

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 **TUESDAY, 8 DECEMBER 2020** commencing at **9.00am**.

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GJ Ion
CHIEF EXECUTIVE

TERMS OF REFERENCE AND DELEGATION

Reports to:	The Council
Chairperson:	Ms Rukumoana Schaafhausen
Membership:	Mr Garth Dibley Mr David Wright Mr Gavin Ion (Chief Executive) Ms Jackie Colliar (Board Intern)
Meeting frequency:	Monthly
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.
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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.

Open Meeting

To	Waters Governance Board
From	Ian Cathcart Special Infrastructure Projects Manager
Date	11 November 2020
Prepared by	Lynette Wainwright Committee Secretary
Chief Executive Approved	Y
Reference #	GOV1301
Report Title	Register of Interests

1. EXECUTIVE SUMMARY

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. RECOMMENDATION

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

3. ATTACHMENTS

Register of Interests – Waters Governance Board

Register of Interests – Waters Governance Board

Ruku Schaafhausen

Companies and Trusts	Te Waharoa Investments Ltd AgResearch Miro Hautupua Ltd Te Whakakitenga O Waikato Inc Member of Te Arataura
Community organisations	Equippers Trust Tindall Foundation Princes Trust New Zealand
Other appointments	Waikato Regional Council – Co-Governance Committee Waipa District Council – Co-Governance Committee Waikato District Council – Co-Governance Committee Hamilton City Council – Co-Governance Committee Waikato Plan Leadership Committee Chair, Freshwater Iwi Leaders Group
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	SmartCo – Chairperson
Property within the District	Yes - Tamahere
Any other interests	Nil

David Wright

Companies and Trusts	Director, David Wright Limited Trustee, Tervuren Trust Trustee, Solomon Islands Tourism Infrastructure Development Fund (Incorporated) Chief Executive, Red Meat Profit Partnership Chair of Waimea Water Ltd Chair, Solomon Islands Airport Corporation Limited Haapa Research Limited
Community organisations	Chair, Tokelau Renewable Energy Steering Group Member, Audit and Risk Committee, Internet New Zealand Incorporated
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 Caring for Communities Committee</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 Waipa District Council – Co-Governance Committee Waikato Regional Council – Co-Governance Committee Waikato River Authority Board Member
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

Open Meeting

To	Waters Governance Board
From	Gavin Ion Chief Executive
Date	11 November 2020
Prepared by	Lynette Wainwright Committee Secretary
Chief Executive Approved	Y
Reference #	GOV1301
Report Title	Confirmation of Minutes

1. EXECUTIVE SUMMARY

To confirm the minutes of the Waters Governance Board meeting held on Thursday, 22 October 2020.

2. RECOMMENDATION

THAT the minutes of the meeting of the Waters Governance Board held on Thursday, 22 October 2020 be confirmed as a true and correct record of that meeting.

3. ATTACHMENTS

WGB Minutes – 22 October 2020

MINUTES of a meeting of the Waters Governance Board Meeting of the Waikato District Council held in Committee Rooms 1 & 2, 15 Galileo Street, Ngaruawahia on **THURSDAY, 22 OCTOBER 2020** commencing at **9.36am**.

Present:

Ms R Schaafhausen (Chairperson)
Mr D Wright
Mr G Dibley [*until 12.54pm, during the public excluded portion of the meeting*]
Mr GJ Ion (Chief Executive, Waikato District Council)
Ms J Colliar (Intern) [*from 10.06am*]

Attending:

Mr M Bridge (Acting Chief Executive, Watercare)
Ms S Danks (Waikato Business Manager, Watercare)
Mr R Kumar (Commercial Advisor – Waikato, Watercare)
Mr G Tupuhi (Chairperson, Ngaa Muka Development Trust)
Mr P Kingi (Kaumatua, Ngaa Muka Development Trust)
Mr T Nikau (Member, Ngaa Muka Development Trust)
Mr R Tukiri (Member, Ngaa Muka Development Trust)
Ms L Tomuli (Member, Ngaa Muka Development Trust)
Ms G Waru (Member, Ngaa Muka Development Trust)

Mr I Cathcart (Special Infrastructure Projects Manager)
Ms C Nutt (Waters Contract Relationship Manager)
Ms C Pidduck (Legal Counsel)
Mr V Ramduny (Strategic Projects Manager)
Mr R Ashley (Community Assets Manager)
Mr S Toka (Iwi and Community Partnerships Manager)
Mr J Quinn (Communications, Engagement and Marketing Manager)
Mrs LM Wainwright (Committee Secretary)

APOLOGIES AND LEAVE OF ABSENCE

All members were present.

APPOINTMENT OF CHAIRPERSON

Resolved: (Mr Ion/Mr Dibley)

THAT Mr David Wright be nominated as Chairperson for item 6.1 [*Consenting Strategy – Te Kauwhata Wastewater Treatment Plan Discharge Consents (Renewal)*].

CARRIED

WGB2010/01

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 Thursday, 22 October 2020 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 THAT in accordance with Standing Order 9.4 the order of business be changed with agenda item 6.3 [*Hamilton-Waikato Metropolitan Area Wastewater Project Update*] being considered after agenda item 5.

CARRIED

WGB2010/02

DISCLOSURES OF INTEREST

Ms Schaafhausen advised members of the Board that she would declare a non-financial conflict of interest in item 6.1 [*Consenting Strategy – Te Kauwhata Wastewater Treatment Plan Discharge Consents (Renewal)*].

CONFIRMATION OF MINUTES

Resolved: (Mr Ion/Ms Schaafhausen)

THAT the minutes of a meeting of the Waters Governance Board Meeting held on Tuesday, 25 August 2020 be confirmed as a true and correct record of that meeting.

CARRIED

WGB2010/03

REPORTSActions Register
Agenda Item 5

The Special Infrastructure Projects Manager and the Waters Contract Relationship Manager noted the following matters:

- Financial Reporting and audit process – completed. Item to be removed from the register.
- DIA had allocated \$60,000 of the reform stimulus funding towards data collection.

Resolved: (Ms Schaafhausen/Mr Wright)

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

CARRIED

WGB2010/04

Hamilton-Waikato Metropolitan Area Wastewater Project Update
Agenda Item 6.3

The Strategic Projects Manager summarised the report and no discussion was held.

Resolved: (Ms Schaafhausen/Mr Wright)

THAT the report from the Chief Executive be received;

AND THAT the Board approves the growth assumptions and wastewater performance standards proposed for the long list option assessment as detailed on page 5 and page 7 of the staff report;

AND FURTHER THAT the Board notes:

- a. the long-list wastewater servicing options detailed in the Economic Case of the staff report.
- b. the long-list commercial, funding and financing options as detailed in Attachments 2 and 3 of the staff report.

CARRIED

WGB2010/05

The meeting adjourned at 9.57am and resumed at 10.06am.

Consenting Strategy – Te Kauwhata Wastewater Treatment Plant Discharge Consents (Renewal)

Agenda Item 6.1

Ms Schaafhausen declared a conflict of interest in this item, vacated the Chair and did not speak to or vote on this item. Mr Wright assumed the Chair for this item.

The Iwi and Community Partnerships Manager opened the item with a karakia, welcomed members from the Ngaa Muka Development Trust and introduced the Watercare representatives to the trust members.

Discussions were held on the following matters:

- Short term solution at the wastewater treatment plant.
- Purchase of UV equipment to be brought forward.
- Establishment of the Terms of Reference for the Co-Governance Group.
- Engagement with mana whenua.
- Landscape surrounding Lake Waikare.

ACTION: A letter be sent to the Ngaa Muka Development Trust outlining the commitment made to mana whenua, the joint co-governance structure and the draft terms of reference.

The meeting adjourned at 11.10am and resumed at 11.26am.

Resolved: (Mr Wright/Mr Dibley)

THAT the report from the Special Infrastructure Projects Manager be received;

AND THAT the Waters Governance Board approves the Te Kauwhata wastewater treatment plant discharge consenting strategy as attached to the staff report;

AND FURTHER THAT the Waters Governance Board approves the Te Kauwhata wastewater treatment plant discharge consenting project (“the project”) financial envelope set at \$750,000 subject to confirming such budget is available.

CARRIED

WGB2010/06

Resolved: (Mr Wright/Mr Ion)

THAT should the **Waters Governance Board** be unsuccessful in its application for \$1,000,000 from the reform stimulus programme for a clarifier and UV treatment for the Te Kauwhata Wastewater Treatment plant, the Board will reprioritise the work programme to ensure this work proceeds;

AND THAT staff report back to the Board about the establishment of an appropriate project governance and engagement structure to progress the consent renewal and upgrade programme to give effect to Council's Treaty of Waitangi obligations.

CARRIED

WGB2010/07

Ms Colliar joined the meeting at 10.06am during discussion on Item 6.1.

Mr Wright vacated the Chair following the conclusion of the above item and Ms Schaafhausen resumed the Chair.

Three Waters Performance Reports for August and September 2020
Agenda Item 6.2

Ms Danks noted the following matters:

- One lost-time injury had occurred. Watercare would recommence lifting training for staff.
- KPIs had been met for the month except the response time for a Raglan callout.

ACTION: Watercare to report back to the Board on realistic timeframes for callouts versus location.

- Watercare had trialled evacuation procedures at all water treatment plants.
- Meremere Reservoir – Watercare had completed cleaning and maintenance.
- Consent had been lodged for Mercer Rowing Club.
- Raglan stormwater abatement notice had been resolved.
- Shared Services transition had been completed.
- Asset remediation programme was underway and had progressed well.
- Raglan wastewater consent.

ACTION: Watercare to report back to the next Board meeting with an historical timeline on the Raglan wastewater consent process.

Resolved: (Mr Wright/Mr Ion)

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

CARRIED

WGB2010/08

EXCLUSION OF THE PUBLIC

Agenda Item 6

Resolved: (Mr Ion/Mr Dibley)

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
PEX Item 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)
PEX Item 2.1 Actions		
PEX Item 3.1 Waters Financial Results to 30 September 2020		
PEX Item 3.2 Proposal to Vary Agreement for Operation and Maintenance of Water, Wastewater and Stormwater Services – Contract 19/012		

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
PEX Item 3.3 Audit of Three Waters Agreement		
PEX Item 3.4 District Wide Wastewater Pump Station Remediation		
PEX Item 3.5 District Wide Water & Wastewater Treatment Plant Remediation		

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
PEX Item 1 Confirmation of Minutes		Refer to the previous Public Excluded reason in the agenda for this meeting.
PEX Item 2 Actions		Refer to the previous Public Excluded reason in the agenda for this meeting.
PEX Item 3.1 Waters Financial Results to 30 September 2020	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
	7(2)(j)	To prevent the disclosure or use of official information for improper gain or improper advantage.

PEX Item 3.2 Proposal to Vary Agreement for Operation and Maintenance of Water, Wastewater and Stormwater Services – Contract 19/012	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
	7(2)(j)	To prevent the disclosure or use of official information for improper gain or improper advantage.
PEX Item 3.3 Audit of Three Waters Agreement	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
	7(2)(j)	To prevent the disclosure or use of official information for improper gain or improper advantage.
PEX Item 3.4 District Wide Wastewater Pump Station Remediation	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
	7(2)(j)	To prevent the disclosure or use of official information for improper gain or improper advantage.
PEX Item 3.5 District Wide Waters & Wastewater Treatment Plant Remediation	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
	7(2)(j)	To prevent the disclosure or use of official information for improper gain or improper advantage.

AND THAT Mr Bridge, Ms Danks and Mr Kumar (Watercare) be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of Watercare. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because of Watercare's role and responsibility for those matters.

CARRIED

WGB2010/09

The meeting adjourned at 12.10pm and resumed, in the public excluded session, at 12.18pm.

Resolutions WGB2010/10 to WGB2010/17 are contained in the public excluded section of these minutes.

Having concluded the Public Excluded meeting, the following items were released into Open Meeting:

REPORTS (CONTINUED)

District Wide Wastewater Pump Station Remediation
PEX Agenda Item 3.4

It was resolved [*Resolution No. WGB2010/15*] during the public excluded section of the meeting that the following resolution be released into open meeting, but the report remain confidential and unavailable to the public:

“Resolved: (Mr Wright/Ms Schaafhausen)

THAT the report from the Special Infrastructure Projects Manager be received;

AND THAT the Waters Governance Board approves the District Wide Wastewater Pump Station Remediation Business Case with a financial envelope set at \$252,387;

AND FURTHER THAT the Waters Governance Board approves the consolidation of budget IWW12500.0120 and IWW12500.0121 for ease of reporting.

CARRIED”

Open Meeting

To	Waters Governance Board
From	Ian Cathcart Special Infrastructure Projects Manager
Date	11 November 2020
Prepared by	Lynette Wainwright Committee Secretary
Chief Executive Approved	Y
Reference #	GOV1301
Report Title	Actions Report

1. EXECUTIVE SUMMARY

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

2. RECOMMENDATION

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

3. ATTACHMENTS

Actions Register

Waters Governance Board Actions Register

OPEN MEETING

Meeting Date	Action	To Action	When	Status
20/11/19	<p>The Board to be provided with:</p> <ul style="list-style-type: none"> ▪ The proposed Te Kauwhata water take consents strategy. 	Ian Cathcart/ Watercare	November 2020	Richard Bax engaged to work with TKWA and include the Mid Waikato Servicing Strategy outcomes in securing a new consent.
20/12/19	<ul style="list-style-type: none"> ▪ The Minister of Local Government to be invited to the next meeting of the Board. The Chief Executive to outline the urgency and the reasons for her attendance - funding to explore projects and potential changes with water entities. 	G Ion	December 2020	An invitation will be extended to the Minister once we agree the Board meeting dates for next year (an agenda item on this matter will be considered at the November Board meeting).
	<p>Presentation to be prepared to form base for discussions with LG Minister</p> <ul style="list-style-type: none"> ▪ Council's arrangements with Watercare – learnings and successes to date. ▪ Data on potential regulatory (cost) impact on the ratepayer as a consequence of the proposed water regulations. ▪ Impact of Council assuming some responsibility for private water supplies. ▪ Contribution towards Council/Watercare transition costs. ▪ The Lead we are providing on co-governance for 3 waters by Council and Iwi. ▪ Funding from central government towards the sub-regional 3 waters study. <p>Affordability – rates rebates and financial hardship</p>			Included as part of Council's application for Reform Economic Stimulus Funding.

Waters Governance Board Actions Register

Meeting Date	Action	To Action	When	Status
11/2/2019	Investigation into forums held by other Councils in respect of engagement with mana whenua. Iwi and Community Partnerships Manager, Sam Toka, to present the vision to the next meeting of the Board.	Sam Toka / Gavin Ion	December 2020	Council has agreed on the formation of four forums to cover the District. The issue of how to recognise the time commitment from mana whenua is still to be worked through.
25/8/2020	<u>Waters Long Term Plan Performance Targets</u> Watercare to report back to the next meeting of the Board with an action plan to consider real water loss results.	Sharon Danks	January 2021	Water Demand Management Plan update has been tendered and awarded and will complete May 2021. This will also suggest improvement to reduce Water Losses.
25/8/2020	<u>Three Waters Performance Report – July 2020</u> <ul style="list-style-type: none"> ▪ A schedule of site visits would be prepared for the Board with the priority being abatement notice sites. ▪ A summary of the completed AMP to be provided to Board members. ▪ Watercare to provide information on their training programme and safety requirements on site. 	CN CN SD	November 2020 February 2021 November 2020	8th December visit to Raglan water and wastewater plants. Training plan will be appended to December OPEX.
22/10/2020	<u>Consenting Strategy – Te Kauwhata Wastewater Treatment Plant Discharge Consents (Renewal)</u> A letter be sent to the Ngaa Muka Development Trust outlining the commitment made to mana whenua, the joint co-governance structure and the draft terms of reference.	IC	November 2020	Letter to be drafted and sent mid-November.
22/10/2020	<u>Three Waters Performance Reports for August and September 2020</u>	Sharon	November 2020	The complexity and time required to manage maybe 8 different KPIs for each

Waters Governance Board Actions Register

Meeting Date	Action	To Action	When	Status
	<ul style="list-style-type: none"> ▪ Watercare to report back to the Board on realistic timeframes for callouts versus location. <p data-bbox="389 384 748 416"><u>Raglan Wastewater Consent</u></p> <ul style="list-style-type: none"> ▪ Watercare to report back to the next Board meeting with a historical timeline on the Raglan wastewater consent process. 			<p data-bbox="1525 280 2002 347">Location appears onerous – Suggest using the DIA 1 hour for all sites.</p> <p data-bbox="1525 424 2063 491">November 2019 WGB paper table will be reviewed and provided.</p>

Open Agenda

To	Waters Governance Board
From	Gavin Ion Chief Executive Waikato District Council
Date	20 November 2020
Prepared by	Vishal Ramduny Strategic Projects Manager
Chief Executive Approved	Y
DWS Document Set #	GOV1318 / 2952205
Report Title	Hamilton-Waikato Metropolitan Area Wastewater Project Update

I. EXECUTIVE SUMMARY

The purpose of this report is to update the Waters Governance Board on progress with the Hamilton-Waikato Metropolitan Area Wastewater Detailed Business Case Project.

The project is well underway and on track to identify the preferred southern metropolitan wastewater servicing solution by December 2020 and to deliver a detailed business case (DBC) for the southern metropolitan area by May 2021.

Activities and decisions since the 1 October 2020 include:

- Governance Group approval of the project investment objectives, key performance indicators (KPIs) and Multi Criteria Analysis (MCA) criteria (subject to minor amendments) for the DBC.
- Governance Group endorsement of the wastewater treatment performance standards to be used for the long-list and short-listed options assessments.
- Assessment of the long list of commercial, financial, and funding options for feedback from stakeholders, Project Control Group and Governance Group.
- Completion of work to assess potential to service Fonterra (Hautapu) through a municipal wastewater system and the subsequent decision by Fonterra to withdraw from the project.
- Governance Group approval of the following short-list of wastewater servicing options for the entire metropolitan area to take forward as part of the Southern Metropolitan Wastewater DBC:

Option 2A – Involving a northern (upgraded Pukete) and southern (at a new site) sub-regional plants; upgrades at the Te Awamutu wastewater treatment plant, and Fonterra (Hautapu) being serviced through a standalone system.

Option 4A – Involving treatment plant upgrades at Ngaruawahia, Pukete, Cambridge and Te Awamutu; new plant at Airport, and Fonterra Hautapu being serviced through a standalone system.

Several parallel workstreams are also in progress to support identification of preferred wastewater servicing and commercial options by December 2020, preferred funding and financing options by February 2021 and the delivery of the overall DBC. This work includes:

- Developing the short-list options further, developing details for a new southern wastewater facility (including potential site locations), refining costs and initial financial modelling.
- Assessing the long list of commercial options using the approved MCA to confirm a short-list and then a preferred option.

Staff from Waikato District Council, Hamilton City Council and Waipa District Council are working to align 2021-31 Long Term Plan implications of this work across organisations so that funding is available to implement (at least the initial planning and land acquisition elements) a new sub-regional southern metropolitan wastewater facility. This approach is proposed to preserve the opportunity if a new sub-regional southern metropolitan wastewater facility is identified as the preferred option through the DBC.

Staff consider the matters in this report have a low significance and that the recommendations comply with the Council's legal requirements.

2. RECOMMENDATION

THAT the report from the Waikato District Council Chief Executive be received;

AND THAT the Waters Governance Board note:

- a. the short-listed wastewater servicing options and process undertaken to determine these options; and
- b. that Waikato District Council staff are working with Hamilton City Council and Waipa District Council staff to align individual 2021-31 LTP funding requests to implement a new southern wastewater facility,

as further detailed in the staff report.

3. BACKGROUND AND UPDATE

This is the second update report, covering the period from late September to early November 2020. The previous report was presented to the Governance Board on 13 October 2020 for the period late August to late September 2020.

The Waikato Metropolitan Wastewater DBC Project is being delivered in partnership with Hamilton City Council, Waipa District Council, Waikato-Tainui, and Mana Whenua.

This project builds on the Waikato Sub-Regional Three Waters Strategic Case (2019), Waipa District Council – Cambridge Wastewater Indicative Business Case (2019) and the High-Level Waikato Metropolitan Wastewater Assessment (2020).

The project vision is:

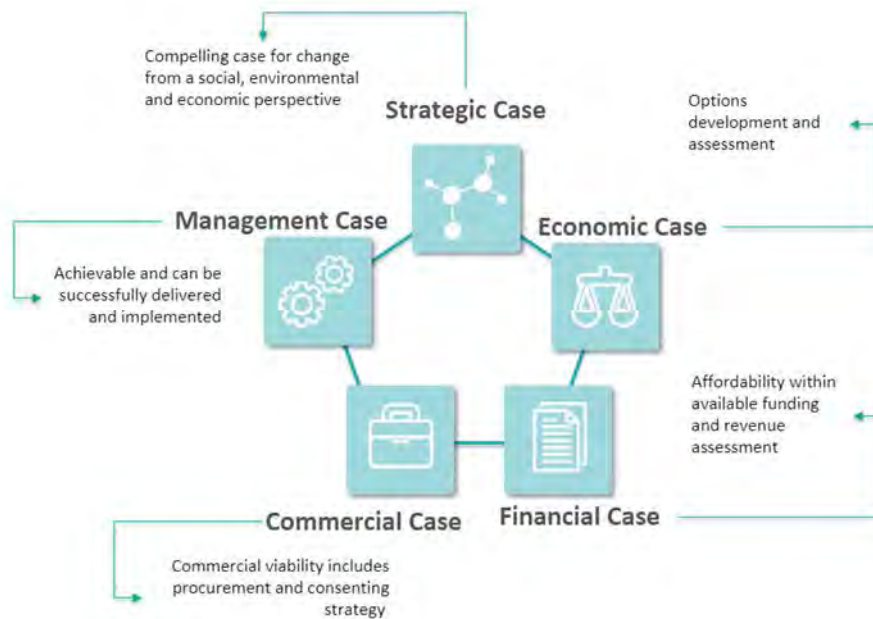
*Tooku awa koiara me oona pikonga he kura tangihia o te maataamuri
The river of life, each curve more beautiful than the last*

“Our vision is for a future where a healthy Waikato River sustains abundant life and prosperous communities who, in turn, are all responsible for restoring and protecting the health and wellbeing of the Waikato River, and all it embraces, for generations to come”

The overarching project objective is to deliver DBC(s) for the preferred WW servicing solutions for the northern and southern Hamilton-Waikato metropolitan area that:

- a) delivers “best for river” outcomes.
- b) meets the requirements of the New Zealand Treasury Better Business Case Model.
- c) are supported by the Project Governance Group.
- d) are delivered on time for project partners and key stakeholders; and
- e) can be implemented.

The Better Business Case Model adopted for this project involves five cases as outlined below:



As outlined in the terms of reference endorsed by the Committee and Council in May 2020, the project is being delivered in parallel and separate to the Future Proof structure overseeing the Waikato Sub-Regional Three Waters Study. A project specific governance group has been established for the project. The roles and responsibilities of the Governance Group include:

- a) overseeing the delivery of DBCs for the northern and southern metropolitan areas.
- b) representing the views of their respective organisations.
- c) endorsing the DBCs; and
- d) recommended the DBCs to the individual partner organisations for approval, adoption, and implementation.

The project seeks to confirm the preferred southern metropolitan wastewater servicing solution during December 2020 and to deliver the Southern Metropolitan Wastewater DBC by May 2021. Project timeframes are being driven by Waipa District Council's programme around Cambridge Wastewater Treatment Plant.

The Southern Wastewater DBC has commenced using funding from Waipa District Council and Hamilton City Council. All three councils have successfully applied for local government water reforms stimulus grant to fund their respective contributions for the southern and northern WW DBC. This stimulus funding was granted in November 2020.

Delivery of the Northern Metro Wastewater DBC is tentatively planned for later in 2021.

Project Update

Good progress has been made since the project was initiated in July 2020 and since the October update to the Waters Governance Board. The project is on track to identify the preferred southern metropolitan wastewater servicing solution by December 2020 and to deliver a DBC for the southern metropolitan area by May 2021. Progress against the key milestones detailed in the Project Terms of Reference is shown in Table I below.

Valuable feedback was provided by the Governance Group and a lot of the information presented will be refined and updated as the shortlisting project continues. Milestone decisions have included:

- a) approval of the project investment objectives, key performance indicators (KPIs) and MCA criteria (subject to minor amendments).
- b) endorsement of the wastewater treatment performance standards to be used for the long-list and short-listed options assessments; and
- c) approval of the short-list of wastewater servicing options to take forward as part of the DBC.

An outline of the wastewater servicing options short-listing process and progress on the overall economic case is provided below.

Other key decisions and activities since 1 October 2020 include:

- a) the potential to service Fonterra Hautapu through a municipal facility has been investigated. The findings of the assessment and several other factors (including cost impact to Fonterra and uncertainty of cost, commercial arrangements and delivery timelines) led to Fonterra deciding to withdraw from the project and not proceed to Stage Gate 3 received (16 October 2020).
- b) Donald Turner (Waikato Tainui) and Jim Mylchreest (Waipa District Council) have been appointed as Governance Group co-chairs.
- c) commercial (delivery, contracting and packaging) options have been assessed and proposed short-lists and combinations of options delivered to subject matter experts, control group and governance group members for feedback.
- d) investigations to identify potential locations to site a new southern wastewater facility are underway.
- e) engagement with project partners and Iwi/Mana Whenua is ongoing.
- f) collateral for wider stakeholder communication and web material is under development.
- g) market testing via discussions with third party commercial entities continues.
- h) the draft strategic case is under review.
- i) development of further detail on the recommended short-list of wastewater servicing, including refining cost estimates, discharge options, and initial financial modelling.
- j) engagement initiated with Council finance teams to obtain input for initial financial modelling.

- k) engagement initiated with Council Control Group members to develop draft funding allocation principles for consideration.
- l) proposed approach to 2021–31 Long Term Plan Funding Requests across the partner councils to support implementation of a new sub-regional wastewater facility being developed; and
- m) planning to initiate northern Wastewater Detailed Business Case Project activities underway.

Table 1: Project progress against milestones

Milestone	Who	Status	Planned dates (TBC)
Project funding confirmed, Governance and Control Groups initiated, Terms of Reference approved.	Governance Group	COMPLETE	
Key assumptions confirmed: Population & Growth; Treatment Standards	Control Group	COMPLETE	
Fonterra Stage Gate 1 – Consent Assessment and determination of Fonterra continuation in the project	Fonterra	COMPLETE	
Confirm investment objectives, overall MCA framework and criteria, long-list of Wastewater Servicing Options, long-list of commercial options, funding, and financing options	Governance Group	COMPLETE	17 September 2020
Fonterra Stage Gate 2 –Whether Fonterra is included in the Short-listed options or not will determine their continuation in the project	Governance Group & Fonterra	COMPLETE	26 September 2020
Confirm short list of metro wastewater servicing options, and southern metro option; commercial model options; funding and financing options.	Governance Group & Control Group	COMPLETE	28 October 2020
Confirm preferred southern metro wastewater servicing options, commercial models (KEY DECISION)	Governance Group	ON TRACK	16 December 2020
Confirm details of preferred wastewater servicing solution: including concept treatment, conveyance, eco-system re-entry methods; draft AEE, cost estimates. Confirm preferred funding and financial options models	Governance Group	ON TRACK	March 2021
Draft Economic, commercial, financial and management cases for review and approval:	Governance Group	ON TRACK	April 2021
Detailed business case for review and endorsement back to individual organisations	Governance Group	ON TRACK	May 2021
Deliver final detailed business case and implementation plan	Governance Group	ON TRACK	May 2021

Economic Case - Short-list of Wastewater Servicing Options

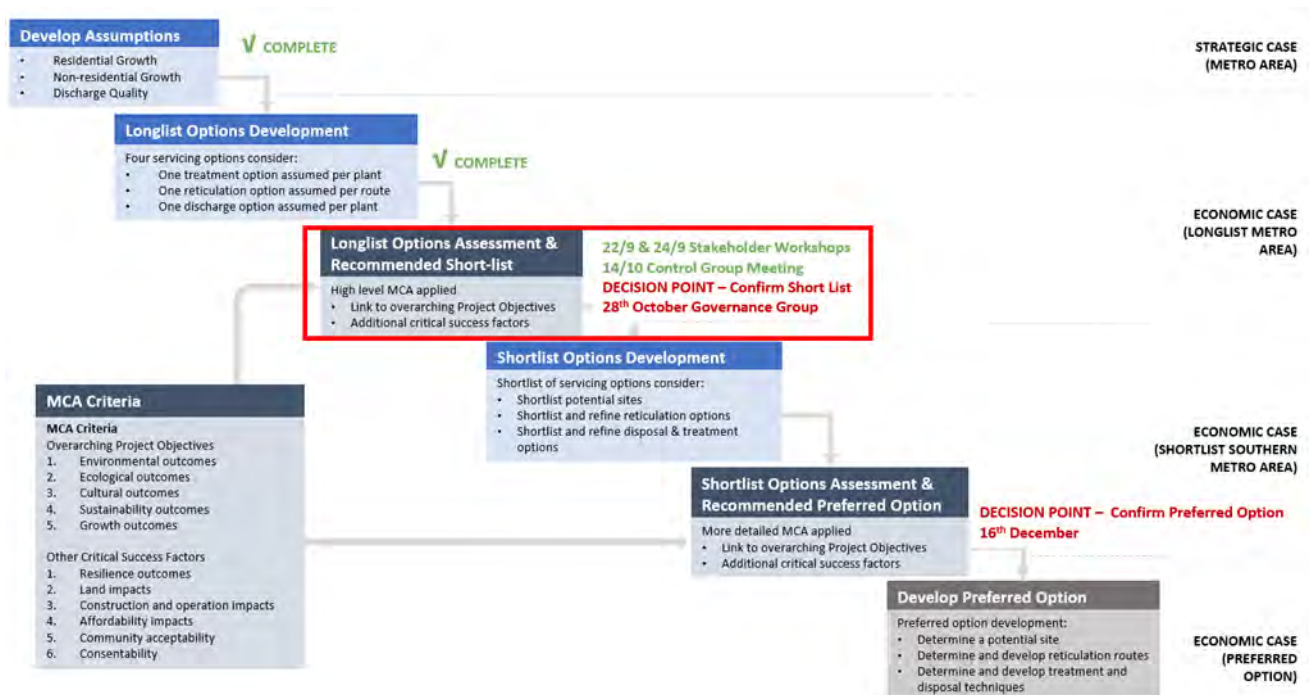
Options Development and Long list options assessment

The wastewater servicing options development and assessment process and key decision points to inform the economic case is outlined in Figure 1 below.

The assessment of the long list of wastewater servicing options was completed through collaboration between the project team, partners, and key stakeholders.

A summary of the key findings is summarised in this report.

Figure 1: Options development and assessment process



The options long-list were outlined in the 1 October report and comprised four options with two variations: Option “A” - Fonterra Hautapu continues to be serviced via stand-alone private system; Option “B” Fonterra Hautapu being serviced at the nearest municipal facility. As noted in October common growth projections and wastewater treatment standards were applied across all options to allow fair comparison of options. The options long list is:

- Option 1a** – Full decentralisation - Retain and upgrade existing treatment plants at Ngaruawahia, Te Kowhai, Pukete, Matangi, Tauwhare Pa, Cambridge, Te Awamutu. Construct 2 new plants at Ohaupo & Airport locations. Fonterra Hautapu would be serviced via standalone plant.
- Option 1b** – As per Option 1a, but with Fonterra Hautapu serviced via Cambridge
- Option 2a** – Centralisation - Involving a northern (Pukete) and southern (at a new site) sub-regional plants and retaining and upgrading the Te Awamutu WWTP. Fonterra Hautapu would be serviced via standalone plant.

Flow from northern communities (Taupiri, Hopuhopu, Ngaruawahia, Te Kowhai) would be diverted to Pukete WWTP in Hamilton. Flows from a significant portion of Hamilton (extent to be determined) and southern metropolitan communities (Cambridge, Matangi/Tamahere, Tauwhare, Ohaupo, Airport) would be serviced through a new southern facility.

Option 2b – *As per Option 2a but with Fonterra Hautapu serviced via southern sub-regional facility*

Option 3a – Centralisation - As per Option 2 but with a new southern sub-regional plant constructed at the existing Cambridge WWTP site. Fonterra Hautapu would be serviced via standalone plant.

Option 3b – *As per Option 3a but with Fonterra Hautapu serviced via southern (Cambridge) sub-regional facility*

Option 4a – Partial Centralisation - Retain and upgrade Ngaruawahia, Pukete, Cambridge, Te Awamutu WWTPs. Construct a new plant south of Hamilton for the smaller local communities and airport area only. Fonterra Hautapu would be serviced via standalone plant.

Option 4b – *As per Option 4a, but with Fonterra Hautapu serviced via Cambridge*

High level “order of magnitude” cost estimates was developed to support the short-listing process. The high-level cost estimates indicate that the cost of **all the options** are in the range of \$400-600 million for CAPEX and around \$30 million per annum for OPEX. These cost estimates are for servicing the entire Hamilton-Waikato metropolitan area including upgrading Pukete WWTP, upgrading Te Awamutu WWTP, delivering a standalone solution for Fonterra Hautapu and strategic conveyance networks. The costs for Option 2a also include the cost for a new Southern WW facility.

The MCA and cost estimates were used to assess “cost effectiveness” and “value for money” of the different options. Several sensitivity assessments using a range of MCA criteria weightings were also completed. These results of these assessments were reviewed, sense checked, and a recommended short-list identified.

Short Listed Options

The short-list of wastewater servicing options recommended to and approved by the Governance Group to take forward as part of the DBC are:

Option 2A (Emerging as the preferred solution)

Involving a northern (Pukete) and southern (at a new site) sub-regional plants, Te Awamutu WWTP, Fonterra Hautapu being serviced through a standalone system.

Option 4A – Involving treatment plant upgrades at Ngaruawahia, Pukete, Cambridge and Te Awamutu; New plant at Airport, and Fonterra Hautapu being serviced through a standalone system.

The “order of magnitude” cost estimates for a new southern wastewater facility and conveyance as part of Option 2A is in the order of \$240m (i.e. approx. \$140 million for the treatment facility and \$100 million for conveyance systems). Further work is underway as part of the DBC to refine the costs for the short-list and preferred options.

Option 2A was recommended for the short-list as it emerged as the most preferred option from the raw MCA assessment, the MCA sensitivity assessments, and the “value for money” assessment, despite having the second highest order of magnitude cost estimate. Some of the key advantages of Option 2A are:

- a) this option takes an integrated catchment approach to wastewater servicing and has the potential to accelerate improved servicing outcomes across the Metro Area by making a step change in treatment performance and standards (e.g. liquid, solids, atmospheric emission) compared to the decentralised options^{1*};
- b) large plants are typically better resourced than smaller facilities therefore improving the overall resilience of the centralised solutions compared to the decentralised solutions*.
- c) this option provides the potential to “pool resources” to deliver greater benefits than individual communities could achieve^{1*}.
- d) this is the only option that does not require further development of the Cambridge site which is constrained and has geotechnical challenges.
- e) a new site can be master planned, future proofed and developed to deliver capacity “right on time” and adapt to change (including growth, performance standards, climate); It can also be configured and developed to maximise energy efficiency, reduce carbon emissions and transition to more advanced technologies in the future;
- f) construction on a new site provides the ability to brand a new site as a ‘resource recovery centre’ allowing us to change perceptions and consent a new site and plant more easily.
- g) by reducing the number of plants in the metro area, this option creates an opportunity to rehabilitate significant portions of the existing Cambridge and Ngaruawahia WWTP sites. This could improve access to and interactions with the Waikato River.
- h) this option has the potential to reduce significant investment in strategic wastewater conveyance networks within Hamilton City by diverting significant flows away from the existing interceptor networks^{1*}. This potential benefit has not been quantified.
- i) a new southern facility can be strategically located to more deliberately support desired land use and development outcomes, such as wet industries; and
- j) a new southern facility can be strategically located to maximise the potential for water re-use and recycling, thereby supporting a closed cycle approach to water systems management.

1 * these advantages equally apply to Option 3A

Option 4A was recommended for the short-list for the following reasons:

- a) for the northern metropolitan area (spanning from north Hamilton to Taupiri), servicing Te Kowhai via Pukete is likely to be more practicable than building a new plant at Te Kowhai.
- b) for the southern metropolitan area, a new plant (south of Hamilton) is proposed to meet the immediate needs of the airport and surrounding industrial area. The site would be master planned to allow for the inclusion of Tauwhare, Matangi, Tamahere (village hub and business precinct) and Ohaupo in the future. However, conveyance from these communities should only be considered when flows reach a more sustainable level. Within the short to medium term, Tauwhare, Matangi and Ohaupo would continue to operate as per BAU with Tauwhare and Matangi investing in short to medium term improvements to their standalone plants.
- c) option 4a potentially allows for a transition to centralisation (i.e. Cambridge and southern Hamilton to the southern facility, and Ngaruawahia/Taupiri to Pukete) in the future; and
- d) while this option may be cheaper in the short term, it will not deliver the long-term outcomes and growth capacity. There will be a need for future capacity via a new plant at some point in the future.

32. Option 3A was identified as the second most preferred option based on the MCA and value for money assessments, however it was not recommended for short-listing for the list largely due to complex site constraints. This recommendation was accepted by the Governance Group.

Fonterra

Option 2B was included in the short-list of options recommended to the Control Group (14 October 2020), if there was a desire to take a Fonterra option forward. In making this recommendation it was noted that the option including Fonterra was unlikely to emerge as the recommended preferred option as the benefits would be highly unlikely to outweigh the risk and costs of servicing Fonterra through a municipal facility.

On 16 October 2020, Fonterra advised of their decision to withdraw from the project. Fonterra noted that their decision was based on the output of the MCA assessment work, the significant cost associated with pursuing interim discharge consents, the uncertainty associated with delivering a sub-regional facility and the likely costs of a sub-regional facility being neutral at best for Fonterra.

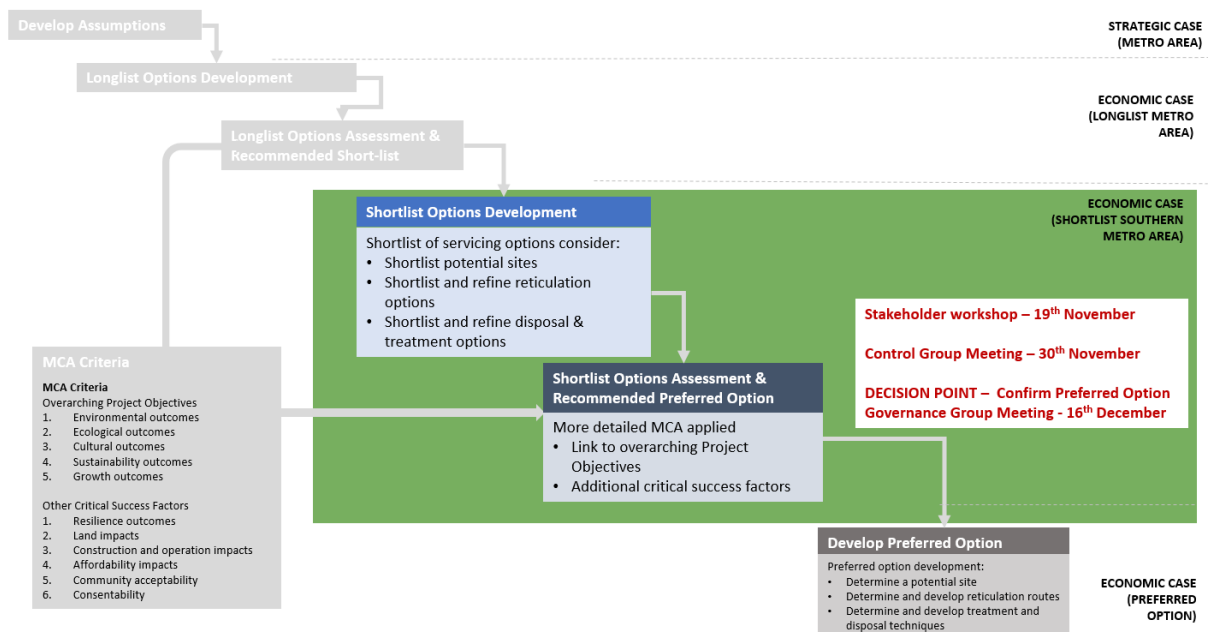
Economic Case – Next Steps

The next milestone for the economic case is confirmation of the preferred southern area wastewater servicing solution in December 2020. Key activities planned for November/December 2020 to support identification of the preferred option include:

- further development of short-listed options including refinement of cost estimates and consideration of discharge options.
- engagement with council control group members to develop funding allocation principles and inputs to initial financial modelling assessments.
- stakeholder workshop to consider options short list and identify preferred wastewater servicing option. Update on site selection investigation will also be provided.
- control Group workshop to consider preferred wastewater servicing and commercial options; and
- governance group confirmation of preferred wastewater and commercial options.

The preferred option will be developed further following the December decision.

Figure 2: Next Steps - Options development and assessment process



Commercial and Financial Case Long-List assessments

The commercial and financial case long list and multi criteria analysis (MCA) criteria were approved by the Project Director (as per the approval framework previously agreed with the Governance Group) on 22 September 2020 following engagement with council officials, third parties, mana whenua, review by the Control Group and consultation with the Governance Group.

The long lists have been assessed against the MCA criteria to identify options that should not be considered for shortlisting and to bring together the individual commercial short lists to form different combinations of options.

The assessments assume that the preferred solution will involve a centralised cross-jurisdictional treatment facility. If the preferred solution retains the existing decentralised and separated wastewater management approaches, traditional commercial and financing options would likely be used.

A legal opinion has been sought to support the project. Specifically, to understand the potential, under current legislation, for local authorities to enter arrangements for the delivery of waters services that involve private equity. The legal opinion has been used to support the long list assessment and confirmed that a new CCO with a private equity minority interest would be achievable (legally) and would minimise the restrictions applicable to water related infrastructure.

The approach to short-list the options, the assessment of the compatibility of different option combinations and the resulting recommendations were tested at a stakeholder workshop on 7 October 2020 and at the Control Group meeting on 14 October 2020 and updated to reflect the feedback received at these sessions. The information provided to the Governance Group included:

- a) a recap of the process being followed for the commercial and financial cases.
- b) a recap of the previously agreed commercial and financial MCA and long list options.
- c) the commercial fatal flaws assessment.
- d) the compatibility of combined commercial options; and
- e) the financial fatal flaws assessment.

The assessment and approach are currently being updated to reflect the considerable feedback and direction provided by the Governance group. Key feedback from the Governance Group included:

- a) assessing the different contracting and packaging options for the strategic conveyance components and the wastewater treatment facility separately.
- b) re-working the long list assessment to outline the pros and cons of each option as opposed; and
- c) ensuring that any shortlisted options and commercial/funding models may be easily migrated into the reform programme should that proceed.

Off balance sheet structures

- a) a key question posed by stakeholders in identifying potential commercial and financial cases has been centred around the opportunities to move debt off council balance sheet.
- b) PWC have advised that both ratings agencies and accounting standards are more stringent in looking through structures which try to move debt off balance sheet or outside of council debt limits.
- c) of the commercial models and funding and financing options recommended in the short list only the IFF levy structure is certain not to be counted towards council debt limits as it was specifically designed for this purpose.
- d) debt raised by a new entity that is either fully or majority owned by the councils will not achieve the same outcome. Some initial work is being carried out to look at whether the Design, Build, Fund, Operate and Maintain (DBFOM) and private provision options may be able to deliver this outcome. However, precedent projects would suggest that this is unlikely without a level of risk transfer and cost that is expected to be unacceptable to the market and councils, respectively.

Commercial & Financial Case - Next Steps

- a) The next milestone for the commercial case is confirmation of the preferred commercial delivery, contracting and packaging options in December 2020.
- b) key activities to support identification of the preferred option include:
 - i. updating the long list assessment and approach to reflect Governance Group feedback.
 - ii. confirmation of short list options (commercial and financial cases).
 - iii. further development and qualification of commercial case short list options utilising:
 - PwC research and internal experience / SMEs.
 - project team and technical advisor experience.
 - further discussions with council SMEs.
 - targeted market sounding.
 - discussions with other parties e.g. Crown Infrastructure Partners, Infrastructure Commission.
 - MCA assessment of commercial case short list to determine preferred option.
 - testing preferred commercial case option at stakeholder workshop; and
 - MCA assessment of commercial case short list to determine preferred option in December 2020.
- c) MCA assessment of financial case short list to determine preferred option is planned to take place in February once the preferred wastewater treatment option has been determined.

4. CONSIDERATIONS

4.1. Financial Considerations

There are no financial implications in relation to this current report, however implementing the DBC recommendations will have financial implications for the 2021–31 long term plan if adopted by the partner Councils.

Staff from Hamilton, Waikato and Waipa District Council are working closely to align 2021-31 LTP requests across organisations so that funding is available to implement (at least the initial planning and land acquisition elements) a new sub-regional Southern Metropolitan WW facility.

This approach is proposed to preserve the opportunity to commence delivery of a new sub-regional Southern Metropolitan Wastewater facility in line with Waipa District Council programme needs. As noted in the October 2020 report an upfront investment in land acquisition, designation, design, and consenting processes will likely be required in Years 1 -3. Funding for construction of a new treatment facility and strategic conveyance systems could potentially be programmed to commence from Year 9 and extend beyond the 2021-31 LTP.

Cost apportionment principles and opportunities to stage delivery of the sub-regional facility are still being worked through and will be presented as part of the LTP considerations. Because the DBC (and associated details) is still being developed several significant assumptions will be necessary to develop a proposal for the 2021-31 LTP. The assumptions and inputs to the proposal will likely include:

- a) that the preferred wastewater servicing solution for the Southern Metropolitan Area will involve a new wastewater treatment facility to the south of Hamilton city.
- b) the “order of magnitude” cost estimates will be used. They would ordinarily not be used for budgetary purposes, however, are the best available information currently. The estimates are based on cost curves. No element or component level estimating has been completed at this stage. The potential site has not been identified.
- c) that there will be no third-party equity investment in the facility.
- d) the strategic planning and land acquisition required for a new facility must occur within Years 1 – 3 of the LTP.
- e) the physical construction of the treatment facility and conveyance systems will commence from year 9 of the LTP and extend beyond the 10-year plan.
- f) the HCC contribution will be 50% of the order of magnitude costs. Note that the extent of Hamilton-Waikato metropolitan area that could be serviced by a new southern facility currently being assessed; and
- g) the Governance Group acknowledge that due to the competing financial demands and parameters of the partner Councils Financial Strategy, the Government Three Waters Reform Programme and potentially a different structure for Three Waters ownership, may be a significant factor on the financial deliverability of the DBC.

4.2. Legal and Policy Considerations

This project complies with the Council's legal and policy requirements.

Strategy and Policy Considerations

The purpose of local government includes promotion of the social, economic, environmental, and cultural wellbeing of communities in the present and for the future ('the 4 well-beings').

The Hamilton-Waikato metropolitan area wastewater detailed business case(s) will adopt the Treasury Better Business Case Programme Business Case model. The 4 wellbeing's will be core considerations in delivering the business case in addition to Te Ture Whaimana o te Awa Waikato – The Vision and Strategy for the Waikato River and relevant Iwi Management Plans.

4.3. Risks

There are no known risks associated with the decisions sought in this report. However, there are a series of significant risks associated with the successful delivery of the overall project. A project risk register and mitigation strategy has been prepared for the project. The significant risks relate to:

- a) lack of alignment across partner organisations leading to conflicting aspirations, inconsistent messaging, partner disagreement at key decision points; and
- b) funding and affordability challenges.

5. SIGNIFICANCE & ENGAGEMENT

Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance. Given the low level of significance determined, the engagement level is low. No engagement is required for the recommendations being considered.

6. ATTACHMENTS

Nil.

Open Meeting

To	Waters Governance Board
From	Ian Cathcart Special Infrastructure Projects Manager
Date	24 November 2020
Prepared by	Carole Nutt Waters Contract Relationship Manager
Chief Executive Approved	Y
Reference #	WGB2020
Report Title	Three Waters Performance Report for October 2020

1. EXECUTIVE SUMMARY

A copy of the Three Waters Performance Reports for October 2020 is attached for the Board's information.

2. RECOMMENDATION

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

3. ATTACHMENTS

- A Waikato District Council Three Waters Monthly Performance Report – October
- B Training Schedule
- C Toolbox Talk - Working Alone

WAIKATO DC

THREE WATERS

MONTHLY

PERFORMANCE REPORT

OCTOBER 2020



Sharon Danks
WDC Business Manager
Watercare Waikato
October 2020

1. Health & Safety

HIGHLIGHTS AND LOWLIGHTS

1. Health, Safety & Wellness

- There was 0 Lost Time Injury (LTI), and 1 Restricted Duties Injury (RDI) involving Watercare employees in October.
- There were 0 recordable injuries involving contractors in September.
- The 12-month average Lost Time Injury Frequency Rate (LTIFR) for employees is 3.6 per million hours, under our target of ≤ 5 .
- The 12-month average Total Recordable Injury Frequency Rate (TRIFR) for employees is 8.9 per million hours, under our target of ≤ 20 .
- A team meeting was held with the reticulation serviceman and the treatment plant operators following the 2 hand injuries refocussing the team on health and safety. This included the completion of the take 5 booklet prior to tasks and the use of SOP's. From September a Hazard has been assigned to each month for field teams to investigate. The hazard for October was suspended loads and for November the hazard is fatigue and working alone.
- Working alone is a key risk for WDC staff in all operational areas and is a focus, improvements to be implemented in 2021 include Radio communication in vehicle to resolve issues with Cell phone coverage and the roll out of updated working alone cell phone apps.
- A programme has commenced on updating all SOP's used by the serviceman to a more user-friendly format and the production of SOP folders for each vehicle.
- Training matrix included in Appendix B
- Working alone Tool box – proforma include in Appendix C

1. HEALTH, SAFETY & WELLNESS UPDATE

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
No incidents in October				

AUDITS, MANAGEMENT REVIEWS, INSPECTIONS, SAFETY OBSERVATIONS

- The 6-monthly review of the HSW Management System was completed in September.
- An all sites condition assessment of mechanical, control and electrical was completed in February.

- 1 Safety walks and observations was conducted by senior management in October.



2. Key Performance Indicators

KPI – Description	Result August	Target 2019/2020
Water		
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 comply, maximum 18)	15	15
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.	63 July 2020- Oct 2020 total 37	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.	177 July 2020- Oct 2020 total 107	120 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: - Attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site.	1 July 2020- Oct 2020 total 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 July 2020- Oct 2020 total 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	1.12 July 2020- Oct 2020 total 6.92	22/1000
Wastewater		
The number of dry weather sewage overflows from Council's system expressed per 1000 sewage connections to that sewage system. - Non-sensitive receiving environments	0.63 July 2020- Oct 2020 total 1.43	≤ 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	0.00 July 2020- Oct 2020 total 0.00	≤ 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	42 July 2020- Oct 2020 total	≤ 1 hour (45 mins)

notification to the time that service personnel reach the site.	41	
Where Council attends to sewage overflows resulting from a blockage or other fault in its sewage system in Raglan , the following median response times measured: - Attendance time: from the time that Council receives notification to the time that service personnel reach the site.	1 call = 75 mins July 2020-Oct 2020 total 2 calls = 33 & 75 mins	≤ 1 hour (60 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.	143 July 2020-Oct 2020 total 143	≤ 4 hours (240 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 July 2020-Oct 2020 total 3.57	≤ 10/1000
Health and Safety		
Safety: Lost time injury frequency rate (LTIFR) per million hours worked	3.56	≤ 5
Safety: Total recordable injury frequency rate (TRIFR) per million hours worked	8.90	≤ 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)	1	1
Safety - All site emergency plans to be drilled 6 monthly as per drill schedule	70% (WSL have restarted drills after they were paused during Covid 19 – will have all plants tested within 6 months)	>100%
Safety - Monthly Health and safety meeting held with all workers	Meetings now individual team based and conducted using WhatsApp	>90%
Safety-Critical risk audit to be conducted by HSW BP Bi-monthly	1	1
Safety -Actions required to be closed within 1 month	100%	>90%

Note: Information regarding abatement notices for periods prior to the WSL contract commencing on the 1st October 2019 is contained in Section 3.11

3. Operational Update

3.1 Treatment

General

There were several callouts to site during October. All were of minor nature.

Operator refresher training has commenced. 3 Operators have completed “Knowledge of Handling Hazardous Substances” training in October.

Training of all Operators will continue along with additional training for “Workplace First Aid” and “Confined Space and Gas Monitoring”.

One staff member to completed “Fork Hoist training in October.

General Workflow

General workflow has stabilised post Covid.

- Meremere WWTP oxidation replacement cage aerator has built has been delivered to site. Will be anchored and connected by the plant upgrade project team. The pond is remaining in good condition with good stock of algae.
- Meremere WWTP contractor lay down area ground works have been completed.
- Huntly WTP Filter #5 remains out of service. The replacement of underdrain pipework and floor has been completed and awaiting the loading of new media.
- The access to the Te Kauwhata WWTP site works that were impacting the access road have been completed.
Minor works, new security gate and fencing yet to be finished. The construction of Rimu Road is underway. Very little progress made during the month.
- Te Kauwhata WWTP design concepts for UV treatment and wetland options are underway.
- Design work has commenced for the installation of UV reactor modules for the Ngaruawahia WTP.
- Port Waikato WTP pressure filter media has been replaced. This involved a 3 day plant shut down and required potable water to be tankered to top up the reservoirs during this period. Tanker filling of the reservoirs at to high a pump rate cased a dirty water issue in the local Network. Key customers were notified. This did reveal a customer address that was shown as not connected to the network. The plant was returned to service without any major problems.
- Raglan WTP and WWTP lost power due to an unplanned power outage during the night of the 22nd of October. The fault appears to have been caused by a swan striking the high voltage line near the UV plant.
- Plant renewals of chemical analysers and dose pumps is making progress.
- As a general comment we are starting to see changes at the wastewater treatment plants that appear to be related to increased ambient temperature. The risk of botulism has increased and is being closely monitored.
River temperature is also increasing thus increasing the risk of taste and odour issues. PAC plants to be made ready for operation. The river intake screens at all river inlets will be cleaned to remove algae and debris by the dive team next month.

3.2 Networks

- Following on from the renewal works completed at Stirling Place PS last month, the Rosser St PS non-return valves and pipework replacement was completed 13/10. Hartis Ave PS is the next site to be renewed, and this is to be the most extensive renewal site carried out this Financial Year. Commissioning on the Newell Road Booster PS was also completed in the last week of October, and line pressure and network performance has been greatly increased here as a result of the capital works.



Rosser St PS non-returns and pipework completed.

- A vehicle incident resulted in damage to an 80mm water main which crosses a large swale. The vehicle came off the road and fell into the drain, hitting the main. It did not fully break the line but resulted in quite substantial leaking. As this occurred after hours, a temporary fix using x2 gibaults and a new portion of pipework allowed services to continue, and a full repair was made on the pipe the following day.



Temporary repair on 80mm water main

- Works began on the Horotiu intersection to improve network resilience by adding an alternate feed. This will allow for portions of the network to be isolated whilst still ensuring supply to customers. This is the second of three main extension works planned for this FY, the first being the Fosters Rd linkage and the final piece of work will be carried out in Regent St, Ngaruawahia.



Proposed linkage at the Horotiu traffic lights. Works commenced 26/10

- Progress continues as planned for the RTU upgrade project with Neo. McKay have been engaged to carry out As-Building and development of level 1 FD works. This piece of work has been programmed in over a 14-week period. Initially, a 7-week period was proposed, however this would have a negative impact on McKay's planned network maintenance and the decision was made to extend the RTU project works to be carried out in concert with the programmed work. Neo have also received the Jacob's condition assessment report for all sites that are part of the project and a review of this has begun.

3.3 Planning and Project Delivery

Key tasks completed include:

Planning

- Scoping of renewal works is complete and will progress to tendering – ROI for physical works should be issued this month; this will be 2 years of renewal expenditure as we were unable to deliver projects last year.

- Feedback Three Waters AMP from WDC was received with 3 Scenarios developed by their Finance team, feedback was provided to the Finance Manager.

There are several work packages for the Watercare Professional Engineering services panel in the process of either being put out for consultant pricing or awaiting approval by Watercare.

These include:

- Ngaruawahia WW Pump Stations and Rising main upgrade concept – GHD underway
- Ngaruawahia WW Rising main Bridge crossing design- Met with Beca and proposal due in November.
- SW modelling is being undertaken to assist in sizing of proposed SW culvert in Travers Road Te Kauwhata.
- Huntly and Ngaruawahia WS modelling recalibration, system performance and options assessment underway.
- Raglan WS model updates and Master Plan underway.

Development / Growth related matters being worked on include:

- Ongoing liaison with WDC and Ultimate Development relating to DA for River Road North Development.
- Attended further meeting relating to Synlait DA. This is an ongoing discussion between WDC and Synlait, Synlait future flows are very uncertain.
- Met Northgate Developers (Horotiu) and WDC, this relates to ongoing DA issues and site for POAL Pump Station.
- Met developer's consultant re WS and WW servicing of Residential land in Russel Rd area and industrial land Great South Rd Huntly
- Inquiries from WDC about WS servicing of potential Residential Development East Pokeno.
- Met with Development consultants (BBO) to be briefed on Hopuhopu Development proposals.
- Met Woods consulting re WW and WS servicing of unzoned land in Geraghtys Road Tuakau

Project Delivery

- Meremere MBR installation – Design build contract awarded to Apex limited. Design is nearing completion and the contractor is mobilised. Progress is dependent on Wel networks completing the undergrounding of the local LV supply, currently Wel are holding the works up.
- Renewals Package – Tender phase
- Whangamarino WTP 4.5MLD upgrade – Tender phase
- Te Kauwhata Reservoir – Tender phase
- Ngaruawahia WTP backwash upgrade – Detailed Design phase
- Ngaruawahia UV installation – Installation to commence December 2020
- Te Kauwhata WWTP Upgrade - Detailed geotechnical design underway, along with the enabling works consenting.
- Hartis, Hopuhopu, Stirling and Rosser WWPS upgrade (Asset remediation) – Construction to commence in October (works awarded to Fullers pump and Crane LTD)
- Newell Road Booster PS upgrade (Asset Remediation) – Construction to commence in October (works awarded to PES LTD)

- Network NCU Scada project – Detailed design phase. Site audits and reverse engineering of RTU’s software and production of Level 1 FD’s underway by Neo and McKay’s.

3.4 Stormwater Update

- Raglan Community Stormwater Liaison Group meeting undertaken last week with 7 members in attendance. Was a robust discussion on issues and the draft Raglan section of the annual report was tabled.
- WSL have issued the re-formatted annual report to WRC (31 October 2020).
- WSL are actively involved in the pre-application for a new development in Ngaruawhaia.
- Cambrae Road flood mitigation design is currently being priced by 2 consultants and expecting to award within the next 2 weeks.
- Draft SMP updated report is completed awaiting WSL review prior to issuing to WRC.

3.5 Abatement Notice Resolution

Meremere WWTP

WRC Abatement notices require Total Suspended Solids (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.

The contract for installation of the MBR has been awarded and the contractor has commenced on a 3-month design and procurement process. The plant is expected to be operational by July 2021.

The application for the Long Term 35-year consent was submitted to WRC in the week of the 14th of September.

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 in loads from residential development from Lakeside and Te Kauwhata structure plan areas prior to the HIF funded new WWTP. Numerous interim activities have been undertaken to try and address the non-compliances on a short-term basis. These include:

- Major maintenance of the aqua discs and air lines
- Compressor maintenance
- Rock filter replacement

The mid Waikato Strategy has been completed and a preferred solution identified for Water and Wastewater. Consultation will be undertaken with stakeholders in July 2020 in parallel with design solutions for the upgraded plant progressing on the site. It is expected the MBR plant will be operational by December 2022.

A geotechnical and concept design brief was awarded in July 2020 and it is expected this work will inform the required pre-load and the consenting process.

A consenting strategy is being prepared and it is anticipated a new discharge consent application will be submitted to WRC in late 2021.

Raglan stormwater

The Raglan stormwater Discharge Consent has an Abatement Notice for 2018/2019 compliance period highlighting non compliances. The main issues are:

- Flooding at Cambrae Road
- Water Quality results and mitigation (hydrocarbons and heavy metals)
- High risk site identification and education
- Reporting (changes to SW network)
- Review of the Stormwater Management Plan
- Review and update of the monitoring program

Watercare has completed a detailed review of the outstanding non-compliant consent conditions.

Following this review the following actions have been undertaken:

- Flood mitigation: Multiple options have been discussed with the property owners at Cambrae Road and a piped solution is nearing pre-approval. Once confirmed WSL will move to detailed design followed by consenting and construction.
- A meeting has been held with the WRC to confirm WSL's approach for resolving the non-compliances as well as a letter requesting a revision to two of the abatement notice items and an extension for some of the longer term solutions.
- The sampling programme has been reviewed and changes made for the proposed sampling regime for 2020/2021
- A consultant has been engaged to update the District Wide Stormwater Operations Management Plan
- The annual report will provide close out of the reporting issues that is currently being drafted.
- High risk sites have been identified and discussions with land owners/managers have been undertaken. There are 2 sites requiring further follow up (2020/2021).

3.6 Compliance

- All compliance reports for October are due to be submitted to Waikato Regional Council and Waikato Regional Public Health Service during the first week of November.
- Chemical exceedance (Bromate) was noted at the Te Akau WTP. The supplier of Hypochlorite has been changed and the issue is resolved. Bromate sampling continues at the WTP for monitoring purpose.
- Q3 Quarterly surveys completed in DWO for the DWSNZ compliance- quarterly meeting with Wai comply is scheduled during November.
- 2019-20 DWSNZ Annual Survey compliance report received from WRPHS and ARPHS demonstrated full compliance across the WDC supplies.

3.7 Customer

- The customer team continues as business as usual
 - Focus on 6 monthly data cleansing continues
 - Identifying missing data or attributes for charging.
 - continuing to work with Council Contact Centre with updates and communications. Workshop with Council Customer team to be confirmed
- Shared services Trade Waste transitioned to Customer Care Rep team from 1 October 2020, focus of collating and cleansing data received and ensuring transition to WSL smooth and efficient for customer.

3.8 Strategic Resource Consents

Raglan WWTP resource consent application

Technical

- With sand depth to bedrock now known through earlier testing, theoretical design of an outlet that maximises dispersion ability, and is secured to the bedrock can continue. Beca engineers are undertaken this theoretical work, which would consider directional drilling to a suitable location. This refine cost estimates for any such option.
- Letters have been landowners (highlighted within the Oct report), who have the most favoured theoretical irrigation sites. The consenting project was explained within the letter, where it was highlighted that large areas of Raglan farm land would be needed for any irrigation discharge option, that would cover multiple farms with gully damming and (ii) the project team was open to any 'non-committal' discussion if there is any landowner interest in the project in terms of sale or long term lease. Earlier letters were sent to 14 landowners, where feedback was that owners are happy with present farming activities being undertaken.
- A fish survey is planned in early November by Beca ecologist within the tributary next to the WWTP given that this is the proposed discharge location of any highly treated wastewater that meets cultural bottom-lines. Results will establish any mitigation potential, or natural processes that are not compatible with any treated wastewater discharge.

Costing Work

- Costing of options is very technical work, of critical importance in determining the 'Best Practical Option' (i.e. financially practical treatment and discharge option to form part of the application). Costing scenario building by the project team commenced in October, to cover the following four land irrigation scenarios presented in the table below. Concept design and pricing work will be completed by end of November, where this will encompass point source (marine) and Membrane Bioreactor treatment with freshwater discharge (adjacent tributary that joins the Wainui Stream).

Irrigation type	Accompanying Discharge
Private land	100% to land (winter storage)

Private land	Winter discharge to marine, with ability of some onsite storage (25,000m ³)
Public land	Supplemented with year-round discharge given inadequate land areas capable of effective discharge

History

- The table below summarises consenting history of the Raglan WWTP

Time line	Description
1970's	The Raglan WWTP oxidation pond system and harbour discharge was established (via the Wainui Stream)
1997	WDC lodged an application with WRC for resource consents for proposed upgrades to the WWTP and for discharges to air and water. WRC granted the application with conditions; Tainui and four parties appealed the WRC decision to the Environment Court, which resulted in mediation and a requirement for WDC to undertake investigations into land irrigation for discharge. Despite several years of investigations, a viable discharge to land solution was unable to be confirmed. As a result, there was no mediated settlement and the matter was heard by the Environment Court
2004	In 2004, the Environment Court granted WDC resource consent to discharge wastewater into the Whāingaroa Harbour, subject to conditions, for a 15-year term. The consent order permitted coastal discharge of treated wastewater up to 2,600m ² , occupation of the coast marine area (outfall pipe) and discharge to air.
2019	Waikato District Council began application preparation which encompassed engagement with hapū and a key stake holders group. Optioneering focused on pond treatment and land irrigation potential alongside an improved point source discharge. Lodgement of a place holder application (continue status quo) was needed in order to maintain legal operation while providing greater application and engagement time.
Images 1-3 (below) provide a consenting history as seen from a hapū perspective, where their diminished ability to perform a kaitiaki role is described.	

22.4.2.1 Raglan sewerage scheme

For over 40 years, Te Rohe Pōtae Māori have opposed Raglan's sewage treatment schemes, which have been discharging sewage into the Whāingaroa Harbour, once an abundant source of kai moana and the location of wāhi tapu. Te Rohe Pōtae Māori have felt shut out and let down by decisions regarding sewage and sewerage in their rohe. The claimants argued that the Crown breached their Treaty rights when it enacted a number of resource management schemes, delegating management of the harbour and its resources to local authorities, and as a result failed to account for their mana and kaitiakitanga.³³³ They criticised the Crown for 'the systematic loss of cultural identity and the ability for effective decision making due to various mechanisms that have stemmed from Crown legislative and delegated authority.'³³⁴

Despite the sewerage system undergoing frequent periods of review and occasional upgrades, little has changed. Māori complaints regarding the sewerage schemes have not diminished since their establishment. In addition to their inability to exercise kaitiakitanga, claimants told us how the treatment plant continuously failed to comply with the relevant water right conditions set by the Crown and its delegated local authorities, leading to polluted waterways, the loss of customary kai moana fisheries, and the desecration of culturally significant sites.³³⁵ Throughout the period, a pattern emerges in which sewerage systems recurrently failed as Māori concerns continued to fall on deaf ears.

Raglan's first sewage treatment system was made up of a series of septic tanks. The tanks were connected to field tile soakage, which would allow the sewage to be broken down as it leached into the soil. However, soakage was poor in some areas and the disposal method became a health risk. In 1970, the Raglan County Council proposed a new sewage treatment system including a two-stage oxidation pond. It also applied for the right to discharge up to 200,000 gallons of treated domestic waste per day into Raglan Harbour.³³⁶ The director of the National Water and Soil Conservation Authority noted at the time that the area contained 'extensive shellfish beds' and that 'any discharge from the proposed oxidation ponds must be of such quality as to maintain SA standards in the shellfish waters.'³³⁷

In January 1971, the Authority granted the county council a 10-year permit to discharge treated sewerage into the Whāingaroa Harbour, subject to a series of conditions, including 'the ponds being continuously operated and adequately

332. Document 853(b) (Joseph et al), p 9.

333. Submission 3.4.210, p 71; doc A152, p 3.

334. Document A99 (Ellison, Greensill, Hamilton, Te Kanawa, and Rickard), p 133.

335. Document A152 (Fisher), p 10.

336. Document A152, p 86.

337. Document A152, p 87. The 'sA' classification was the highest quality for saline water, referring to waters specifically used for shell-fishing.

within three years.³⁵⁴ They also agreed that a Raglan Sewerage Consultative Group would be formed. Half of the Consultative Group was to be made up of representatives from the district and regional councils and the other half, representatives of local Māori. Together, the group would make recommendations to the councils on proposed upgrades to the sewerage system.³⁵⁵ However, in February 1994, when the Consultative Group was still being established, the district council was granted a four-year permit to discharge sewage from the oxidation ponds, once again without consulting Māori. That year the faecal coliform count in the harbour rose from less than one per 100 mL in 1991 to between 700 and 2,400 per 100mL, twelve times the limit for bathing waters.³⁵⁶ Reports also found that eating oysters from the area 'posed an extreme health risk', with Māori noting – and DOC confirming – a loss of 70% of their kaimoana.³⁵⁷

In June 1994, following complaints that local Māori were still not being consulted, the Raglan Sewerage Consultative Group met to discuss possible alternative sewage treatment and disposal systems. At the meeting, Māori outlined their continued opposition to the location of the oxidation ponds over the lair of the taniwha Te Atai o Rongo and the discharge of sewage into the harbour near Poihakena Marae, later noting that as 'far as the tangata whenua were concerned, a land based system was the only alternative in view of the custom that what comes from the land must go back to the land.'³⁵⁸ The district council, however, asserted that the soil and topography of the area were not suited to a purely land-based disposal system and approved a wetland system that would continue to discharge treated waste into the harbour.³⁵⁹ Local Māori again strongly opposed the resource consent for the new system and in 1998, the district council agreed that the oxidation pond over Te Atai o Rongo would be decommissioned and the new outfall pipe would not be routed through Te Kopua land, though otherwise the scheme was to go ahead as planned.³⁶⁰ In June 2000, the Raglan Wastewater Working Party was established to further explore alternative options to harbour-based discharges but in 2002 concluded that land-based disposal schemes were too expensive and not suitable for Raglan's topography.³⁶¹

After failing to stop the resource consents for the new sewage system, Māori instead appealed to the Environment Court to have the consent shortened from the proposed 15 years to five. The court rejected this appeal, concluding that local Māori had been consulted extensively and that land-based options were not economically feasible.³⁶²

354. Document A152, pp 131–132.

355. Document A152, p 132.

356. Document A152, p 134.

357. Document A152, p 134.

358. Document A152, pp 142–143.

359. Document A152, pp 144–145.

360. Document A152, p 148.

361. Document A152, pp 167, 176.

362. *Tainui Hapu v Waikato Regional Council* [2004] NZEnvC 156, paras 1–2, 188.

Throughout the following decade, the sewage system exhibited a 'pattern of sewage spills and emergency overflows' amidst continued complaints from local Māori.³⁶³ Despite compliance reports consistently finding the system at a level of 'significant non-compliance' the regional council did not take any significant enforcement action during this period.³⁶⁴ Indeed, a recent report by the Auditor-General into the management of freshwater fisheries found that the Regional Council did 'not appear to currently have effective strategies of management systems to address risks associated with significant non-compliance and/or repeated non-compliance.'³⁶⁵ Ultimately, the fallout following the Environment Court decision was immense and continued to affect the working relationship Māori had with the district council while our hearings were being held.³⁶⁶

Although the Crown (and the agencies to which it delegated its powers) responded to Māori concerns regarding the sewerage system, they always did so 'within the confines of the development of a sewage system that would still discharge wastewater into the Harbour against the wishes of tangata whenua.'³⁶⁷ In the meantime, Māori continue to grieve at the continued destruction of the harbour, as claimant Angeline Greensill notes:

The ponds sit like a festering carbuncle on our awa, our moana, our takutai moana. It has degraded our waterways, kaimoana areas adjacent to our marae and contributed to the destruction of traditional practices. Our refrigerator is now a thoroughfare for the human excrement of the residents of Raglan . . . Attempts to have the sewage pipeline decommissioned, the oxidation pond removed and the discharges of effluent into the Whaingaroa/Raglan Harbour terminated have been going on since 1974 . . . And who remains to clean up the mess[?]³⁶⁸

Images 1-3:

Meremere WWTP Resource consent

- The 35-year discharge consent application was lodged in October 2020. The Waikato Regional Council (WRC) Ecologist is still reviewing the application, where a further information request is anticipated soon;
- An interim WRC 'further information request' has been received by which has been responded to, where proposed conditions have been submitted by Watercare;
- An outline plan of works (OPW) is an RMA requirement by a district council when changes to a designated site are proposed. The project team has submitted an OPW to Waikato District Council for the proposed MBR, outlining final form of the plant and mitigation to accompany construction and operation. Council will respond in early or mid-November with any feedback;
- The project team will be co-ordinating a site blessing with hapū prior to any works. This is anticipated in November.

Te Kauwhata WWTP

- The consenting strategy submitted to the Water Governance Board in October 2020 requires amendments to application preparation prior to Board approval. This was decided at the prior Board meeting after robust discussion with relevant hapū, who are a critical partner in determining an acceptable treatment and discharge solution;
- Broadly, there is agreement in principle by Waikato District Council, hapū and key stakeholders to progress a treatment upgrade to a Membrane Bioreactor (MBR). This allows advancement of concept design and undertaking necessary RMA processes (meeting OPW, National Standards and Regional Council statutory requirements) during November. Below highlights the technically favourable location for a MBR which is within the plant wetland.
- Water testing has been undertaken over several months at locations entering and exiting the wetland. It is established that water quality lessens as it exits the wetland (i.e. through natural processes such as bird fouling), where it is understood through discussion on the basis that land contact remains prior to discharge, hapū would be satisfied with an interim wetland bypass until a culturally acceptable discharge solution is design. This position allows for concept planning of the site, as shown in the diagram below.
- Continued engagement will occur with hapū and the Te Kauwhata Wastewater Treatment Consulting Group during November, which builds upon actions covered at the recent public e-meeting held on 28th October.



Mid Waikato Strategy

Methodology to enable cultural scoring of the strategy is still to be determined. Agreement on any procedure with hapū from servicing areas is still required, with further discussions planned for November. The ability to obtain agreement is not known, where a certain time line can therefore not be provided. Greater certainty should be available at the next WGB update.

3.11 Summary of Abatement Notices for Compliance Periods prior to October 2019

Wastewater Treatment

- The Te Kauwhata WWTP Discharge Consent – Abatement Notice for 2018-19 compliance period the abatement notice requires Total Kjeldahl Nitrogen (TKN), Total Nitrogen (TN), Total Phosphorus (TP) loads and E.coli exceedances to be resolved
- Meremere WWTP Discharge Consent – Abatement notice for 2018/2019 compliance period requires Total Suspended Solids (TSS) exceedance and discharges outside permitted discharge periods to be addressed

Stormwater

- Raglan Stormwater Discharge Consent – Abatement Notice for 2018/2019 compliance period requires various items including the Stormwater Operations Management Plan and sampling programmes to be reviewed and updated. There is also a requirement to restart the Raglan Stormwater Community Liaison Group.

Appendix 1 – Health and Safety Statistical Reporting

Figure 1: LTIFR Values

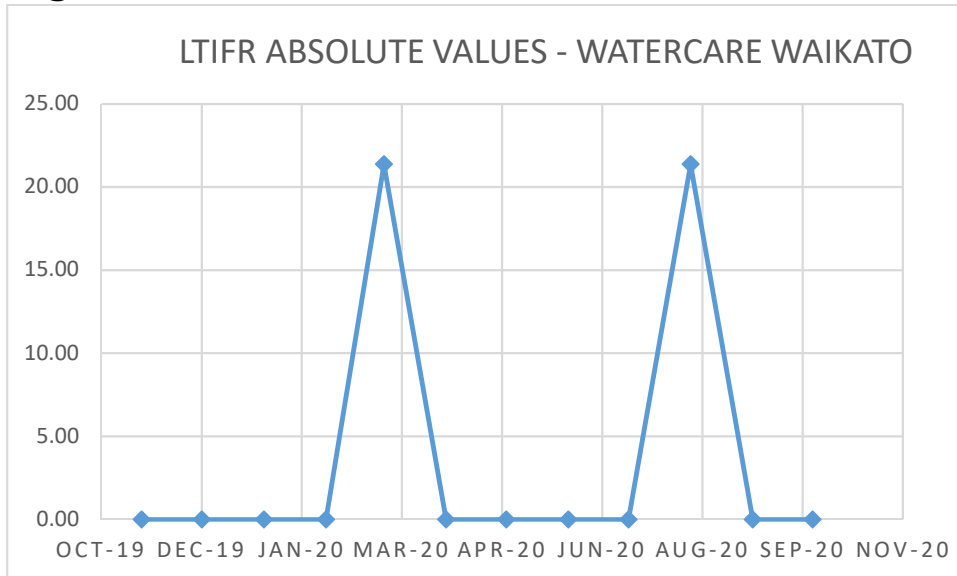
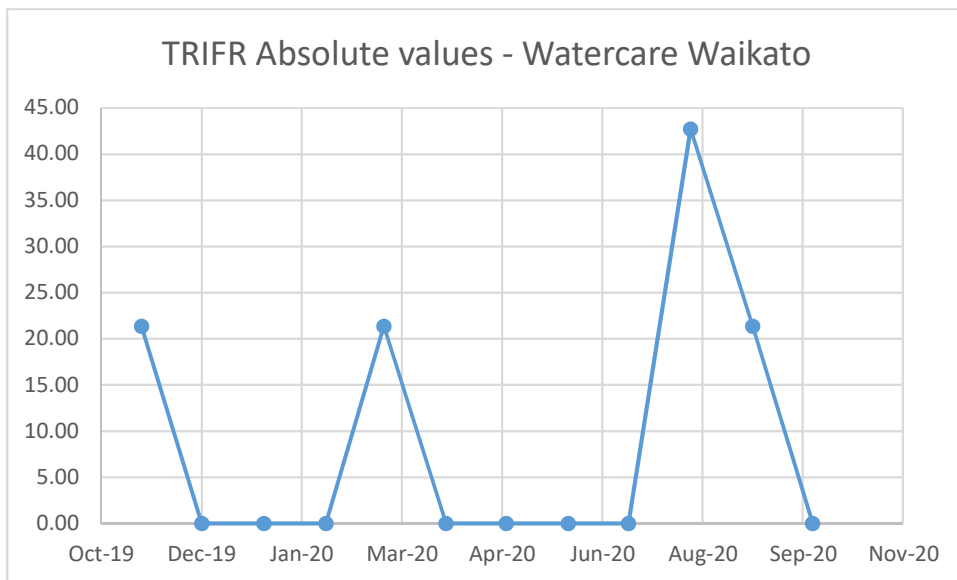


Figure 2: TRIFR Values



Appendix B Training Matrix – updated for WSP's

Training Required	
Mandatory	To review 1 Oct 2020
Acknowledged	Acknowledged holds
Optional	
Unsure relates?? Remove	

TASKS and/or ACTIVITIES	Review	Personnel																										
		Production	Gil Myers - Manager	Nigel Connelly - Process Engineer/Technologist	Alicia Blom - Maintenance Controller	Quinn Coyle - Water Treatment Operator	Cesar Waksman - Water Treatment Operator	Mark Doughty - Water Treatment Operator	David Luke - Water Treatment Operator	Danny Duffull - Water Treatment Operator	Tony Gray - Water Treatment Operator	Operations	Rob Ball - Manager	Ross Dillon - Senior Operations Engineer/Technician	Dan Su - Operations Engineer/Technician	Abbs Safa - Operations Engineer/Technician	Josh Deane - Network Supervisor	Jimmy Foggin - Water Team Leader	Caleb Deane - Network Serviceman	Michael Hodgson - Network Serviceman	Rex Wilbore - Network Serviceman	Tahi Don - Network Serviceman	Jacob Patterson - Network Serviceman	Brian Tahu - Wastewater Team Leader	Major Kahukura - Network Serviceman	Ross Erthe - Network Service	Mark Thom	
Drivers Licence (Full)																												
Comprehensive First Aid																												
Advanced Driving Competence																												
Confined space & Gas Detection																												
Height Safety																												
L TSA Basic TC level 1																												
Breathing Apparatus Operational																												
H&S Inductions																												
Inoculations																												
On Call																												
Fire Extinguisher course																												
Wetwell																												
Sewer																												
Water Safety Training (Workplace water safety)																												
Chemical Awareness																												
Chemical Handler																												
Chlorine Gas Handling																												
Chain Saw course																												
Water																												
Rechlorination																												
Wastewater																												
L TSA STMS level 1																												
Elevated work platforms																												
Trailer mounted MEWP																												
Hiab																												
Dogman																												
Gantry Operation																												
Wheeled Tracks and Rollers																												
CLASS 2 (HT)																												
CLASS 4																												
OSH & F Endorsement Course (Forklift)																												
Fire Warden																												
Permit Receiver																												
Isolations Procedure																												
Team Leader (Mentor)																												
Supervisor Water (Mentor) (EMA NZ Certificate in Business and Communication)																												
Supervisor Wastewater (Mentor) (EMA NZ Certificate in Business and Communication)																												
Relevant Industry qualification Level 5																												
Relevant Industry qualification Level 4																												
Relevant Industry qualification Level 2																												
Service / Industry experience 1		16	1	5.00	2.00	3.00	8.00	14.00	15.00																			
Service / Industry experience 5																												
Service / Industry experience 10																												
Service / Industry experience 20																												
Service / Industry experience 30																												
Service / Industry experience 40																												
Mentoring new wsl staff																												
Watercare induction trainings																												
Safe workplace																												
Work Place First Aid Training (Basic 6402/ Level 1 -6401 / Level 2-6400)																												
Personal safety/security at work																												
Fire Warden Training																												
MHF Emergency and Evacuation Plan																												
Emergency Drill																												
Fire Extinguisher																												

Healthy Hearts																							
Stress																							
Safe manual handling (Lifting)																							
Site Safety Audit Inspection Training (Synergi)																							
Site Safe training																							
Water Safety Training																							
AA/ISA/PTW Procedure																							
Height Training																							
Isolation competency - Isolation training																							
Confined Space and Gas Detection																							
Technical Trainings																							
Certified Chemical Handlers Training																							
Cl2 connect & Disconnect training																							
Chlorine Facility Operation Competency																							
Breathing Apparatus Operational Training																							
Chemical site induction? Refresher?																							
Gantry Crane Overhead Training																							
VHF Radio Transmitter Use and Operation Training? 10y refresher?																							
Forkhoist Driver Training																							
Drinking water standards (know where to find regulatory requirements, understand Water Safety Plans)																							
Environmental																							
Chemical spill management training (include dechlorination procedure)																							
Chemical delivery management, i.e: bunds valves at WKO)																							
Resource consents limits and Discharge Management Plans understanding																							
Professional development																							
Health and safety Leadership training																							
Incident response investigation and injury management																							
Contractor management																							
National Certificate in Drinking Water Treatment																							
National Diploma in Drinking Water Treatment																							
Workplace Assessor - Certificate																							
CPEng																							
Management Training - University Level																							
Site Safety Supervisors Training																							
IPENZ Project Management Training																							
KT Project Management																							
KT Problem Solving & Decision Making																							
Quality Auditing - Internal Auditing																							
DeltaV Implementation																							
SAP (to be further detailed?)																							
PI User Training																							
Advanced Report Writing Skills																							
Finance for Non-financial Managers																							
Presentation Skills Training																							
Microsoft Word Skills - Basic																							
Microsoft Word Skills - Advanced																							

Microsoft Excel Skills - Basic																				
Microsoft Excel Skills - Advanced																				
Maintenance Planners School -																				
Maintenance Planning																				
Finance training - WSL by numbers																				
Standard Operating Procedures (SOPs)																				
Production																				
Isolations Procedure	Annually																			
Chlorine Gas Drum Changeover	Annually																			
Physical Entry into Treated water reservoirs/chamber	Annually																			
UV module Cleaning	Annually																			
Manage a Level 1 Minor Local (Contained) Chlorine Gas Leak	Annually																			
Manage a Level 2 Moderate Local (Contained) Chlorine Gas Leak	Annually																			
Manage a Level 3 Major Local (Uncontained) Chlorine Gas Leak	Annually																			
UV Sensor Check - Raglan	Annually																			
Transport and Install Raglan Generator	Annually																			
Spill Free Chlorine Buffer (solution)	Annually																			
Manage spill of Phosphoric acid (solution)	Annually																			
Enter Data into the weekly verification tab	Annually																			
Enter data into water outlook primary calibration	Annually																			
Manage SCADA On-Call and Alarm system – Treatment Plants	Annually																			
Respond to SCADA Alarms for Treatment Plants	Annually																			
Create a Trends Page on Archestra	Annually																			
Perform a Calibration for the real UV254 (realtech)	Annually																			
Perform a Primary Calibration for the Chlorine Analyser (Deplox 3)	Annually																			
Perform a Primary Calibration on the Hach Turbidimeter	Annually																			
Perform a Primary Calibration on the pH Analyser (Crius)	Annually																			
Perform a Primary calibration on the pH analyser (Depolox 3)	Annually																			
Perform a Primary Calibration on Treated Water Chlorine Analyser	Annually																			
Perform a Verification for the Chlorine Analyser (Crius)	Annually																			
Perform a Verification for the Chlorine Analyser (Depolox 3)	Annually																			
Perform a Verification for the Hach Turbidimeter	Annually																			
Perform a Verification for the pH Analyser (Crius)	Annually																			
Perform a Verificiation for the pH Analyser (Depolox 3)	Annually																			
Undertake a Water Shutdown (Planned or unplanned)	Annually																			
Operations																				
Carry Out Reservoir Inspections	Annually																			
Customer Water Quality Complaint	Annually																			
Flush a water main (routine and Reactive)	Annually																			
Install / Replace a Faulty Water Meter	Annually																			
Inspect and Test Hydrants	Annually																			
Installing a New Hydrant or Valve	Annually																			
Investigate a Water Pressure or Flow Complaint	Annually																			
Manage SCADA On-Call System - Reticulation	Annually																			
Perform a chorine test to check for potable water	Annually																			
Remove / Reinstall Flow Restrictors in Rural Metered Water Connections	Annually																			
Repair a Major Water Break	Annually																			
Repair a Minor Water Break	Annually																			
Undertake a Water Shutdown (Planned or unplanned)	Annually																			
Response Plans																				
Manage Water Mains Failure on Bridge	Annually																			
Respond to Cyanobacteria Bloom (002)	Annually																			
Respond to E. coli in the network	Annually																			
Respond to high chlorine in the network	Annually																			
Respond to High Fluoride in the network	Annually																			
Respond to low chlorine in the network	Annually																			

Appendix C Working Alone Tool Box Guide

Toolbox Talk



WORKING ALONE

DESCRIPTION: A lone worker is someone who works in isolation from other workers, without close or direct supervision.

Identified situations where working alone may arise include:

- People working alone at plants or facilities
- After-hours workers; control room staff, cleaners, call out work, maintenance and repair
- Mobile workers; in construction, maintenance and repair, plant installation, sampling, inspection, meter reading, customer liaison, security and cleaning work away from their normal fixed base



Team Discussion Questions:

1. What are typical situations that you work alone?
2. What type of situations shouldn't you work alone?
3. What equipment do you need to make sure you have when working alone?
4. Who do you check in with and how do you check in?

STAYING SAFE – Working alone

Working alone is safe if the appropriate controls are in place. Do the following to stay safe when working alone.

Prestart

Consider and assess:

- Is the task prohibited for lone work? i.e. confined space entry **MUST** be two or more people.
- Can the risk be controlled by one person?
- Is there adequate communication?
- Do I need extra help or experience on this job?
- Do I have the right tools to do the task alone?
- What is the emergency plan, can I manage it alone?

During Work

- Check in - Let someone know your work plan, where you are and when you intend to be finished
- Always keep communication tools with you
- If the risk changes – STOP and reassess. Only continue alone if it is safe to do so.
- **Alarm response -**

OTHER HAZARDS AND RISKS to look out for when working alone

- **Security.** Always check your surroundings, close security gates, don't engage aggressive people or animals – retreat to vehicle and make an exit.
- **Work Environment.** Have changes to weather, visibility or general work environment made lone working unsafe?
- **Manual Handling.** Is it safe to lift / move alone?
- **Fatigue.** Are you feeling alert and confident to work alone today?

RESOURCES

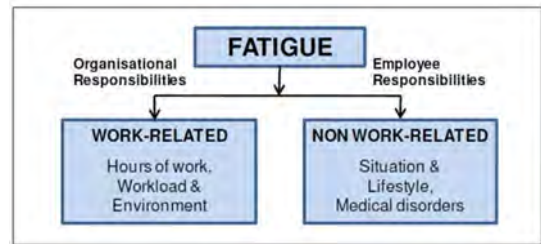
- Key Requirement – [Working Alone](#)



DESCRIPTION: Fatigue is more than feeling tired and drowsy. Fatigue is a state of mental and/or physical exhaustion that affects your ability to perform work safely and effectively.

It can occur because of prolonged mental or physical activity, sleep loss and/or disruption of the internal body clock.

Fatigue can be caused by factors that may be work related, non-work related or a combination of both, and it can accumulate over time



Team Discussion Questions:

1. When might fatigue set in at work?
2. What do you do that helps you get a good sleep?
3. What are the signs you may be fatigued?
4. What is the difference between tired and fatigued?

Feeling tired is normal if you had a late night and then feel tired the next day. But fatigue (either normal or extreme) can become a concern when it affects your health and safety. For example, it's a problem if you're likely to doze off in situations where you need to maintain alertness, such as while driving or operating heavy machinery.

STAYING SAFE – Preventing and managing fatigue

Do the following to prevent and manage fatigue

Before Work

- Use time off work to obtain enough good sleep
- After night call-outs make sure to catch up on sleep as soon as possible
- Use healthy sleep practices like restricting screen-time before bed, or black-out curtains for day sleep.

Prestart

- Hydrate and self-check your alertness.
- Let your supervisor know if fatigue may be factor for you today at work

During Work

- If fatigue sets in while driving. STOP, pull over and have a power nap (15mins).
- If fatigue is still a factor, notify your supervisor immediately.

OTHER HAZARDS AND RISKS to look out for when fatigued

- **Driving** - particularly long distances or winding roads
- **Operating machinery**
- Any task requiring high levels of **concentration or accuracy**
- **Traffic** – working in the road corridor near live traffic
- **Hazardous Energy** – working around underground or overhead services. Isolating plant and equipment.
- Working with **hazardous substances**

RESOURCES

- Key Requirement – [Working While Fatigued](#)
- Guideline – [COVID19 and Fatigue](#)

Open Meeting

To	Waters Governance Board
From	Gavin Ion Chief Executive
Date	4 November 2020
Prepared by	Lynette Wainwright Committee Secretary
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	2021 Schedule of Meetings

I. EXECUTIVE SUMMARY

The purpose of this report is to seek the Board's approval to a proposed schedule of Board meetings for 2021.

Following confirmation of availability of Board members in 2021, it is proposed to meet six-weekly from 10.00am to 2.00pm on the following dates:

- Tuesday, 23 February,
- Thursday, 8 April,
- Tuesday, 18 May,
- Tuesday, 29 June,
- Tuesday, 10 August,
- Tuesday, 21 September,
- Tuesday, 2 November, and
- Tuesday, 14 December.

Workshops and additional (extraordinary) meetings may be required during 2021, and these will be scheduled in consultation with Board members.

If approved, staff will arrange for meeting invitations to be circulated to Board members and other stakeholders.

2. RECOMMENDATION

THAT the report from the Chief Executive be received;

AND THAT the Waters Governance Board approves the schedule of Board meetings for 2021 as follows:

- Tuesday, 23 February,
- Thursday, 8 April,
- Tuesday, 18 May,
- Tuesday, 29 June,
- Tuesday, 10 August,
- Tuesday, 21 September,
- Tuesday, 2 November, and
- Tuesday, 14 December,

noting that each meeting will be scheduled to commence at 10.00am.

3. ATTACHMENTS

Nil

Open Meeting

To	Waters Governance Board
From	Gavin Ion Chief Executive
Date	11 November 2020
Prepared by	Lynette Wainwright Committee
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Exclusion of the Public

I. RECOMMENDATION

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
PEX Item 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)
PEX Item 2 Actions		
PEX Item 3.1 Contract Financial Report – October 2020		
PEX Item 3.2 Proposal to vary Agreement due to the Three Waters Reform		

PEX Item 3.3 3 Waters Long Term Plan Scenario Recommendation		
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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
PEX Item 1 Confirmation of Minutes		Refer to the previous Public Excluded reason in the agenda for this meeting.
PEX Item 2 Actions Register		Refer to the previous Public Excluded reason in the agenda for this meeting.
PEX Item 3.1 Contract Financial Report – October 2020	7(2)(a)	To protect the privacy of natural persons, including that of deceased natural persons.
	7(2)(b)(i)	To protect information where the making available of the information would disclose a trade secret.
	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
	7(2)(j)	To prevent the disclosure or use of official information for improper gain or improper advantage.
PEX Item 3.2 Proposal to vary Agreement due to the Three Waters reform	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
	7(2)(j)	To prevent the disclosure or use of official information for improper gain or improper advantage.

PEX Item 3.3	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
3 Waters Long Term Plan Scenario Recommendation	7(2)(j)	To prevent the disclosure or use of official information for improper gain or improper advantage.

AND THAT Ms Danks be permitted to remain at this meeting, after the public has been excluded, because of her knowledge of Watercare. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because of Watercare’s role and responsibility for those matters.