Board is covered by the Local Government Act 2002 and therefore does not need Directors and Officers insurance.

The following Watercare policies are in place via Auckland Council and certificates have been sighted by WDC staff:

Liability Policy	Insurer	Coverage
Professional indemnity	Berkshire Hathaway Specialty Insurance	\$10,000,000 each and every claim and in the aggregate
Combined General and Products Liability	Berkshire Hathaway Specialty Insurance	\$10,000,000 any one occurrence in respect of public liability and in the aggregate in the policy period in respect of product liability
Contract works insurance	NZI (IAG New Zealand Ltd)	\$1,000,000 any one loss and \$10,000,000 in the aggregate. Covering maximum contract prices of \$25,000,000 with various sub limits related to the contract price, maximum construction period of three years.
Environmental liability	Auckland Council (Self-Insurance Management Fund)	\$10,000,000 per occurrence and in the aggregate for the period of cover.

3. Staff recommendations Tuutohu-aa-kaimahi

THAT the Waters Governance Board receives the Insurance Compliance report.

4. Attachments Ngaa taapirihanga

There are no attachments for this report.

To	Waters Governance Board
Report title	Maramarua Treated Wastewater Disposal Field Upgrade – Price / Risk Update
Date:	20 March 2023
Report Author:	Mathew Telfer (Operations Manager – Waikato)
Authorised by:	Gavin Ion, Chief Executive

1. Purpose of the report

Te Take moo te puurongo

The purpose of this report is to provide an update on price and risk for the Maramarua wastewater treatment plant effluent disposal project.

AND

To gain final approval for funding of \$385,000 to deliver the upgrade as part of the District Wide wastewater treatment renewals programme.

2. Executive summary

Whakaraapopototanga matua

In February 2023 Watercare presented a paper to the Water Governance Board (WGB) outlining the need for and benefits of replacing the existing treated effluent disposal field at the Maramarua Wastewater Treatment Plant (WWTP). In short, this asset has failed and treated effluent can be observed bypassing the disposal field and leaching into site drainage.

Watercare proposes to decommission and remove the existing disposal field and replace this with an appropriate modern asset. A budget of \$500,000 was sought. This budget was set at p50 level and was based on an initial quotation from a preferred Contractor, plus contingency.

The WGB approved the project in principle, but queried the budget sought and requested that Watercare work to refine this. Watercare has since engaged with the preferred Contractor to examine pricing and site risk in detail.

As a result of this, the budget sought has reduced to \$385,000, primarily as a result of the Contractor's detailed design and evaluation of bulk material suppliers. This revised budget comprises:

- Final quotation of \$328,000 from Innoflow Ltd as the preferred Contractor
- 10% contingency to cover residual site risks including volume of earthworks involved with disposing of the original disposal field and bulk material prices and delivery.
- Watercare costs (project management, construction management, liaison with Waikato Regional Council)

This pricing assumes that the Contract works are approved and can be carried out in April, with bulk material ordered in early April. If this does not occur, Watercare has been advised that some bulk material supply costs will rise, and the price will need to be re-evaluated. This could result from procurement delays or bad weather events.

In order to expedite April delivery, Watercare has prepared the procurement documents alongside carrying out the price check. If this revised budget is approved, Watercare will release the contract and procure the works. The Contractor has signalled that they are available to establish on site in April.

If the works are not carried out in April, Watercare will need to work with the Contractor to agree a preferred construction period.

3. Staff recommendations Tuutohu-aa-kaimahi

THAT the Waters Governance Board approves the:

- the replacement of the Maramarua WWTP treated effluent disposal field project; and**
- the funding of \$385,000 from the District Wide wastewater treatment renewals budget for this project.**

4. Discussion and analysis Taataritanga me ngaa tohutohu

With approval of this business case, the forecast spend on the project will proceed as planned under the current AMP. The Council has a budget previously approved for District Wide wastewater renewals and it is proposed to use this budget to carry out the work.

4.1 Options Ngaa koowhiringa

The options forwarded for consideration are:

- 1) Approval to proceed with the Maramarua WWTP effluent disposal bed upgrade (recommended).

OR

- 2) Defer the project.
-

4.2 Financial considerations

Whaiwhakaaro puutea

The current Long-Term Plan (LTP) includes infrastructure investment in wastewater treatment plant asset renewals across the district. There is sufficient budget to carry out the disposal field upgrade. The current LTP funding lines and commitments required are detailed in the table below. It is proposed to use the carryover from 21/22 to augment the 22/23 budget and progress the project.

Wastewater Funding allocated (\$M)	Carry Over 21/22	22/23	23/24	Total
District Wide wastewater treatment renewals AMP Code: 1 WW11500, OG0001080	0.7	0.63	0.6	1.93
Required for Maramarua Effluent Disposal Field upgrade	-	0.385	0.0	0.385
Balance available (+/-)		0.245	0.0	1.46

A budget of \$385,000 is sought. This budget comprises:

- A final quotation from the Contractor of \$328,000
- 10% contingency to cover residual project risks
- Watercare costs of \$24,200 to cover all project specification, management and construction management (assuming approval with this paper and 4-week Construction programme in April)

The price risk to this budget is considered low if the Contractor can be engaged in early April and the work carried out during April. If this cannot occur, the price may need to be revaluated.

4.3 Legal considerations

Whaiwhakaaro-aa-ture

Although the 2014 discharge consent was granted on the basis of 'no further changes', this would not preclude renewal and upgrade in the event of eventual asset aging and failure. Upgrading the disposal field is considered to be part a normal part of the asset life cycle and improving the asset type is in alignment with the consent and regional plan objectives.

Conditions of the Resource Consent for the WWTP refer to the effluent disposal field as a 'Wisconsin Mound'. Conventional raised soakage beds are the recommended technical solution. An application to Waikato Regional Council will be made to alter the wording of the relevant conditions to refer to a soakage bed rather than Wisconsin Mound. This is expected to be straightforward; as noted above it is unclear whether the current disposal field is a Wisconsin Mound.

There are no other material legal considerations associated with the recommendations of this report.

4.4 Strategy and policy considerations

Whaiwhakaaro whakamaaherehere kaupapa here

The Maramarua WWTP provides a safe, reliable, and robust wastewater system that will continue to service connected householders. The recommendation to upgrade the disposal field is consistent with planned spend in the LTP, along with the Mid Waikato Servicing Strategy and 2070 Growth Strategy.

4.5 Maaori and cultural considerations

Whaiwhakaaro Maaori me oona tikanga

Renewing and upgrading the Maramarua WWTP disposal field will ensure robust, reliable operation. As a result, the risk of effluent breakthrough will be significantly reduced. Providing a healthier natural environment and reducing the risk of treated effluent being discharged into waterways aligns with iwi and hapu groups in their role as mana whenua.

4.6 Climate response and resilience considerations

Whaiwhakaaro-aa-taiao

Installing a new, raised and appropriately sized disposal field means that the WWTP system will provide more resilience to adverse weather events that are expected to become more frequent in the future.

4.7 Risks

Tuuraru

Failure to upgrade the disposal field means that it will continue to leak treated effluent into site drains which could reach and potentially cause harm to waterways and natural environments.

There is a project price risk if procurement is further delayed. This is due to increasing bulk material supply and delivery costs, as well as general inflationary pressures in the construction sector.

The requested budget is considered to have a low price risk as a detailed evaluation of all price components has been carried out.

5. Significance and engagement assessment

Aromatawai paahekoheko

5.1 Significance

Te Hiranga

The decisions and matters of this report are assessed as of low significance in terms of matters that would activate a trigger in the Council's [Significance and Engagement Policy](#).

5.2 Engagement Te Whakatuutakitaki

Highest level of engagement	Inform ✓	Consult <input type="checkbox"/>	Involve <input type="checkbox"/>	Collaborate <input type="checkbox"/>	Empower <input type="checkbox"/>
<p><i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i></p>	<p><i>This project is part of the District Wide Wastewater Treatment Renewals included in the AMP. It is a standard asset renewal that will be carried out within the WWTP boundaries. The connected householders will be informed of work.</i></p> <p><i>The upgrade to the disposal field has been signalled in previous reports to Council.</i></p>				

State below which external stakeholders have been or will be engaged with:

Planned	In Progress	Complete	
<input type="checkbox"/>	<input type="checkbox"/>	✓	Internal
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Community Boards/Community Committees
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Waikato-Tainui/Local iwi and hapuu
✓	<input type="checkbox"/>	<input type="checkbox"/>	Affected Communities
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Affected Businesses
<input type="checkbox"/>	<input type="checkbox"/>	✓	Waters Governance Board

6. Next steps Ahu whakamua

An approval enables Watercare to issue the construction contract for the Maramarua WWTP disposal field upgrade.

7. Confirmation of statutory compliance Te Whakatuuturutanga aa-ture

As required by the Local Government Act 2002, staff confirm the following:

The report fits with Council's role and the Governance Boards Terms of Reference and Delegations.	Confirmed
The report contains sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages (<i>Section 5.1</i>).	Confirmed
Staff assessment of the level of significance of the issues in the report after consideration of the Council's Significance and Engagement Policy (<i>Section 6.1</i>).	Low
The report contains adequate consideration of the views and preferences of affected and interested persons taking account of any proposed or previous community engagement and assessed level of significance (<i>Section 6.2</i>).	Confirmed
The report considers the impact on Maori (<i>Section 5.5</i>)	Confirmed
The report and recommendations are consistent with Council's plans and policies (<i>Section 5.4</i>).	Confirmed 2021-31 LTP
The report and recommendations comply with Council's legal duties and responsibilities (<i>Section 5.3</i>).	Confirmed

8. Attachments Ngaa taapirihanga

There are no attachments for this report.

To	Waters Governance Board
Report title	Exclusion of the Public
Date:	Monday, 20 March 2023
Report Author:	Elizabeth Saunders, Democracy Advisor
Authorised by:	Gaylene Kanawa, Democracy Manager

1. Staff recommendations

Tuutohu-aa-kaimahi

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Item PEX 1 Confirmation of Minutes	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
Item number PEX 2 Action Register		
Item PEX 3.1 Waters Financial Results to 28 February 2023		
Item PEX 3.2 Reallocation of Funding for Water Filling Station		
Item PEX 3.3 Huntly Wastewater Treatment Plant Upgrade Workshop		

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Item PEX 3.4 Horotiu Road Wastewater Pipeline	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item No.	Section	Interest
Item PEX 1 Confirmation of Minutes Item number PEX 2 Action Register	Refer to the previous Public Excluded reason in the agenda for this meeting.	
Item PEX 3.1 Waters Financial Results to 28 February 2023	7(2)(b)(ii) 7(2)(h)	To protect information that would otherwise unreasonably prejudice a person's commercial position. To enable commercial activities to be carried out without prejudice or disadvantage.
Item PEX 3.2 Reallocation of Funding for Water Filling Station	7(2)(b)(ii) 7(2)(h) 7(2)(j)	To protect information that would otherwise unreasonably prejudice a person's commercial position. To enable commercial activities to be carried out without prejudice or disadvantage. To prevent use of the information for improper gain or advantage

<p>Item PEX 3.3 Huntly Wastewater Treatment Plant Upgrade Workshop</p>	<p>7(2)(b)(ii)</p> <p>7(2)(h)</p> <p>48(1)(d)</p>	<p>To protect information that would otherwise unreasonably prejudice a person's commercial position.</p> <p>To enable commercial activities to be carried out without prejudice or disadvantage.</p> <p>To enable deliberations in private on a decision or recommendation in any applicable proceeding</p>
<p>Item PEX 3.4 Horotiu Road Wastewater Pipeline</p>	<p>7(2)(b)(ii)</p> <p>7(2)(h)</p> <p>7(2)(j)</p>	<p>To protect information that would otherwise unreasonably prejudice a person's commercial position.</p> <p>To enable commercial activities to be carried out without prejudice or disadvantage.</p> <p>To prevent use of the information for improper gain or advantage</p>

2. Attachments

There are no attachments for this report.
