

Agenda for a meeting of the Waters Governance Board meeting to be held in the Committee Rooms 1 & 2, District Office, 15 Galileo Street, Ngaruawahia on **TUESDAY, 11 FEBRUARY 2020** commencing at **9.30am**.

**1. APOLOGIES AND LEAVE OF ABSENCE**

**2. CONFIRMATION OF STATUS OF AGENDA**

**3. DISCLOSURES OF INTEREST**

**4. CONFIRMATION OF MINUTES**

Meeting held on Friday, 20 December 2019 2

**5. REPORTS**

5.1 Actions Register 11

5.2 Roles and Responsibilities – Schedule and Timelines 15

5.3 Presentation on Cultural Implications of the Raglan Wastewater Consent *Verbal*

5.4 Waikato District Council Three Waters Performance Report  
December 2019 to January 2020 22

5.5 Risk Register Update 35

5.6 Stormwater Management 40

**6. EXCLUSION OF THE PUBLIC 42**

GJ Ion  
**CHIEF EXECUTIVE**

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### **Open Meeting**

<b>To</b>	Waters Governance Board
<b>From</b>	Gavin Ion Chief Executive
<b>Date</b>	5 February 2020
<b>Prepared by</b>	Lynette Wainwright Committee Secretary
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1301
<b>Report Title</b>	Confirmation of Minutes

### **1. EXECUTIVE SUMMARY**

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To confirm the minutes of the Waters Governance Board meeting held on Friday, 20 December 2019.

### **2. RECOMMENDATION**

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**THAT** the minutes of the meeting of the **Waters Governance Board** held on **Friday, 20 December 2019** be confirmed as a true and correct record of that meeting.

### **3. ATTACHMENTS**

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WGB Minutes – Friday, 20 December 2019

**MINUTES** of 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 **FRIDAY, 20 DECEMBER 2019** commencing at **9.06am**.

**Present:**

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

**Attending:**

Mr I Cathcart (General Manager Service Delivery)  
Ms C Nutt (Project Manager)  
Mrs C Pidduck (Legal Counsel)  
Mr S Toka (Pouhono Iwi ki te Haapori | Iwi and Community Partnerships Manager)  
Mr B Stringer (Democracy Manager)

Ms S Danks (Waikato Business Manager, Watercare)  
Mr R Pullar (Infrastructure Delivery Manager, Watercare)

Prior to the start of the meeting, the Iwi and Community Partnerships Manager provided an update to the Board on a raahui put in place by Ngaati Naho Trust for the area from the southern end of Meremere to Port Waikato. He advised that other local haapu did not acknowledge the raahui, in that Ngaati Naho did not have jurisdiction over the entire area. Ms Danks also advised there appeared to be some misinformation, with no reported sewage discharge into the river from the Meremere treatment plant.

**APOLOGIES AND LEAVE OF ABSENCE**

**Resolved: (Mr Ion/Ms Schaafhausen)**

**THAT an apology be received from Mr Dibley.**

**CARRIED**

**WGBI912/01**

## **CONFIRMATION OF STATUS OF AGENDA ITEMS**

**Resolved: (Mr Wright/Mr Ion)**

**THAT** the agenda for a meeting of the **Waters Governance Board Meeting** held on **Friday, 20 December 2019** be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 6 which shall be discussed with the public excluded;

**AND THAT** the following item be discussed at an appropriate time during the course of the **Open Agenda** of the meeting;

- **Letter - Ohinewai Servicing for Three Waters;**

**AND FURTHER THAT** the Board resolves that the following item be added to the **Public Excluded Agenda**, as **Agenda Item 2.5**, as advised by the **Chief Executive**:

- **Contract Financial Report.**

**CARRIED**

**WGB1912/02**

## **DISCLOSURES OF INTEREST**

The Board members present provided updates to their respective interests under Agenda Item 5.1 [*Register of Interests*] in the open session of the meeting.

## **CONFIRMATION OF MINUTES**

**Resolved: (Ms Schaafhausen/Mr Wright)**

**THAT** the minutes of a meeting of the **Waters Governance Board Meeting** held on **Wednesday, 20 November 2019** be confirmed as a true and correct record of that meeting subject to the addition of the following discussion point under **Agenda Item 5.3**:

- *A report to be presented by Watercare to the Board on the key milestones for the consent application during the 36-month period.*

**CARRIED**

**WGB1912/03**

## **REPORTS**

Agenda Item 5.5 was considered as the first report. The Chairperson requested that the Actions Reports (for both Open and Public Excluded) be presented to the Board immediately following confirmation of minutes in future agendas.

### **Actions Report** Agenda Item 5.5

The following updates were provided:

- The Minister of Local Government had confirmed attendance at the February 2020 Board meeting. In preparation, the Board requested that:
  - a. staff draft a briefing paper to the Board on the proposed water quality/services regulator legislation, to identify the scope and implications of the legislation to the Council's waters' assets (in particular cost implications – both capital and compliance).  
  
Discussion was held on the potential liability of a local authority supplier in the event of non-compliance by a private supplier.
  - b. key messages to the Minister in relation to the proposed legislation be prepared. Mr Wright offered to provide input on this.
  - c. views on the proposed legislation to be sent to Ms Colliar in January 2020 in connection with her work with an advisory panel to consider the legislation.

The above work would inform a submission from the Council, to be completed by the March deadline.

- The Chief Executive would provide the Chairperson the dates of the Council meetings at which she would be required to present updates on behalf of the Board.
- All outstanding actions to be reported to the Board in February 2020, other than:
  - a. Education and upskilling on Maaori perspectives on water – March 2020
  - b. Confirm financial reporting and audit processes – March 2020.

Staff were requested to ensure that all columns in the Actions Register are updated prior to presenting to the Board.

**Resolved: (Mr Wright/Ms Schaafhausen)**

**THAT the report from the General Manager Service Delivery be received.**

**CARRIED**

**WGB1912/04**

### **Register of Interests – Waters Governance Board** Agenda Item 5.1

Board members present provided updates to the Register.

**Resolved: (Mr Ion/ Ms Schaafhausen)**

**THAT the report from the General Manager Service Delivery be received.**

**CARRIED**

**WGBI912/05**

Waikato District Council Three Waters Monthly Performance Report November 2019  
Agenda Item 5.2

Ms Danks and the General Manager Service Delivery highlighted, and responded to questions, on the following points:

- Two KPIs not met were due to availability of suppliers to attend wastewater issues in Raglan within required timeframes. The Board requested Watercare to review how to address this going forward, including whether the target needed to be amended.
- Completed works at the Ngaruawahia Water Treatment Plant.
- Contract for Mid-Waikato Water and Wastewater Servicing Strategy expected to be awarded imminently, to commence on 6 January 2020.
- Tender documents for Meremere upgrade to be issued on 14 January 2020; on track.
- Meremere abatement notice expected to be extended to 31 December 2020; a design to resolve the discharge issue would be shared with the Waikato Regional Council. An update report to be presented in March 2020.
- Te Kauwhata WWTP
  - the concept for the preferred option was through; an update report to be presented to the Board in early 2020.
  - Watercare was requested to consider carbon emissions as part of any capital solution.
  - Watercare had 12 months to resolve the abatement notice.
  - Watercare to provide a high-level programme plan for Te Kauwhata WWTP at the February 2020 Board meeting; to consider ultimate solution and options, and engagement with local community and mana whenua.
- A letter had been sent to Treasury to seek direction on access to HIF Fund awarded to the Council for waters' capital expenditure. This would commence with water projects while the wastewater strategy was tested in the Mid Waikato Water and Wastewater Servicing Strategy.
- Technical non-compliance in November due to change in reporting standards for chlorine.
- Recommended condition assessment study. Watercare was some time away from implementing smart meters; expectation that Waikato would align with Auckland (e.g. roll out to significant water users).
- Recent taste/odour issues in Huntly were now resolved with carbon dosing; complaints reduced.
- Issue with E Coli levels in Ngaruawahia; Waikato DHB investigating. Issue with samples taken near where ducks were located.

- Update provided on delivery of capital programme; work on Te Kauwhata WWTP and Ngaruawahia UV installation expected in early 2020; projects on Pokeno and Port Waikato discussed. Watercare planned to tender to local suppliers for required works.

**Resolved: (Mr Wright/Mr Ion)**

**THAT the report from the General Manager Service Delivery be received.**

**CARRIED**

**WGB1912/06**

River Road, Ngaruawahia Wastewater Reticulation Upgrade (Unplanned Capex >\$150,000)  
Agenda Item 5.3

The General Manager Service Delivery, supported by Mr Pullar, highlighted, and responded to questions on, the following key points:

- Next step would be to discuss required changes with developer to achieve a positive outcome. This would include a variation to the existing consent condition, which could require a separate infrastructure agreement.
- Budget not in current LTP; funding for solution would be an issue to discuss with the developer.
- Proposed solution would enable the developer to proceed with plans, though not at desired pace.

It was recommended that this situation be used to map out roles and responsibilities between Watercare and Waikato District Council for similar cases.

**Resolved: (Mr Wright/Mr Ion)**

**THAT the report from the General Manager Service Delivery be received;**

**AND THAT the River Road, Ngaruawahia Wastewater Reticulation Upgrade project be approved to move to the next stage, as outlined in the staff report.**

**CARRIED**

**WGB1912/07**

Customer Billing Project Overview  
Agenda Item 5.4

The General Manager Service Delivery, supported by the Project Manager, highlighted, and responded to questions on, the following key points:

- Feasibility of volumetric charging for wastewater – could charge as a fee, however Council would need to consult with the community before considering such an approach.
- Project was slightly behind timetable; focus was still to achieve deadline.

**Resolved: (Mr Ion/Mr Wright)**

**THAT the report from the General Manager Service Delivery be received.**

**CARRIED**

**WGBI912/08**

The meeting adjourned from 10:33am to 10:42am.

Letter - Ohinewai Servicing for Three Waters  
Add Agenda Item 5.5

Tabled Item: Draft letter from the Board to Waikato District Council RE Ohinewai Servicing for Three Waters.

The Chief Executive and General Manager Service Delivery summarised the background to the draft letter tabled for the Board's consideration. The Council's planning team had reviewed the draft letter. It was intended that the letter would inform the Proposed District Plan process.

Following discussion, it was suggested the proposed timeframe for infrastructure installation (i.e. between 5 and 10 years) be qualified by noting:

- The timeframe was the fastest that servicing could be provided (5 years for water servicing; 10 years for wastewater servicing);
- The timeframe was dependent on a number of variables which remained uncertain at this stage.

**Resolved: (Mr Wright/Mr Ion)**

**THAT the tabled letter to the Waikato District Council be amended as suggested; and**

**AND THAT the Board approve for staff to work with the Chairperson to finalise and send the letter.**

**CARRIED**

**WGBI912/09**

**EXCLUSION OF THE PUBLIC**

Agenda Item 6

**Resolved: (Mr Ion/Mr Wright)**

**THAT the report from the Chief Executive be received;**

**AND THAT the public be excluded from the meeting during discussion on the following items of business:**

- i. Confirmation of Minutes dated Wednesday, 20 November 2019**



## **REPORTS**

### **a. Watercare Risk Report**

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

**Reason for passing this resolution to withhold exists under:**      **Ground(s) under section 48(1) for the passing of this resolution is:**

**Section 7(2)(b)(ii)  
Section 7(2)(j)**

**Section 48(1)(a)**

### **b. Consenting Strategy – Raglan Wastewater Treatment Plant Discharge Consents (Renewal)**

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

**Reason for passing this resolution to withhold exists under:**      **Ground(s) under section 48(1) for the passing of this resolution is:**

**Section 7(2)(b)(ii)  
Section 7(2)(j)**

**Section 48(1)(a)**

### **c. Te Kauwhata Water Association Overview**

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

**Reason for passing this resolution to withhold exists under:**      **Ground(s) under section 48(1) for the passing of this resolution is:**

**Section 7(2)(b)(ii)  
Section 7(2)(j)**

**Section 48(1)(a)**

### **d. Actions Table**

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

**Reason for passing this resolution to withhold exists under:**      **Ground(s) under section 48(1) for the passing of this resolution is:**

**Section 7(2)(b)(ii)**  
**Section 7(2)(j)**

**Section 48(1)(a)**

**e. Contract Financial Report**

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

**Reason for passing this resolution to withhold exists under:**      **Ground(s) under section 48(1) for the passing of this resolution is:**

**Section 7(2)(b)(ii)**

**Section 48(1)(a)**

**AND FURTHER THAT Ms Danks (Waikato Business Manager, Watercare) and Mr R Pullar (Infrastructure Delivery Manager, Watercare) be permitted to remain in the meeting, after the public has been excluded, to assist the Board in its consideration of the Public Excluded reports.**

**CARRIED**

**WGB1912/10**

*Resolutions WGB1912/11 – WGB1912/17 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 11:45am.

Minutes approved and confirmed this

day February 2020.

Rukumoana Schaafhausen  
**CHAIRPERSON**

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**Open Meeting**

<b>To</b>	Waters Governance Board
<b>From</b>	Ian Cathcart Special Infrastructure Projects Manager
<b>Date</b>	4 February 2020
<b>Prepared by</b>	Lynette Wainwright Committee Secretary
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1301
<b>Report Title</b>	Actions Register

**1. EXECUTIVE SUMMARY**

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To update the Waters Governance Board on actions arising from previous meetings.

**2. RECOMMENDATION**

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**THAT the report from the Special Infrastructure Projects Manager be received.**

**3. ATTACHMENTS**

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Actions Register

## Waters Governance Board Actions Register

### OPEN MEETING

Meeting Date	Action	To Action	When	Status
20/11/19	Co-ordinate a date with the Minister of Local Government to attend a Board meeting.	G Ion	March 2020	The Minister is now unavailable for the February meeting. Her office has confirmed attendance at the 26 March meeting.
	Dates to be added to the Roles and Responsibilities schedule advising when the Board would be updated on the processes.	G Ion	Feb 2020	Completed
	Add dates to delegations table where applicable and put into a Board calendar (along with items in Contract from Schedule 14 Reporting Requirements).	C Nutt I Cathcart	Feb 2020	To be worked on once Waters Contract Relationship Manager commences role in late February
	Six monthly item to be placed on the Council agenda for Ms Schaafhausen to address the elected members. (timed for April/May and Oct/Nov)	G Ion		Council meeting scheduled for 6 April at 9.30am.  Council meeting scheduled for 2 November 9.30am.  Completed

13  
**Waters Governance  
 Board Actions Register**

	<p><u>Potential Water Regulator Changes:</u> Give thought on likely regulation changes (include Wastewater Treatment – don't just think Water), what it might mean and likely cost around it. Watercare has done some work on this for Auckland, Wellington Water have also done some work.</p> <ul style="list-style-type: none"> <li>▪ Source details on small water schemes (e.g. Te Akau) to have available for WGB in advance of when Minister scheduled to attend a WGB meeting. (Infrastructure Committee papers early 2019)</li> <li>▪ Consider effect on farmers and owners of urban water.</li> <li>▪ Consider effect on Te Kauwhata Water Association and implications for Council.</li> </ul>	I Cathcart G Ion	March 2020	Briefing paper required for March Board meeting.
	<ul style="list-style-type: none"> <li>▪ Arrange for education and upskilling on maaori perspectives on water: what does it mean to mana whenua, kaitiakitanga, vision and strategy for the Waikato River, uniqueness to river settlement etc.</li> </ul>	R Schaafhausen	March 2020	
	<ul style="list-style-type: none"> <li>▪ Arrange/facilitate presentation on implications of Raglan Wastewater Consent with regards to the cultural aspects.</li> </ul>	Sam Toka	Feb 2020	Verbal presentation scheduled for February 2020 meeting. Completed
	<ul style="list-style-type: none"> <li>▪ Inform the WGB of the project milestones for the Raglan Wastewater Consent Application.</li> </ul>	I Cathcart Watercare	March 2020	
	<ul style="list-style-type: none"> <li>▪ The General Manager Service Delivery to confirm the financial reporting and audit process and report back to the Board.</li> </ul>	I Cathcart	March 2020	
	<ul style="list-style-type: none"> <li>▪ Staff to report back to the February 2020 Board meeting on the Meremere abatement notice</li> </ul>	I Cathcart	March 2020	Amended as TK WWTP moved up as a priority (see action below)

## Waters Governance Board Actions Register

20/12/19	<ul style="list-style-type: none"> <li>▪ Key messages to Minister of Local Government in relation to waters' legislation/regulations</li> </ul>	I Cathcart D Wright	March 2020	Delayed to March
	<ul style="list-style-type: none"> <li>▪ Council views on proposed waters' legislation to be sent to Ms Colliar for consideration by advisory panel</li> </ul>	I Cathcart	Jan 2020	IC has received the draft bill from JC and is reviewing and compiling a response.  Performance over December/January to be reviewed in February for March meeting.
	<ul style="list-style-type: none"> <li>▪ Watercare to review KPIs (re call-out for fault/unplanned interruption; resolution time for sewage overflows) in light of getting service personnel to Raglan</li> </ul>	Watercare	Feb 2020	
	<ul style="list-style-type: none"> <li>▪ Watercare to provide high-level programme plan for Te Kauwhata WWTP resource consent strategy (ultimate solution and options, engagement plan)</li> </ul>	Watercare	Feb 2020	Due in March
	<ul style="list-style-type: none"> <li>▪ Ngaruawahia Wastewater Reticulation upgrade project used to map out roles and responsibilities between Watercare and Council staff for similar issues potentially within an Operations Mandate</li> </ul>	I Cathcart Watercare	April 2020	April 2020
	<ul style="list-style-type: none"> <li>▪ Letter to WDC re servicing Ohinewai Servicing for Three Waters to be amended to reflect Board comments and arrange for Chairperson to sign and send to WDC.</li> </ul>	I Cathcart R Schaafhausen	Feb 2020	Completed

### **Open Meeting**

<b>To</b>	Waters Governance Board
<b>From</b>	Gavin Ion Chief Executive
<b>Date</b>	7 January 2020
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1301
<b>Report Title</b>	Roles and Responsibilities – Schedule and Timelines

## **1. EXECUTIVE SUMMARY**

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To provide an update to the Waters Governance Board ("the Board") regarding how the Board gives effect to the roles and responsibilities it has been assigned and associated timelines.

## **2. RECOMMENDATION**

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**THAT the report from the Chief Executive be received.**

## **3. BACKGROUND**

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The Board requested that staff report back on how the roles and responsibilities delegated to the Board could be given effect to and the timing of this work.

## **4. DISCUSSION AND ANALYSIS OF OPTIONS**

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### **4.1 DISCUSSION**

A detailed schedule has been provided which outlines what is required and progress to date to the end of December. Some of the responsibilities were specific to the Watercare contract and have already been met. In some cases, it is too early in the life of the contract to provide answers or updates. Each item has been assessed and timetabled.

### **4.2 OPTIONS**

This report is for information and discussion. Arising from the conversation, changes and updates may be required. In other words, the Board could choose to accept the schedule as a response, amend it, improve it or request changes.

Equally, the dates may need amending at the discretion of the Board.

## 5. CONSIDERATION

### 5.1 FINANCIAL

There are no direct financial consequences of this report. Actions arising from the report may require funding or resourcing.

### 5.2 LEGAL

The contract with Watercare is a legally binding contract which will be the key to meeting a number of the responsibilities and accountabilities listed.

### 5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

This report is written to inform the Board around how it might give effect to Council's direction. Some structure has been provided around when the roles and responsibilities should be delivered.

### 5.4 ASSESSMENT OF SIGNIFICANCE & ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

(Ascertain if the Significance & Engagement Policy is triggered or not and specify the level/s of engagement that will be required as per the table below (refer to the Policy for more detail and an explanation of each level of engagement):

Highest levels of engagement	Inform	Consult	Involve	Collaborate	Empower
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<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>	This report is to generate a discussion with the Board regarding its role, the importance of the various elements and when the accountabilities should be met.				

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

Planned	In Progress	Complete	
		✓	Internal
			Community Boards/Community Committees
			Waikato-Tainui/Local iwi (provide evidence / description of engagement and response)
			Households
			Business
			Other Please Specify

There is nothing significant that directly arises from this report.



## **6. CONCLUSION**

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This report outlines how the Board could give effect to the roles and responsibilities it has been assigned and suggested timeframes.

## **7. ATTACHMENTS**

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Roles and Responsibilities

**WATERS GOVERNANCE BOARD**

<b><u>Delegation</u></b>	<b><u>Required Actions</u></b>	<b><u>Update</u></b>	<b><u>Timing</u></b>
To agree the form of the transactional arrangement with Watercare.	Conclude the contractual negotiations.	Completed. Contract signed 16 August.	Completed
To negotiate with Watercare and recommend to Council the final contract value for waters management.	Recommend approval of the contractual sum to Council.	Formally approved by Council on 14 August. The contract with Watercare was signed on 16 August.	Completed
To conclude the contract (after Council approval of contract value) and terms and conditions with Watercare.	Conclude the contractual negotiations.	Completed. Contract signed 16 August.	Completed
Take such actions as are required to make the arrangement with Watercare operational by 1 July 2019, with any residual elements timetabled and noted.	Conclude negotiations in time to enable a 1 July start to the arrangement.	The timeline was modified as the negotiations progressed. A revised timeline of having the arrangement operational by 1 October 2019 was put in place. The contract was signed on 16 August and the deadline of 1 October was achieved. The contract details remaining steps that need to be completed so the contract will be fully operational.	Updated every six months. The next update is due April 2020.
To hold Watercare to account for their performance at all levels.	Monitor the contract through Council staff. Review reports and updates regarding progress.  Meet with the Watercare Board on at least an annual basis to review progress.	Reports were provided to the November and December board meetings.	Monthly to each Board meeting.  March/April 2020 (to be confirmed).
To monitor and oversee the performance of staff and Watercare in terms of the water activity.	Monitor the contract through Council staff. Review reports and updates regarding progress.  Meet with the Watercare Board on at least an annual basis to review progress.	Reports were provided to the November and December board meetings.	Monthly to each Board meeting.  March/April 2020 (to be confirmed).
To consider and ensure improvements or innovation are implemented by Watercare or through the Chief Executive as appropriate.	Information regarding innovation and best practice will be incorporated in Watercare reporting.	The information will be available in future Board reports and in discussions.	As identified but referenced monthly.
Approve changes to the operation of the contract	Consider proposals from Council, staff, Board	No immediate requirements for change	October 2020

with Watercare.	members or Watercare as required.	have been identified. It is expected there will be a settling in period until the operation establishes momentum.	
Develop strategies to improve contractual performance or to improve business practices.	This is a future action which will be informed by the operation of the contract. It may require input from Council, staff, Board members or Watercare as required.	The first report from Watercare was provided in November. It may be some time before this responsibility kicks into gear but this will depend on the results.	October 2020
Develop an annual works programme (operating and capital) and submit to Council for final approval.	In the initial stages, this will be informed by the approved LTP. Changes from the planned work may arise as the condition assessment work is undertaken on the assets. In this case an updated work programme would be submitted to Council in February/March for approval.	It is likely that the LTP workplan will stand for the coming year as the contract will still be in it's infancy when Council would need to agree an updated plan.  If needed, The Board could consider a submission to the Annual Plan process in May 2020 if warranted.	October 2020 (in preparation for the LTP process).
To set and ensure Watercare's adherence to health and safety requirements, and wellbeing practices.	The Board needs to undertake due diligence regarding Watercare's health & safety performance. This will include commentary through the monthly report, discussions through the Relationship Manager role once established and site visits and inspections by staff and/or by Board members.	Health & Safety is addressed in the monthly reporting from Watercare. Site visits should be planned for future meetings. The Chief Executive will schedule a site visit to understand how work is being done in practice.	March 2020
To set and maintain standards of ethics and corporate behaviour.	The Board needs to have a discussion about ethics and behavior.  As part of this, the Board should review the Council's Code of Conduct which sets out a general framework about the behavior of Councillors and elected members.	The Chief Executive to provide a copy of Council's Code of Conduct once this is updated and approved by Council.	
To consider development opportunities for the Waters business.	Opportunities identified by Council, staff, the Board, Watercare or others will be investigated and reported back to the Board. Following an initial evaluation, if warranted, a detailed business case will be prepared for consideration by the Board.	Consideration is being given to how best to service the Te Kauwhata community into the future.	June 2020 (for Te Kauwhata Water Association and ongoing).
Define and set levels of	Some levels of service are	The Board approved the	August 2019

service for waters management now and in the future.	<p>specified in the Watercare contract. There is also a stated objective to move to Auckland standards over time.</p> <p>A report will be prepared by staff to generate a discussion on this topic in early 2020.</p>	<p>contract which incorporates some current and some future levels of service.</p> <p>A future report will inform progress and assist with defining any concerns the Board have.</p>	April 2020
Responsibility for the financial performance of the contract and operation.	<p>Feedback on financial performance will be provided through the monthly report. Given the nature of the contract, this should be in line with expectations.</p>	<p>The first monthly report was provided to the November Board meeting.</p>	Monthly to each Board meeting.
Develop plans to improve the overall resilience of the waters' networks and allow for growth.	<p>Staff to work with Watercare to provide a report on the resilience of our three waters network. This requirement will evolve as Watercare come to understand and review our networks.</p>	<p>No action at present. The work to inform a report will take place during the transition phase of the contract.</p>	November 2020
To consider the impact of growth on the Waters' infrastructure.	<p>This is already happening at a macro level through the co-ordination of population modelling and infrastructure planning.</p> <p>The performance in this area will develop as Council builds its own data analytics team. This team will work with Watercare to get a better picture of demand and requirements in the future.</p>	<p>Council has an infrastructure strategy which is informed by population projections and forecast demand.</p> <p>Watercare are already adding value in this area through their knowledge and expertise. This input will increase as Watercare understand the specifics of the Waikato District operations.</p>	October 2020 (in preparation for the LTP).
Implement and monitor the risk management framework for the waters' management and activity.	<p>A regular reporting regime around risks and issues is provided.</p>	<p>The next report will be presented to the March Board meeting.</p>	March 2020 (and quarterly thereafter).
Approve the annual and half yearly financial statements for the waters' operation and provide any relevant commentary to Council.	<p>Watercare will provide the financial information for the waters' operation as required.</p>	<p>No action required at this stage.</p>	July 2020
Annually review the Board composition, structure and succession and make recommendation to Council on these matters.	<p>The Board has been in place for one year now. The Board needs to agree when to undertake such a review.</p>	<p>Discuss timing and requirements at the February Board meeting.</p>	February 2020
To ensure the waters' business delivered by Watercare provides value	<p>Prepare a report after one year of operation to determine how the contract</p>	<p>No action required at this time.</p>	November 2020

for the community in terms of the four wellbeings.	is delivering from a 4 wellbeings perspective.		
That Kaitiakitanga and environmental outcomes are key decision making considerations for the Board.	Board self-evaluation required as to how this is being factored into our decision making.  To start this process, I suggest a report be prepared by staff for the March meeting.	Thinking and research underway.	March 2020
To uphold the vision and strategy of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010.	The requirement and importance of the vision and strategy have been incorporated into the contract.  I suggest that staff prepare a report on how this accountability is being met in mid 2020.	No progress yet.	July 2020

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**Open Meeting**

<b>To</b>	Waters Governance Board
<b>From</b>	Ian Cathcart Special Infrastructure Projects Manager
<b>Date</b>	11 February 2020
<b>Prepared by</b>	Sharon Danks Business Manager, Watercare Waikato
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	WGB2020
<b>Report Title</b>	Waikato District Council Three Waters Performance Report – December 2019 to January 2020

### **1. EXECUTIVE SUMMARY**

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A copy of the Waikato District Council Three Waters Performance Report – December 2019 to January 2020, is attached for the Board's information.

### **2. RECOMMENDATION**

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**THAT the report from the Special Infrastructure Projects Manager be received.**

### **3. ATTACHMENTS**

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Waikato District Council Three Waters Performance Report – December 2019 to January 2020

# WAIKATO DC

# THREE WATERS

# MONTHLY

# PERFORMANCE REPORT

**JANUARY / DECEMBER 2019**



Sharon Danks  
WDC Business Manager  
Watercare Waikato  
28<sup>th</sup> January 2019

## 1. Health & Safety

There was 1 Health and Safety incident in December.

- During the condition assessment of the Hartis Avenue WWPS in Huntly a battery fell out of an electrical cabinet when the door was opened and hit the inspector on the knee. There was no significant injury. The battery was secured within 48 hours to ensure the cabinet door could be safely opened.

There were 2 Health and Safety incidents in January.

- A minor vehicle accident in Huntly on the 24<sup>th</sup> of January.
- An insect bite at Te Kauwhata WTP during the inspection of cabinets. It is suspected this bite was a white tail spider and the bite was through long trousers. The bite was treated using anti-histamine from the pharmacy. Following this incident, the condition assessment team sprayed insect repellent inside cabinets prior to inspecting.

The condition assessment study logged 15 significant hazards requiring immediate rectification. The hazards generally related to electrical non-compliances and uncontrolled access to stations. All were rectified within 48 hours.

A full staff Health and safety meeting was held on 13<sup>th</sup> of December which was used as a forum by staff to express their concerns. The Key issues and proposed outcomes were:

- The introduction of the requirement for Long -long PPE. The wider WSL is implementing a trial of lightweight PPE and 2 Waikato staff will participate.
- Lack of shade while working and heat management in general. A potable gazebo has been purchased and can be used by staff. Guidelines on heat management issued.
- No workplace assessments at new office. Since the meeting all staff at the Pukete office have had a work place assessment and additional equipment purchased as required.

## 2. Key Performance Indicators

KPI – Description	Result Dec Jan	Target 2019/2020
<b>Water</b>		
The extent to which Council's drinking water supply complies with Part 4 of the drinking water standards (bacteria compliance criteria). (Number of zones that comply, maximum 18)	18	18
The extent to which Council's drinking water supply complies with Part 5 of the drinking water standards (bacteria compliance criteria). (Number of zones that	15	15



comply, maximum 18)		
Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: - Attendance for urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site.	42	40 mins
Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: - Resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	79	120 minutes
Where Council attends a call out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: - Attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site.	1	≤ 3 days
Where Council attends a call out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: - Resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	1	<3days
The total number of complaints received by Council about any of the following (expressed per 1000 connections to the networked reticulation system): - Drinking water clarity - Drinking water taste - Drinking water odour - Drinking water pressure or flow - Continuity of supply - The local authority's response to any of these issues	1.94	22/1000
<b>Stormwater</b>		
Council's level of compliance with resource consents for discharge from its stormwater system, measured by the number of the following notices, orders or convictions received in relation to those consents: - Abatement notices - Infringement notices - Enforcement orders	0	0

- Convictions		
<b>Wastewater</b>		
The number of dry weather sewage overflows from Council's system expressed per 1000 sewage connections to that sewage system. - Non-sensitive receiving environments	0.35	≤ 2/1000
The number of dry weather sewage overflows from Council's system expressed per 1000 sewage connections to that sewage system. - Sensitive receiving environments	0	≤ 2/1000
Where Council attends to sewage overflows resulting from a blockage or other fault in its sewage system, the following median response times measured: - Attendance time: from the time that Council receives notification to the time that service personnel reach the site.	36	≤ 1 hour (45 mins)
Where Council attends to sewage overflows resulting from a blockage or other fault in its sewage system, the following median response times measured: - Resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	150	≤ 4 hours (180 mins)
The total number of complaints received by Council about any of the following (expressed per 1000 connections to the sewage system): - Sewage odour - Sewage system faults - Sewage system blockages - Council's response to issues with its sewage system	0.87	≤ 10/1000
Council's level of compliance with resource consents for discharge from its wastewater system, measured by the number of: - Abatement notices - Infringement notices - Enforcement orders	2	≤ 2
Council's level of compliance with resource consents for discharge from its wastewater system, measured by the number of: - Convictions	0	0

Health and Safety		
Safety: Lost time injury frequency rate (LTIFR) per million hours worked	0	≤ 5
Safety: Total recordable injury frequency rate (TRIFR) per million hours worked	0	≤ 20
Safety: 100% of Notifiable (or serious non notifiable) Events reported to WDC within 2 hours of occurrence	No events	100%
Safety: 100% of Notifiable Event reports supplied to WDC within 21 business days	No events	100%
Safety – percentage of complaints resolved within 10 working days	100%	95%
Safety- Health and safety Audit programme and action plan completed ( 6 monthly and then annually)	To be reported in March	100%
Safety - All site emergency plans to be drilled 6 monthly as per drill schedule	To be reported in March	>100%
Safety - Monthly Health and safety meeting held with all workers	100%	>90%
Safety -All workers to have completed required training within 6 months of transition	100%	>100%
Safety-Critical risk audit to be conducted by HSW BP Bi-monthly	To be commenced in February 20 with an audit of working at heights	>100%
Safety -Actions required to be closed within 1 month	100%	>90%

## 3. Operational Update

### 3.1 General

Recruitment is continuing with a commercial advisor and a Treatment plant operator commencing in January.

Although an increase in demand has been noted during December and January, all WDC supply zones are managing well and there has been no need to move to a water saving alert level. The exception is the zones supplied by Hamilton City which are at Alert level 2.

The condition assessment study has identified many issues aside from asset condition. One of the most significant was the theft of water from the Springhill reservoir via the Sample tap by a neighbour as shown in Figure 1. Watercare will follow up with the landowner regarding this incident and try to recover costs and to highlight the risk to the quality of water supply.



Figure 1. Private hose attached to the sample tap.

### 3.2 Treatment

#### Call outs of Significance

No call outs of significance during December / January

#### General work flow

A number of plant failures at water treatment sites have resulted in short notice response after normal hours of work.

The key issues include:

- Raglan WWTP final effluent discharge UV plant failed 8<sup>th</sup> of December resulting in no discharge to the receiving waters for several tidal periods. UV unit lamps and controller cards replaced to resolve. The final discharge pond, wet well and pipework have been cleaned using a vacuum truck. Normal tidal discharge pattern resumed. There is no turbidity monitoring of this discharge. UVT sensor may need to be upgraded to provide data for future process and discharge improvements.
- Raglan WTP comms failure required replacement of transmitter antenna and Moxa unit checks to recover comms between the WTP and reservoirs.
- Te Kauwhata WWTP site Cisco routers required reboot to restore comms.
- Huntly South networks comms loss following power cuts. Datran unit replaced, corrupted file refreshed to restore comms. All Treatment Plants remained visible on SCADA during this period.
- Te Akau wharf December Friday the 13th the filter to waste function failed resulting in the reservoir chlorine level being higher than optimal. A water treatment operator attended, drained the reservoir and flushed the network pipework. Plant and water quality returned to normal operation. The filter to waste control solenoid has been replaced. Chlorine analyser has also been replaced with a refurbished unit. Monitoring of this site is limited to chlorine analyser data only.
- Watercare continues to identify numerous aging and obsolete assets and equipment requiring replacement and upgrade. These assets will be consolidated into the Condition assessment report for replacement or removal as part of the Asset Remediation Plan.

Example: Te Kauwhata Water Treatment Plant stand by filter blower



- Port Waikato Water Treatment plant clarifier continues to be de-sludged on a fortnightly basis until after the holiday period when the water demand reduces.
- Pre-work is being done to arrange sludge depth survey for Te Kauwhata wastewater ponds.
- Te Kauwhata WWTP a chemical location audit for the chemical storage area has been completed and the certificate renewed.
- Te Kauwhata WWTP access to site is now limited whilst contractors for the neighbouring development carry out upgrade work of the new gravity sewer main to the plant. This main follows the existing access road and will couple to existing pipework close to the existing chemical storage area. During this process access to the plant will be maintained either via the main access gate or rear gates through the abandoned land fill site.

- Huntly WWTP 2 pond aerators have been overhauled and returned to service for the summer season.
- Ngaruawahia WWTP Actiflow clarifier unit recirculation pump has been replaced. The Actiflow unit has traditionally been very unreliable during hot weather. This process will be tuned to suit the hot conditions and new pump performance

### 3.3 Networks

December:

- Ops and Assets began scoping of the Puketaha Booster Pump upgrade project. This project entails the replacement (and upsizing) of the 3 existing pumps, including inlet and outlet pumps. It also includes replacement of the magflow meter and a cooling system in the shed to alleviate high temperatures over the summer periods.
- Huntly experienced a period of odour/taste issues, concentrated on the East side. This was as a result of algal blooms which cause an earthy taste to the water. Ops increased the sampling frequency to ensure that supplied water is compliant with the drinking water standards, all results were in full compliance across all parameters. Operations worked closely with the Production team to mitigate the taste by dosing Powdered Activated Carbon (PAC) at the plant. The carbon dosing rectified the issue fully within a period of 3 days.
- Minor leaks formed much of service requests for the month of December, focussed in Raglan predominantly. Ops have moved servicemen to Raglan to compensate for the increased work volumes.
- Ops employed a Serviceman – Wastewater in late December, bringing the Operations Team to a full complement of staff. The 2 existing Servicemen Cadets completed their Connexis Level 4 block courses and are progressing well towards their qualifications.

January:

- Puketaha Booster Pump project – Pump & Electrical selected as primary contractor for the job, with Brown Bros. as a sub-contractor (supply of pumps and hydrovars as well as on-site commissioning). Project commencement is scheduled for 06 March 2020.
- WSL received the scoping document for the full rollout of the RTU upgrade project from Neo Consulting. A workshop with WSL and Neo was held in early January to discuss the scope in depth and confirm a project plan. A fully finalised project plan is due in early Feb.
- Water main break at 22 Main Rd Raglan mid-January. Remedial works were completed within KPI timeframes.
- Water main break at 4 John St, Raglan. A T junction had snapped completely. Again, all works completed within KPI timeframes.
- A major sewer repair at 114 Harris was completed 24 Jan. Reactive CCTV work identified that a manhole and 225 concrete sewer line was in a state of severe degradation and emergency remedial works were carried out in conjunction with Allen's United. Approximately 50m of concrete pipe was replaced and a new manhole installed. The project works were fully completed within a week.
- Raglan continues to be a hotspot for both water and wastewater network faults. Water minor leaks and fast fibre sewer strikes form the majority of service requests

received. The increased staffing in Raglan implemented in December is ongoing as a result.

### 3.4 Planning

#### Key tasks completed include:

- Liaison with WDC Strategy team in relation to Population Growth forecasts for townships. WDC growth forecast is important driver for AMP and LTP development as it is a driver for capital projects Watercare develop. Further work is required in this area in conjunction with the rezoning that the Proposed District Plan (PDP) is proposing.
- Te Kauwhata WTP 4.5 ML/day upgrade – Beca working on design of upgrade
- Weekly Engineering Forum with WDC – this has been enhanced as the key weekly interaction between Watercare (Planning and Operations) and WDC (Legal, Development Engineers, Building Consents). The meeting covers wide ranging issues from engineering advice to highlighting of new developments and potential servicing of them.
- Meremere WWTP proposed MBR concept design report and principals requirements completed, 2 tenderers will be invited to submit proposals, tenders to requested by end of January with 6 weeks for design/build proposals prepared and submitted back to Watercare.
- Mid Waikato WS and WW Servicing Strategy awarded to Stantec, kick off meeting held in January.
- Te Kauwhata WS Reservoir Design awarded to GHD kick off meeting held in January.
- Te Kauwhata WWTP Short Term Upgrade Feasibility Report completed, recommend modification of Pond 2 to an Activated Sludge System.

Call Off Packages to the Watercare PES in the process of either being put out for Consultant pricing or approval by Watercare include:

- Pokeno Wastewater Network Upgrades – package has been prepared.
- Te Kauwhata Trunk water main upgrade – package being drafted
- Te Kauwhata WWTP Upgrade (short term) – service package for design of activated sludge conversion to be prepared during February.
- Ngaruawahia WW Pump Stations and Rising main upgrade concept – package to be prepared during February

Development / Growth related matters being worked on include:

- Ports of Auckland Limited - WW pump station site and network – revised Horotiu WW servicing strategy.

- River Road Ngaruawahia – modified method of servicing requires gravity network upstream of Regent St Pump Station. Business Case was submitted to WGB December meeting, follow up actions with WDC and developer occurring.
- Synlait Dairy Factory Pokeno – rising main and fibre optic connection between Market St WW pump Station – issues damage to existing Rising main, Scada control, DA and future flows, Pukekohe WWTP capacity issues, Trade Waste and Development agreements
- Ongoing “Water Wash up” meetings with WDC on outstanding DA and RC issues which require resolution
- Ongoing liaison with WDC Strategy staff on population growth and PDP rezoning

### **3.5 Abatement Notice Resolution**

#### **Meremere WWTP**

WRC Abatement notices require TSS exceedance and Discharges outside permitted discharge periods to be addressed. Inflow and Infiltration reduction programme is underway and has already seen a reduction of discharges out of permitted periods this winter.

Proposed MBR concept design report and principals requirements completed, 2 tenderers will be invited to submit proposals, tenders to requested by end of January with 6 weeks for design/build proposals prepared and submitted back to Watercare.

A consenting strategy will be prepared for the March WGB board following confirmation of costs.

#### **Te Kauwhata WWTP**

WRC abatement notice on this plant requires Total Kjeldahl Nitrogen (TKN), Total Nitrogen (TN), Total Phosphorus (TP) loads and E.coli exceedances to be addressed. There is also a requirement to develop short term capacity for increase loads residential development from Lakeside and Te Kauwhata structure plan areas prior to the HIF funded new WWTP. The Mid Waikato Servicing Strategy will recommend preferred mid to long term options for WWTPs including potential plant consolidation options.

The preferred option is to convert the existing oxidation ponds to an Activated Sludge system. Feasibility Study of this option with implementation timelines and concept cost estimates has been completed and the Design Call Off package will be developed and issued during February.

It is also anticipated that the desludging of the ponds is required this summer, as this will assist in plant performance and is also a necessary requirement as pre-works to the Activated Sludge conversion. Pond aeration improvement will also be undertaken in the next 2 months.

### **3.6 Shared Services**

Planning has commenced for the transition of Laboratory and trade waste services to WSL internal providers in December with a view to the transition occurring on the 1 July 2020 after



the LASS contract ends. Watercare is currently developing an operational plan for the services post 1 July.

For the 20/21 financial year Watercare will participate in the smart water programme in conjunction with Waikato District Council while the customer facing activities remain with the council. A separate commercial arrangement with Hamilton City Council will be required for this work.

### **3.7 Compliance**

All December and January compliance reports were submitted to WRC and WRPHS on schedule.

### **3.8 Customer**

The Customer team has been working on a range data cleansing during the holiday period. This involves comparisons of active meters and wastewater connections to the Targeted Rate charges and vice versa. The team also reviewed the latest 6 monthly meter reads for water use over restricted allocation e.g. over 1.8m<sup>3</sup> or higher and nil consumption readings within urban areas.

The Customer team is looking to hand over the complex meter installations to Infrastructure Delivery team to begin to scope and plan works so they can be included in the Asset management plan.

### **3.9 Condition Assessment / Asset Remediation**

#### **Condition Assessment**

A consultant was engaged in October 2019 to complete the remainder of the condition assessment of above ground assets. A kick off workshop was held on the 5th and 6th of November. The field work re-commenced in the field on the 3<sup>rd</sup> of December for a period of 2 weeks and following a break over Christmas the field work was completed in January.

This data will be used to populate the new asset register and Enterprise Asset Management system INFOR which will be developed and implemented over the next 17 months. The information will also inform the asset remediation plan.

### **3.10 Strategic Resource Consents**

#### **Raglan WWTP Resource consent**

Re-engagement of Watercare's lead advisor (Beca) is underway, with a draft engagement contract being worked through now. Key technical support requirements are to include:

- advice on soil soakage assessments of land areas alongside necessary plant upgrades, and;
- working through co-design ideas that are arrived at through community and hapu engagement over the next few months.

WDC approved funding in late January to allow the consent application and technical studies to proceed.

### **Meremere WWTP Resource consent**

The agreed Meremere WWTP upgrade will utilise membrane technology, concept design has been completed and the construction was tendered during January. A consenting strategy paper for Meremere will be included in the agenda for the March WGB Report, enabling engagement of technical consenting advisors to prepare revised discharge application. The future highly treated wastewater will need to be discharged continuously, rather than solely at night (i.e. nightly discharge is a requirement of the existing consent).

Staff are to discuss this discharge change with Hapu and other interested groups directly, prior to plant upgrade where this will ensure all stakeholders are kept up to date on project progression. The revised consent application will seek an appropriate condition to cover the continual discharge feature.

## **4. Asset Integrity / Systems Improvements**

### **Digital**

An initial planning workshop will be held between Watercare Waikato and Watercare Digital on the 3rd of February to map the transition timeline from the legacy WDC systems to the WSL systems in detail.

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### **Open Meeting**

<b>To</b>	Waters Governance Board
<b>From</b>	Ian Cathcart Special Infrastructure Projects Manager
<b>Date</b>	11 February 2020
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	WGB2020
<b>Report Title</b>	Risk Register Update

## **1. EXECUTIVE SUMMARY**

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This report is to give the Board an update on the risk register. The report outlines the extreme and high risks in the WDC risk register.

## **2. RECOMMENDATION**

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**THAT the report from the Special Infrastructure Projects Manager be received.**

## **3. DISCUSSION**

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The paper covers the update of the WDC risk register and there are 62 risks are on the register.

The 16 extreme and high risks are attached.

Many of the risks are under active management as updated in the attached and this will improve once the water relationship manager starts in their role.

## **4. CONCLUSION**

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The risks are being managed and reported via monthly ops report and quarterly board reports.

## **5. ATTACHMENT**


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WDC Risk Register


## Risk Tables

 <b>Risk Register (Standard)</b>												
		Project Name: <b>Watercare Contract Three Waters</b>				Project Number: <input type="text"/>						
		Completed By: <b>Project Team</b>				Date: <b>31/01/2020</b>						
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				
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	3	4	High	Consider impacts in LTP budget process	Relationship Manager	Relationship Manager	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.	3	4	High	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)	3	4	High	Consider impacts in LTP budget process	Relationship 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	4	5	Extreme	Start a Transition Period Transition plan with Stream Leads to take full responsibility for their areas. To be completed once Water Relationship Manager starts at the end of February 2020.	3	4	High	Delay the operational period commencement.	Relationship Manager	Relationship Manager	Quarterly risk reporting
19	Financial loss and ability to afford capital works via the Housing Infrastructure Fund (HIF) is compromised. Lose access to the interest free element of HIF.	5	4	Extreme	Project team to be set up to ensure this funding is utilised. The critical part is the report being written by WSL consultants (Stantec) for the servicing strategy from Meremere to Huntly. WDC meeting HIF representative 10 February 2020. Paper submitted to WGB February 2020.	4	3	High	A joint workshop was held with Watercare 23/10/19 to develop shared understanding of the issue and draft an initial plan to manage the issue.	Relationship Manager	Relationship Manager	Quarterly risk reporting


## Risk Tables

		<h2 style="text-align: center;">Risk Register (Standard)</h2>										
<b>Project Name:</b> Watercare Contract Three Waters								<b>Project Number:</b> <input type="text"/>				
<b>Completed By:</b> Project Team								<b>Date:</b> 31/01/2020				
#	Risk Statement	Gross Risk score			Treatment plan	Residual Risk score			Contingency	Risk Owner <i>Who will take</i>	Monitoring/ <i>Who will</i>	Timeframe <i>What is the</i>
25	Laboratory (via LASS) testing and sampling services are suspended or service levels decrease and we do not have a sampling contractor in place. major compliance issues and lack of reactive testing for overflows and DW complaints	3	4	High	Continuation of LASS services until comprehensive lab services are available from WSL. WDC has served notice to finish lab services with Shared Services from 30 June 2020. The transition will be planned formally.	3	4	High	There is a risk of decrease in service but the transition plan will focus on that. The Shared Services Governance group are working to ensure staff and service are not compromised. There is a risk of some exit costs being apportioned to WDC but further research on the finances and the contract are being undertaken.	Relationship Manager	Relationship Manager	Quarterly risk reporting
29	Support systems necessary to maintain LOS are not available or reliable through transition period into the operational period	3	4	High	New IM stream lead required to ensure the integration occurs. Maintenance of existing systems until new system are tested and ready	3	4	High	Not in place yet	Relationship Manager	Relationship Manager	Quarterly risk reporting
39	Definition of the storm water scope and costs is loose leading to a lack of service.	4	4	High	Develop adjusted scope and cost over the 21 month transition period. Existing staff know historical obligations so can plan for transition in the interim of greater scope accuracy.	3	4	High		Relationship Manager	Relationship Manager	Quarterly risk reporting
40	Insufficient funds for Raglan WWTP consent application and plant upgrade in current LTP	5	5	Extreme	Review estimates for both consent processing and any plant upgrade and ensure it is in the next LTP. Bring forward funding. Consent processing budget was increase by WDC late January 2020. The consent application will be submitted in Nov 2020. The LTP budget will be reviewed during 2020 as the best practical option is developed.	3	4	High		Relationship Manager	Relationship Manager	Quarterly risk reporting

## Risk Tables

		<h2 style="text-align: center;">Risk Register (Standard)</h2>										
<b>Project Name:</b> Watercare Contract Three Waters										<b>Project Number:</b> <input type="text"/>		
<b>Completed By:</b> Project Team										<b>Date:</b> 31/01/2020		
#	Risk Statement	Gross Risk score			Treatment plan	Residual Risk score			Contingency	Risk Owner <i>Who will take</i>	Monitoring/ <i>Who will</i>	Timeframe <i>What is the</i>
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.	4	3	High		Relationship Manager	Relationship Manager	Quarterly risk reporting
47	Abatement notice at Te Kauwhata WWTP is not complied with in time	4	5	Extreme	Engage with Regional Council to explain the engagement of Watercare to give advice and get best outcome. Let the value of Watercare be brought to bear on the project.	4	5	Extreme	A joint workshop was held with Watercare 23/10/19 to develop shared understanding of the issue and draft an initial plan to manage the issue.	Relationship Manager	Relationship Manager	Monthly Operations report
48	Abatement notice at Meremere WWTP is not complied with in time	4	5	Extreme	Engage with Regional Council to explain the engagement of Watercare to give advice and get best outcome. Let the value of Watercare be brought to bear on the project.	4	5	Extreme	A joint workshop was held with Watercare 23/10/19 to develop shared understanding of the issue and draft an initial plan to manage the issue.	Relationship Manager	Relationship Manager	Monthly Operations report
49	Long Term resource consent application for Raglan WWTP is poor or not completed in time. Reputational damage with the local community and Iwi if the process is not expedited quickly and inclusively.	4	5	Extreme	Discuss with Regional Council that Watercare is being brought in to assist and we need more time to maximise their involvement to get the best outcome from their expertise. A short term consent of 36 months was lodged in early November	3	5	High	Short term 36 month consent gives WDC the time to work with Watercare to achieve the best outcome. Consent lodged 6 November 2019.	Relationship Manager	Relationship Manager	Monthly Operations report
50	Procurement savings in business case over estimated and contract implementation shows savings will not be met	3	5	High	Get clarity on true costs as soon as possible Consider LTP budget re-evaluation	3	5	High		Relationship Manager	Relationship Manager	Quarterly risk reporting

## Risk Tables

		<h2 style="text-align: center;">Risk Register (Standard)</h2>										
<b>Project Name:</b> Watercare Contract Three Waters										<b>Project Number:</b>		
<b>Completed By:</b> Project Team										<b>Date:</b> 31/01/2020		
#	Risk Statement	Gross Risk score			Treatment plan	Residual Risk score			Contingency	Risk Owner Who will take	Monitoring/ Manager	Timeframe What is the reporting
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 now the hiatus created by the local body elections has passed. Supply is maintained as the city uses a take consent of WDC to enable the supply.	5	4	Extreme	Budget exceedance in LTP will need consideration	Relationship Manager	Relationship Manager	Quarterly risk reporting
61	TKWA contract has expired and needs reviewing to modernise, add KPIs and ensure consent to take water will be committed to by the association. The new drinking water regulation may impose WDC oversight on the association regardless of whether the asset owner or not.	5	3	High	Supply continues using the lapsed agreement.	5	3	High	A joint workshop was held with Watercare 23/10/19 to develop shared understanding of the issue and draft an initial plan to manage the issue.	Relationship Manager	Relationship Manager	Quarterly risk reporting
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	5	3	High	The contract requires a review of the approach to stormwater	Relationship Manager	Relationship Manager	Quarterly risk reporting

### **Open Meeting**

<b>To</b>	Waters Governance Board
<b>From</b>	Ian Cathcart Special Infrastructure Projects Manager
<b>Date</b>	11 February 2020
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	WGB2020
<b>Report Title</b>	Stormwater Management

## **1. EXECUTIVE SUMMARY**

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This report is to give the Board an update on a Letter of Direction received from the Waikato Regional Council in January 2020. The letter requires over 50 actions to be completed and the comprehensive review of the Stormwater Management Plan. The stormwater function is due for review in the transition period with it being a condition of commencement of the Operational Period. The letter adds more pertinence and urgency to the review.

## **2. RECOMMENDATION**

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**THAT the report from the Special Infrastructure Projects Manager be received.**

## **3. DISCUSSION**

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Clause 8.2 (g) of the Agreement for Operation and Maintenance of Water, Wastewater and Stormwater Services between Waikato District Council and Watercare Services Ltd requires:

Stormwater: If required by WDC, the parties reviewing and modifying schedule 19 (and integrating that schedule with the Business Plan) to ensure the most efficient and effective delivery of Stormwater Services.

The letter of direction followed the audits of the Waikato District Council stormwater consents for Huntly, Te Kauwhata, Ngaruawahia and Village Communities for the period **1 July 2016 to 30 June 2019**. The audit showed that Waikato District Council attained a compliance status of **Partial Compliance** and this level of compliance is unsatisfactory. As a result of this compliance status Waikato Regional Council (WRC) is required to undertake enforcement action to encourage Waikato District Council to improve its level of compliance.



WRC has determined that a “Letter of Direction” is the appropriate action to take. A letter of direction requires a response to the points listed for action and a timeframe provided for response. As most of the issues of non-compliance relate to a lack of information being provided in relation to the stormwater operations undertaken by Waikato District Council, and the fact that the Stormwater Management Plan (SMP) is well overdue for a review and update to ensure it is still relevant and fit for purpose.

Waikato Regional Council requires that Waikato District Council (WDC) and Watercare Services Ltd (Watercare):

- Undertake a review and update of the Stormwater Management Plan. The reviewed SMP should be provided to Waikato Regional Council by no later than 30 September 2020.
- WDC/Watercare should meet with staff from Waikato Regional Council at a mutually convenient time and location to discuss any issues that may arise with the SMP review and any other issues relating to the compliance assessment of stormwater assets within the WDC area.
- Waikato Regional Council staff and WDC/Watercare should undertake a joint site visit to a selection of stormwater infrastructure sites to ascertain their condition and location. Sites need to be mutually agreed and can be based on known problem sites or sites subject to upgrade or the subject of complaints by members of the public as recorded in the WDC Customer Relationship Management system.

After an initial review of the documentation there are between 50 and 60 actions to be completed.

The risk associated with this enforcement action has been added to the risk register.

WDC and Watercare will review the letter in more detail and provide a plan to the Waters Governance Board by March 2020.

#### **4. CONCLUSION**

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The stormwater area of the three waters business for WDC is one where improvements are anticipated with the new Watercare contract. The systems and processes that Watercare have will enable improved provision of information in a timely fashion and thus improved levels of compliance.

#### **5. ATTACHMENTS**

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Nil

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### Open Meeting

<b>To</b>	Water Governance Board
<b>From</b>	Gavin Ion Chief Executive
<b>Date</b>	5 February 2020
<b>Prepared by</b>	Grace Brady Democracy Support Consultant
<b>Chief Executive Approved</b>	Y
<b>Reference</b>	GOV1301
<b>Report Title</b>	Exclusion of the Public

## I. EXECUTIVE SUMMARY

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To exclude the public from the whole or part of the proceedings of the meeting to enable the Board to deliberate and make decisions in private on public excluded items.

## 2. RECOMMENDATION

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**THAT** the report of the Chief Executive be received;

**AND THAT** the public be excluded from the meeting to enable the Board to deliberate and make decisions on the following items of business:

**Confirmation of Minutes dated 20 December 2019**

### REPORTS

#### a. Actions Register

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

**Reason for passing this resolution to withhold exists under:**      **Ground(s) under section 48(1) for the passing of this resolution is:**

**Section 7(2)(b)(ii)  
Section 7(2)(j)**

**Section 48(1)(a)**

**b. Rates Rebate and Financial Hardship**

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

Reason for passing this resolution to withhold exists under:      Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(h)

Section 48(1)(a)

**c. Current status of the Te Kauwhata Housing Infrastructure Fund and wider servicing of the Auckland Hamilton corridor**

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

Reason for passing this resolution to withhold exists under:      Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(b)(ii)

Section 48(1)(a)

Section 7(2)(j)

**d. Contract Financial Report**

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

Reason for passing this resolution to withhold exists under:      Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(b)(ii)

Section 48(1)(a)

Section 7(2)(j)

### **3. ATTACHMENTS**

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Nil