

Agenda for a meeting of the Waters Governance Board to be held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **TUESDAY, 22 NOVEMBER 2022** commencing at **10.00am**.

**1. APOLOGIES AND LEAVE OF ABSENCE**

**2. CONFIRMATION OF STATUS OF AGENDA**

**3. DISCLOSURES OF INTEREST**

The register of interests is no longer included on agendas, however members still have a duty to disclose any interests under this item.

**4. CONFIRMATION OF MINUTES**

Meeting held on Tuesday, 11 October 2022 11

**5. ACTIONS REGISTER**

**6. REPORTS**

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**7. EXCLUSION OF THE PUBLIC**

GJ Ion  
**CHIEF EXECUTIVE**

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## TERMS OF REFERENCE AND DELEGATION

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

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

**The Board is delegated the following powers to act:**

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

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- 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.

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<b>To</b>	<b>Waters Governance Board</b>
<b>Report title</b>	<b>Register of Interests</b>
Date:	Wednesday, 9 November 2022
Report Author:	Elizabeth Saunders – Democracy Advisor
Authorised by:	Gaylene Kanawa – Democracy Manager

## **1. Executive summary**

### **Whakaraapopotanga matua**

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

## **2. Staff recommendations**

### **Tuutohu-aa-kaimahi**

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**THAT the Waters Governance Board receives the Register of Interests.**

## **3. Attachments**

### **Ngaa taapirihanga**

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Register of Interests – Water Governance Board

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## Register of Interests – Waters Governance Board

### Ruku Schaafhausen

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

### Garth Dibley

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

David Wright

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

Gavin Ion

<b>Companies and Trusts</b>	Trustee and Beneficiary in a family trust
<b>Community organisations</b>	<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 &amp; Safety Forum Steering Group</p> <p>RMA Commissioner</p> <p>Member of the Waikato Regional Leadership Group</p>
<b>Other appointments</b>	<p>Chief Executive, Waikato District Council</p> <p>Director, Waikato Local Authority Shared Services Limited</p> <p>Chair, Audit &amp; Risk Committee (WLASS)</p>
<b>Property within the District</b>	Nil
<b>Any other interests</b>	Nil



Jackie Colliar

<b>Companies and Trusts</b>	Te Whakakitenga O Waikato Inc Member of Te Arataura
<b>Community organisations</b>	Nil
<b>Other appointments</b>	Trustee and Chair of Taniwha Marae Trustee (Taniwha Marae Representative) – Nga Muke Development Trust Waipa District Council – Co-Governance Committee Waikato Regional Council – Co-Governance Committee Waikato River Authority Board Member Director – WEL Networks
<b>Property within the District</b>	Nil
<b>Any other interests</b>	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

<b>To</b>	<b>Waters Governance Board</b>
<b>Report title</b>	<b>Confirmation of Minutes</b>
Date:	Wednesday, 9 November 2022
Report Author:	Elizabeth Saunders, Democracy Advisor
Authorised by:	Gaylene Kanawa, Democracy Manager

## **1. Purpose of the report**

### **Te Take moo te puurongo**

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To confirm the minutes for a meeting of the Waters Governance Board (WGB) held on Tuesday, 11 October 2022.

## **2. Staff recommendations**

### **Tuutohu-aa-kaimahi**

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**THAT the minutes for a meeting of the Waters Governance Board held on Tuesday, 11 October 2022 be confirmed as a true and correct record.**

## **3. Attachments**

### **Ngaa taapirihanga**

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Attachment 1 – WGB Minutes – Tuesday, 11 October 2022.

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**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 **TUESDAY, 11 OCTOBER 2022** commencing at **10.02AM**.

**Present:**

Mr D Wright (Chair)  
Mr G Dibley  
Mr GJ Ion (Chief Executive, Waikato District Council)  
Ms J Colliar (Intern – *via audio visual link from 10.32am*)

**Attending:**

Ms C Nutt (Waters Contract Relationship Manager)  
Mr K Martin (Waters Manager)  
Mr D Sharma (Three Waters Reform Project Manager)  
Mr I Cathcart (Special Infrastructure Project Manager *via audio visual link*) – *from 10.31 am*  
Mr M Telfer (Watercare – *via audio visual link*)  
Mr R Ball (Watercare)  
Mr M Bourne (Watercare)  
Mr R Pullar (Watercare)  
Mr J Turner (Watercare)  
Mr P Crabb (Watercare – *via audio visual link*)

Ms E Saunders (Democracy Advisor)

**APOLOGIES AND LEAVE OF ABSENCE**

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

**THAT** apologies from Ms R Schaafhausen for non-attendance and apologies for lateness from Ms J Colliar be received.

**CARRIED**

**WGB2210/01**

**CONFIRMATION OF STATUS OF AGENDA ITEMS**

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

**THAT** the agenda for a meeting of the **Waters Governance Board Meeting** held on **Tuesday, 11 October 2022** 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;

**CARRIED**

**WGB2210/02**

**DISCLOSURES OF INTEREST**

There were no disclosures of interest.

**CONFIRMATION OF MINUTES**

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

**THAT** the minutes of a meeting of the **Waters Governance Board Meeting** held on **Tuesday, 30 August 2022** be confirmed as a true and correct record of that meeting.

**CARRIED**

**WGB2210/03**

**REPORTS**

Actions Register  
Agenda Item 5

The report was received by the board and further discussion was held.

The Waters Contract Relationship Manager spoke to the board and gave an update on the actions register.

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

**THAT** the actions register be received.

**CARRIED**

**WGB2210/04**

Three Waters Reform Project

## Agenda Item 6.1

The report was received by the board and further discussion was held.

- The Three Waters Reform Manager spoke to the report and further questions were asked around the recruitment process which were answered by The Waters Manager.

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

**THAT the Waters Governance Board**

- Receives the report**
- Notes that the project management for Three Waters Reform is ongoing**

**CARRIED**

**WGB2210/05**

Three Waters Governance Report – September 2022

## Agenda Item 6.2

Mr M Telfer spoke to the report which was received by the board and further discussion was held. Mr Telfer highlighted some key aspects of the report and took questions from the board.

- Mr Dibley asked whether Worksafe were notified of one particular incident at the Huntly Power Site as well as WEL Networks – the incident should have been notified according to regulations set down by Worksafe. Mr Telfer to come back to the board with further clarification around this incident and the steps taken.
- Mr R Pullar confirmed that a meeting was scheduled to take place later on in the week or early next week with the land owner in relation to RWTP Resource Consent and further update will be provided. The board and Watercare had a discussion around what further needs to be done to move this along – Waikato Regional Council are also asking for updates.
- Mr Dibley asked a question re: Water Monitoring Bore at Matangi and how often water is being tested? Watercare to come back to the board with the answer on frequency of testing. Mr Telfer also confirmed to the board that the frequency of sampling vs the adequacy of sampling is something that is considered to mitigate risk and whilst there may be minimum requirements and consent requirements when it comes to sampling Watercare bases it's decision making on having a high level of confidence in ensuring risks are mitigated.
- Ms J Colliar asked a question around Mortuary Waste and whether we had a facility in the Waikato District. No current facility in the district however WDC will undertake to understand the needs of customers & funeral homes moving forward.

**ACTION:** Mr M Telfer to come back to the board urgently with clarification of notification of incident to Worksafe and if permissions were granted by WEL – better actions going forward.

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

**THAT the Waters Governance board receives the report.**

**CARRIED**

**WGB2210/06**

Smart Networks Information Paper  
Agenda Item 6.3

Mr M Telfer spoke to the report which was received by the board and further discussion was held. Mr Telfer gave a verbal update to the board and highlighted key points of the report.

- General discussion held around Smart Metering – Mr Dibley made comments to the board in support of Smart Metering and the report.
- Mr Wright asked about costs and the NTU and further discussion was held. Further updates around this and waterloss are to be brought back to the board.

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

**That the Waters Governance Board receives the report and;**

- a) **Implement a trial including detailed network data analysis and improved data collection using smart technology for leak detection, network operations (Tuakau) and I&I (Huntly and Raglan).**
- b) **A Smart meter trial is implemented utilising Watercare technology once further discussion is held with the NTU about smart meter planning for entity B.**

**CARRIED**

**WGB2210/07**

Water Supply Zones - Final  
Agenda Item 6.4

Mr M Telfer spoke to the report which was received by the board and no further discussion was held.

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

**That the Waters Governance Board receives the report and;**

- a) **Advise Taumata Arowai and correct the registration of Huntly & Ngaruawahia supplies to reflect one supply system.**
- b) **Update Water safety plan descriptions, risk tables and contingency/incident response**
- c) **Create new drinking water supply zones**
- d) **Update the Taumata Arowai register with population data as per Appendix 2 based on the indicated data sources**

**CARRIED**

**WGB2210/08**

Huntly Wastewater Treatment Plant Upgrade  
Agenda Item 6.5

The Waters Manager spoke to the report which was received by the board and general discussion was held.

- Ms Colliar commented that these projects are a once in a lifetime project is some of our communities and wanted to ensure everything like Climate Change etc....is being considered.
- Mr Ion made the comment that this is time critical in terms of potentially securing funding and will like to keep pushing for an Early February rather than Late February delivery. Mr Telfer acknowledged this and is continuing to work towards this. Gavins comment – see recording. (Early February as opposed to Late February)

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

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

**CARRIED**

**WGB2210/09**

**EXCLUSION OF THE PUBLIC**

Agenda Item 7

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Item PEX 1 Confirmation of Minutes Item number PEX 2 Action Register	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
Item PEX 3.1 Waters Financial Results to 31 July 2022		
Item PEX 3.2 Scada RTU Business Case		

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
<b>Item PEX 1</b> <b>Confirmation of Minutes</b> <b>Item number PEX 2</b> <b>Action Register</b>	<b>Refer to the previous Public Excluded reason in the agenda for this meeting.</b>	
<b>Item PEX 3.1</b> <b>Waters Financial Results to 31 July 2022</b>	7 (2) (b) (ii)	<b>To protect information that would otherwise unreasonably prejudice a person's commercial position.</b>
	7(2)(h)	<b>To enable commercial activities to be carried out without prejudice or disadvantage.</b>
<b>Item PEX 3.2</b> <b>Scada RTU Business Case</b>	7(2)(b)(ii)	<b>To protect information that would otherwise unreasonably prejudice a person's commercial position</b>
	7(2)(h)	<b>To enable commercial activities to be carried out without prejudice or disadvantage.</b>
	7(2)(j)	<b>To prevent use of the information for improper gain or advantage.</b>
<b>Item PEX 3.3</b> <b>Tuakau/Pokeno Wastewater Network Upgrade Price Escalation</b>	7(2)(b)(ii)	<b>To protect information that would otherwise unreasonably prejudice a person's commercial position</b>
	7(2)(c)(i)	<b>To protect information that is subject to an obligation of confidence and to ensure the information avenue remains open, when it is in the public interest for it to do so.</b>
	7(2)(g)	<b>To protect legally privileged information</b>
	7(2)(h)	<b>To enable commercial activities to be carried out without prejudice or disadvantage.</b>
	7(2)(i)	<b>To enable negotiations to carry on without prejudice or disadvantage.</b>

*Resolutions WGB2210/10–WGB2210/15 are contained in the public excluded section of these minutes.*

Having resumed open meeting and there being no further business, the meeting was declared closed 12.17pm.

Minutes approved and confirmed this                      day of                      2022.

David Wright  
**CHAIRPERSON**

Unconfirmed

<b>To</b>	<b>Waters Governance Board</b>
<b>Report title</b>	<b>Actions Register</b>
Date:	Tuesday, 15 November 2022
Report Author:	Gavin Ion, Chief Executive

## **1. Purpose of the report**

### **Te Take moo te puurongo**

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To update/inform the Waters Governance Board on actions following the Waters Governance Board meeting held on Tuesday, 11 October 2022.

## **2. Staff recommendations**

### **Tuutohu-aa-kaimahi**

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**THAT the Waters Governance Board receives the Actions Register to November 2022.**

## **3. Attachments**

### **Ngaa taapirihanga**

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Attachment 1 – Action Register

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# Waters Governance Board<sup>20</sup> Actions Register

## OPEN MEETING

Meeting Date	Action	To Action	When	Status
7/06/2022	<p><u>Port Waikato, Te Akau and Onewhero Options Assessment Report</u></p> <p>A report to come to the Board with more accurate costings for the assessment options for the three small water supplies.</p>	<p>M Telfer, Watercare</p> <p>Keith Martin</p>	November 2022	Report included in the November Agenda.
30/08/2022	<p><u>Te Kauwhata Wastewater Discharge</u></p> <p>Watercare engineers to conduct further investigations into the options and provide detailed funding and analysis on the above options with final recommendation as to the best solution by February 2023.</p>	<p>M Telfer Watercare</p>	February 2023	<p>Wide ranging investigations to establish feasibility of present favoured discharge options are needed; specialist engagement is underway to establish this.</p> <p>Engagement commenced with Iwi and Hapu on how Maatauranga Maori world view can be considered and encapsulated alongside the Western science.</p> <p>Progress update will be available by February which will contribute to establishing a best practical option. Note the necessary RMA steps to prepare an application will extend beyond this timeline.</p>
11/10/2022	<p><u>Three Waters Governance Report – September 2022</u></p> <p>Mr M Telfer to come back to the Board urgently with clarification of notification of incident to Worksafe and if permissions were granted by WEL – better actions going forward.</p>	<p>M Telfer</p>	October 2022	Summary of investigation and actions was circulated to the Waters Governance Board via email in October.

<b>To</b>	<b>Waters Governance Board</b>
<b>Report title</b>	<b>Three Waters Governance Report – November 2022</b>
Date:	22 November 2022
Report Author:	Carole Nutt – Waters Contract Relationship Manager
Authorised by:	Gavin Ion - Chief Executive

## **1. Purpose of the report**

### **Te Take moo te puurongo**

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

## **2. Executive summary**

### **Whakaraapopototanga matua**

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

## **3. Staff recommendations**

### **Tuutohu-aa-kaimahi**

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**That the Waters Governance Board:**

- a) receives the report.**

## **4. Attachments**

### **Ngaa taapirihanga**

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Attachment 1 – Waikato DC Three Waters Governance Report – November 2022

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# WAIKATO DC THREE WATERS GOVERNANCE REPORT

## NOVEMBER 2022



Mathew Telfer  
Operation Manager  
Watercare Waikato  
November 2022

## 1. Highlights and lowlights

- There were no recordable injuries or lost time in September or October.
- All performance measures were achieved in October, except time to attend of 60min. All year-to-date results are achieved in all areas.
- Production staff has continued to be under pressure, and a resourcing paper will be given to the Governance Board in November to address the issue.
- Due to ongoing fluctuations in the raw water quality, the Huntly and Ngaruawahia plants have switched from 4 Log to 3 log on several occasions, and reduced consumption notifications have been used. This highlighted the ongoing challenges with these again plants and weather and river conditions. The plant remained fully compliant with NZ Drinking Water standards throughout this time.
- The shutdown of Pokeno to support Dines's cut-in of a new pipe was very successfully undertaken on 1 November. The planning included multiple parties and was very successful, and there were very few customer complaints during the event.
- The backflow inspection provider notified Watercare of the fraudulent activities of a staff member who was not completing inspections as reported. This impact was assessed, and the contractor is addressing the errors and has committed to meeting the agreed timeframe with no additional cost.
- Huntly WWTP contractor (Pump and Electrical Services Ltd) working onsite with a Hiab crane operator was distracted and struck the high voltage overhead wires with the crane boom tripping the power to the plant. No injuries occurred.  
This incident has been thoroughly investigated and has resulted in the contracting company being stood down from Hiab work until staff has been retrained and focused on the tasks, methodology, hazard analysis, and JSA procedure. The operator was training two new staff members at the time of the incident. Watercare has confirmed only one staff member should be taught at a time to avoid distracting operators.
  - Work safe was informed of the incident and has chosen not to investigate further.
  - The power line is believed to be a Wels asset, and Watercare will engage with Wels to have an audit of these assets completed.
  - Watercare and our contractors will have the requirement and importance of notifying other asset owners of working near their assets reinforced.
- The Resource consent for the Cambre road construction has been approved by WRC.

## 2. Health and Safety

### 2.1. What we've seen this month

- There was no Lost Time Injury (LTI) or Restricted Duties Injury (RDI) involving Watercare employees in September and October.
- There were zero recordable injuries involving contractors in September and October.
- The focus for September was Working at height and fixed and portable plant and equipment in October.

### 2.2. Looking ahead and wellbeing

- Traffic management re-certification training is scheduled in November, with changes to the training requirements and significant increases in training costs.
- A review of JSA and permit approvals process was undertaken, and additional staff approver training will be undertaken before the year's end.

### 2.3. Critical risks

Watercare is assessing one of our critical risks (Appendix 1) each month (excludes Nov and Dec) as per the schedule below.

### 2.4. October metrics

- There were no events resulting in injury in September or October.



## 3. Operations

### 3.1. Production

- The production team continues to focus on the raw water quality issues resulting from heavy rain, high Waikato River levels, and varying turbidity and organic content that impact the water treatment processes. Staff have worked extended hours to ensure that compliance was maintained.
- Due to staff shortages and new staff in training, the On Call coverage for Treatment Operators has been reduced to one week in three to provide coverage.
- Recruitment of staff to fill current Production team vacancies has been completed. We now have two new staff members enrolled in level 4 training for Water and Wastewater Treatment National Certificates.
- High incoming flows have impacted Wastewater Treatment Plants because of heavy rainfall. Infiltration is of significant concern at some plants.
- Wastewater treatment plants at Maramarua, Matangi, and Te Kowhai continue to have Stormwater infiltration causing issues with plant performance, and a project to identify the causes is being planned.
- Enabling works to upgrade the existing irrigation field at the Maramarua WWTP have been completed. Design work for the new irrigation field is underway
- The installation of a 185KW solar array is making good progress. Construction is complete and awaiting final inspection and handover. A requirement to have the panels fenced is being addressed.
- Dive team inspections of Ngaruawahia, Huntly and TeKauwhata WTP intakes have been completed.



### 3.2. Networks

- The replacement of 15+-year-old meters has commenced in Tuakau and Meremere. These areas contain the majority of meters in this year's renewals. All replacements in Meremere are complete, with the Tuakau rollout underway in November.
- RTU Upgrade Project – Delivery of the Kingfisher hardware is expected in mid-Nov, with the rollout of the hardware scheduled for the new year. The planning is underway in the interim. Raglan is planned to be the first area in the rollout.
- Leak Detection study – Detection Services have been engaged to carry out a large-scale leak detection survey in Tuakau township, as this area experiences high water loss rates. The entire urban network will be examined by FIDO bugs – units installed on hydrants/valves that use sonar to pinpoint leaks. Four hundred units have been leased from WSL Auckland for the trial. If this project yields positive results, it is expected to be rolled out in other areas to address leakage and the equipment purchased.
- Pokeno tie-in – Dines and WSL have been working on a plan to shut down the Pokeno network to allow a cut-in and realignment of a 450mm main. The shutdown was scheduled for 1<sup>st</sup> Nov, and a comprehensive communications plan was developed. This included letter drops to commercial customers, VMB signs at the 3 highway entrances to Pokeno village, targeted notifications for dialysis patients and Taumata Arowai, and social media was utilised to ensure maximum awareness of the shutdown. The work methodology was developed by Dines and approved by WSL.
- Faults of significance – Significant comms issues in Ngaruawahia were experienced on several occasions in late October. Comms at multiple sites dropped off and then resumed after approximately 5 minutes. McKay tracked the problem down to a faulty radio transmitter at Waipa Esplanade PS transmitting excessively and jamming up the polling to other stations. This transmitter was replaced and has subsequently remedied the issue. During the investigations, a complaint was made by Tainua about access to the college site in Ngaruawahia. Watercare apologised for any inconvenience and agreed to a solution with Tainui for future access.

### 3.3. Stormwater

- The 2021-22 Stormwater annual report was submitted to Waikato Regional Council in October.
- An investigation into flooding at a property in Te Kauwhata was undertaken, and possible solutions were assessed. A culvert was flushed in the interim to ensure no blockages were in place. Watercare is communicating with the affected customers.
- Current Raglan abatement notice work is still ongoing. WRC has approved the latest proposed option (a combination of pipe and open channel) for Cambrae Road, the final outstanding item on the abatement notice.
  - WRC has approved the Resource consent for the Cambre road construction.
  - The work will progress to construction with the consent in place.
- We have not received feedback from WRC on the 2020-21 annual report.

## 4. Planning and project delivery

### 4.1. Infrastructure Planning

There are several work packages underway, including.

- The update of the Southern Districts and Tuakau Water Network Models were completed. The next phase is to monitor the network during Feb/march and recalibrate the model.
- The Raglan WW model - has been finalised with WDC population data and system performance analysis completed. We are installing a new Magflow meter to improve data from Nero and Wallace St Pumpstations before progressing with option development.
- Huntly Wastewater network model - Consultant assessed asset data, installing Magflow meters at key pump stations.
- The options developed in the modelling study for Raglan to optimise storage locations and prioritise network upgrades have been reviewed.

Internally staff worked on/with:

- We continue to work with Watercare's Auckland staff on the Infor asset management system.
- The Three waters AMP/LTP CAPEX programme for Entity B was completed and submitted to WDC to forward to DIA.
- We are now Commencing development of the Three Waters AMP/LTP OPEX programme for Entity B.
- WDC property on potential surplus NZTA land in Matangi for the future reservoir.

### 4.2. Development and growth

- Support WDC discussions on servicing for WW and WS for Ohinewai.
- Discussions with Industrial development in the Affco site, Great South Rd, Horotiu.
- Further discussions with developer 3671 Great South Rd Huntly, this Builtsmart industrial development.
- Further discussions with Munro Block development Pokeno.
- Discussions with Havelock Village developer in Pokeno.
- Discussions with Lovell and vanDam block developers in Taupiri relating to future servicing.

### 4.3. Asset Management

- In September, we received 21 (224c) subdivision approval documents from WDC.
- 599 new addresses were loaded into IPS which will pave the way for more subdivision assets to be processed. This month, around 548 subdivision (three-waters) assets were added to the asset database.
- Data quality assurance work is currently in progress to improve data integrity in GIS and IPS, and enhance integration between IPS and EAM.

### 4.4. Project delivery

- Ngāruawāhia Pipeline - Work on the section that conveys flows from the railway to the treatment plant has commenced. Procurement of long lead items and installing the overland bypass is underway.

Ground conditions are challenging, and the initial dewatering setup confirmed the soil will respond to well-pointing, ensuring an effective and safe dewatering system.



Ngāruawāhia Pipeline – Bypass Pipeline

- The POAL WWPS – The pump station services are currently being installed, along with odour treatment, and work on the control room is underway. The remainder of the gravity sewer awaits the new road, a project led by Waikato District Council.



POAL WWPS – Barkbed Installation is underway

- Tuakau Interceptor Pump Station Upgrade: The reduced scope is being priced, and a power supply upgrade application is underway.
- Tuakau to Pokeno pipeline: The detailed design is complete, and the tender documents are being prepared. Meetings with landowners continue to secure access agreements to enable the survey and construction works.
- Te Kauwhata Reservoir preload remains until the settlement completes. Service relocation and access track construction are near completion;

*Tie-in photo – For the diversion, a new water thrust restraint system was taken forward with the support of the construction team. This improved working in a constrained area and reduced customers' time without water.*





*New reservoir town supply pipeline being pulled on*

#### 4.4.1. Network Renewals

Water Network Renewals are well underway.

- **Raglan Bulk Main:** Works to connect the rising and falling water mains, manifold, and network pipelines are now complete. Reinstatement and disestablishment tasks to close this project out are scheduled.
- Tuakau **Dominion Road extension**, the first stage, is complete. The updated Zonal Model Plan has defined the remaining scope, including a new booster pump station and a complex watermain extension with an under-rail crossing. Planning tasks and property discussions are underway.
- Two watermain replacements are underway in Tuakau under the WD Network Renewals programme. A new water supply main has been installed on **River Road** to replace a pipe that has seen 72 failures in the past five years; commissioning tasks will be underway in early November. An upsized watermain to upgrade the service main along the entire length of **Ryders Road**, thus reducing head-loss and improving service levels to FW4 fire flow. Works are on track to be completed before Christmas.
- Mid-Waikato water main renewal on **Hall Road**, Te Kauwhata has seen the total 3km+ pipeline replacement installed via Horizontal Directional Drilling. Construction crews have moved from installation into the commissioning phase of the work with 1km of pipeline pressure tested, chlorinated, and bacto sampling sent to the labs. The pipeline is set to be operational ahead of December 01.
- Mid-Waikato water main renewal site **TK Boosted Zone** has seen significant progress over October, with 85% of the pipeline installed via trenchless methods. The final section of the pipeline will be installed in early November, with commissioning and connections tasks to conclude the works being planned
- Mid-Waikato water main renewal sites **Rangiriri** and **Meremere** pipelines have been defined through the zonal modeling. The scope is being priced.

Water Network Renewals planning phases include:

- Taupiri - a new water booster pump station and an upsized transmission main are planned to support water supply and fire fighting capacity for Taupiri and its eastern growth zone
- Raglan – Network reconfiguration, including improvements, pipeline upsizing, and extensions, is planned for the new year following the township season peak.
- Southern Districts – zonal modeling has defined the project scope with a transmission main replacement to support the Eureka pressure zones being processed for delivery in the upcoming months.
- Huntly – pipeline replacement, including upsizing, is planned in the west to support firefighting shortfalls.



#### 4.5. Treatment plant Upgrades

- Whangamarino WTP 4.5MLD Upgrade – Mechanical testing and commissioning of the new BAC3 filter are complete. The replacement of the remaining media is being planned.
- Te Kauwhata WWTP Upgrade – The plant upgrade is underway with commencement and early procurement activities. Construction had also commenced on the blower room foundation.



*Te Kauwhata WWTP Upgrade: Commencement briefing and blower room foundation works*

- Huntly WWTP upgrade – The design and investigation work is underway.
- Matangi WWTP upgrade – The engagement of a contractor is underway for the minor process improvements and upgrades planned to support the discharge consent renewal process.
- Ngaruawahia WTP Upgrade – The tie-in of the new UV treatment system is planned. The new run-to-waste pipeline has been installed. The storage tanks are on site, and the supporting connection works are scheduled for next month.



*Ngaruawahia WTP Upgrade – Run to waste horizontal directional drill installation*

## 5. Compliance

- All October drinking water monthly reports demonstrated compliance.
- River conditions and plant operations required Ngaruawahia to operate at a 3-log removal setting on 07/10/22 to ensure adequate production. Full compliance was maintained across the compliance period.
- All September monitoring reports for Wastewater are due to be submitted to Waikato Regional Council during the second week of October 2022 with relevant notes, updates, and other resource consent reporting requirements as scheduled. All September reporting was completed in full and on time.
- Lab monitoring schedules and sample point reviews are progressing with the updated drinking water zones. Lab schedules are expected to change on Monday 28 November, with ongoing changes to sample points as taps are replaced/added.
- A site compliance report from WRC was received for Te Kauwhata WWTP. A response letter has been provided.
- Ongoing sampling and trials at Port-W WTP to address the discharge consent non-compliance.
- The draft Drinking Water Safety Plan has been completed and is in progress with the final review and is ready to be uploaded to Hinekorako before 14 November.

## 6. Customer

### 6.1. Billing

- The vacant Customer Care Representative (Billing) is being readvertised. A Secondment was discussed with the Auckland office but did not occur.

### 6.2. Complex Water meter installation project

- Twenty properties were notified of works in the boundary with contractors to separate water supply lines and install water meters (six sites in total). Contractors have installed six water meters, leaving a balance of three sites to be completed.

#### Backflow Preventor Device Testing

- The backflow inspection provider notified Watercare of the fraudulent activities of a staff member who was not completing inspections as reported. This impact was assessed, and the contractor is addressing the errors and has committed to meeting the agreed timeframe with no additional cost.

### 6.3. Tradewaste

- Quarterly invoicing completed.
- Tablet templates completed for applications, auditing, site inspections,
- Training in Pivotal, saving documents to Pivotal.
- Accessing and searching for new customers throughout the district, applications to be sent out to all new customers.
- Spreadsheets created for monitoring compliance, water use, etc.

## 7. Strategic resource consents.

### **Raglan WWTP resource consent application preparation**

*Discharge:* Tasks continue to establish the ability to secure private land as a shortlisted discharge option. A critical onsite meeting was held with landowner representatives and project staff in late October, which the WDC Managers also attended. An MOU is still being drafted between parties to strengthen the commitment to work together.

Land investigation alongside Landcare and discharge experts is to continue on additional sites within the balance lot, where the MOU signing will allow for pilot testing and groundwater monitoring.

*Treatment:* Project team engineers consider that the recommended treatment upgrade is a membrane bioreactor (MBR), where a separate October WGB paper has been considered for board and WDC consideration.

### **Te Kawhata WWTP resource consent application preparation**

The scope of services from a lead consultancy has been received, covering necessary steps in application preparation for discharge consent from the upgraded Te Kauwhata WWTP.

Discharge optioneering is the key component of future work.

The scope is under assessment, where the intention is to award a contract to a suitable schedule of works. Tasks and steps are listed below:

- Review of flow and load projections incoming to the WWTP
- Lake Waikare catchment analysis and water quality / ecological assessment
- Land application investigation
- Waikato River water quality baseline assessment
- Investigation of alternative surface water options
- Policy briefing
- The recommended strategy for stakeholder and mana whenua consultation (WDC task)
- Long list options assessment
- Conveyance investigations to shortlist options
- Deep bore Injection high-level investigation/feasibility assessment

## 8. Key performance indicators

<b>KPI – description</b>	<b>Results</b>	<b>Target 2021/2022</b>
		<b>Water</b>
<i>The extent to which the Council's drinking water supply complies with Part 4 of the drinking water standards (bacteria compliance criteria).</i>	18	18
<i>The extent to which the Council's drinking water supply complies with Part 5 of the drinking water standards (bacteria compliance criteria).</i>	15	15
<i>Attendance for urgent call-outs: from the time that Council receives a notification to the time that service personnel reaches the site.</i>	Oct - 63 Year to date - 57	≤ 60 mins
<i>Resolution of urgent call-outs: from the time that Council receives a notification to the time that service personnel confirms resolution of the fault or interruption.</i>	Oct – 174 Year to date - 161	≤ 240 mins
<i>Attendance for non-urgent call-outs: from the time that Council receives a notification to the time that service personnel reaches the site</i>	Oct – 1 Year to date - 1	≤ 3 days
<i>Resolution of non-urgent call-outs: from the time that Council receives a notification to the time that service personnel confirms resolution of the fault or interruption.</i>	Oct– 1 Year to date - 1	< 3 days
<i>The total number of complaints related to Water services received by Council (expressed per 1000 connections to the networked reticulation system):</i>	Oct – 0.86 Year to date Result -3.79	≤ 22/1000
		<b>Wastewater</b>
<i>The number of dry weather sewage overflows from Council's system (expressed per 1000 sewage connections to that sewage system.) - Non-sensitive receiving environments</i>	Oct – 0.16 Year to date Result – 0.39	≤ 2/1000
<i>The number of dry weather sewage overflows from Council's system (expressed per 1000 sewage connections to that sewage system.) - Sensitive receiving environments</i>	Oct – 0.00 Year to date Result – 0.17	≤ 2/1000
<i>Attendance time: from the time that Council receives a notification to the time that service personnel reaches the site.</i>	Oct – 43 Year to date Result – 31	≤ 60 mins



<i>Resolution time: from the time that Council receives a notification to the time that service personnel confirms resolution of the blockage or other fault.</i>	Oct – 111 Year to date Result – 111	≤ 240 mins
<i>The total number of complaints received by Council about any of the following (expressed per 1000 connections to the sewage system):</i>	Oct – 0.39 Year to date Result – 1.81	≤ 10/1000
<b>Stormwater</b>		
<i>The number of Stormwater flood/blockage events that affected habitable floors (expressed per 1000 connections):</i>	Oct – 0 Year to date Result – 0	< 5
<i>The total number of complaints received by Council about the performance of the stormwater system (expressed per 1000 connections):</i>	Oct – 0.07 Year to date Result – 0.42	< 1.25
<i>Level of compliance, number of the following, Abatement, infringement notices, enforcement orders or convictions</i>	2022/23 - 0  (1 existing Abatement from 2018/19)	0
<b>Health and Safety</b>		
<i>Safety: Lost time injury frequency rate (LTIFR) per million hours worked</i>	1.78	≤ 5
<i>Safety: Total recordable injury frequency rate (TRIFR) per million hours worked</i>	3.56	≤ 20
<i>Safety: 100% of Notifiable (or serious non-notifiable) Events reported to WDC within 2 hours of the occurrence</i>	3	66.6%
<i>Safety: 100% of Notifiable Event reports supplied to WDC within 21 business days</i>	100%	100%
	No events YTD	


<i>Safety – the percentage of complaints resolved within ten working days</i>	100%	95%
<i>Safety- Health and safety Audit programme and action plan completed (6 monthly and then annually)</i>	100%	1
<i>Safety - All site emergency plans to be drilled six-monthly as per drill schedule</i>	100%	> 100%
<i>Safety - Monthly Health and safety meeting held with all workers</i>	1	> 90%
<i>Safety-Critical risk audit to be conducted by HSW BP Bi-monthly</i>	100%	1
<i>Safety -Actions required to be closed within one month</i>	100%	> 90%


Appendix 1


# Back to Basics

## SITE CALENDAR


July 21	Week	Event
	1-4	Distribution and communication of B2B program and tools


Aug 21	Week	Event
 Working in Confined Spaces Watercare	1	<b>Are We Safe to Start?</b> Toolbox activity
	2	<b>Take Care of the Gear</b> Discussion and inspection activity
	3	<b>When Something is Different</b> Team discussion
	4	<b>What Works Well?</b> Site based learning teams Nominations for reward and recognition


Sept 21	Week	Event
 Working with flammables or in explosive atmospheres McCONNELL DOWELL	1	<b>Are We Safe to Start?</b> Toolbox activity
	2	<b>Take Care of the Gear</b> Discussion and inspection activity
	3	<b>When Something is Different</b> Team discussion
	4	<b>What Works Well?</b> Site based learning teams Nominations for reward and recognition

Oct - Nov 21	Week	Event
 Working on or near underground & overhead services Pipeline & Civil	1-2	<b>Are We Safe to Start?</b> Toolbox activity
	3-4	<b>Take Care of the Gear</b> Discussion and inspection activity
	5-6	<b>When Something is Different</b> Team discussion
	7-8	<b>What Works Well?</b> Site based learning teams Nominations for reward and recognition


Dec - Jan 21-22	Week	Event
	Holiday period	Organisations to focus on staying safe up to and over the holiday period.


Feb - March 22	Week	Event
 Suspended loads Fulton Hogan	1-2	<b>Are We Safe to Start?</b> Toolbox activity
	3-4	<b>Take Care of the Gear</b> Discussion and inspection activity
	5-6	<b>When Something is Different</b> Team discussion
	7-8	<b>What Works Well?</b> Site based learning teams Nominations for reward and recognition


April - May 22	Week	Event
 Working with or around mobile plant MARCI CATO	1-2	<b>Are We Safe to Start?</b> Toolbox activity
	3-4	<b>Take Care of the Gear</b> Discussion and inspection activity
	5-6	<b>When Something is Different</b> Team discussion
	7-8	<b>What Works Well?</b> Site based learning teams Nominations for reward and recognition

June - July 22	Week	Event
 Working with live traffic Fletcher	1-2	<b>Are We Safe to Start?</b> Toolbox activity
	3-4	<b>Take Care of the Gear</b> Discussion and inspection activity
	5-6	<b>When Something is Different</b> Team discussion
	7-8	<b>What Works Well?</b> Site based learning teams Nominations for reward and recognition

Aug 22	Week	Event
 Digging and working in excavations HEB construction	1	<b>Are We Safe to Start?</b> Toolbox activity
	2	<b>Take Care of the Gear</b> Discussion and inspection activity
	3	<b>When Something is Different</b> Team discussion
	4	<b>What Works Well?</b> Site based learning teams Nominations for reward and recognition

Sept 22	Week	Event
 Working at height BRIAN PERRY CIVIL	1	<b>Are We Safe to Start?</b> Toolbox activity
	2	<b>Take Care of the Gear</b> Discussion and inspection activity
	3	<b>When Something is Different</b> Team discussion
	4	<b>What Works Well?</b> Site based learning teams Nominations for reward and recognition

Oct 22	Week	Event
Fixed and portable plant and equipment  Ghella ABERDEEN	1	<b>Are We Safe to Start?</b> Toolbox activity
	2	<b>Take Care of the Gear</b> Discussion and inspection activity
	3	<b>When Something is Different</b> Team discussion
	4	<b>What Works Well?</b> Site based learning teams Nominations for reward and recognition

Nov 22	Week	Event
Fatigue  Watercare	1	<b>Are We Safe to Start?</b> Toolbox activity
	2	<b>Take Care of the Gear</b> Discussion and inspection activity
	3	<b>When Something is Different</b> Team discussion
	4	<b>What Works Well?</b> Site based learning teams Nominations for reward and recognition

Dec - Jan 22-23	Week	Event
	Holiday period	Organisations to focus on staying safe up to and over the holiday period.

<b>To</b>	<b>Waters Governance Board</b>
<b>Report title</b>	<b>Three Waters Reform Project Update – November 2022</b>
Date:	22 November 2022
Report Author:	Deron Sharma, Three Waters Reform Project Manager
Authorised by:	Gavin Ion, Chief Executive

## **1. Purpose of the report**

### **Te Take moo te puurongo**

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

## **2. Executive summary**

### **Whakaraapopototanga matua**

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#### **Te Rapunga – The Staffroom**

Details of the identified staff are currently being loaded onto Te Rapunga by Council's People and Capability team.

#### **Long Term Plan (LTP) and Asset Management Plan (AMP)**

Council and Watercare have submitted the capital expenditure spreadsheet to the Department of Internal Affairs. The focus has now shifted to operational expenditure, which must be submitted by 2 December 2022.

#### **Transition Plan**

At each 90-day interval, the DIA has committed to delivering Council with a 90-day plan that outlines the activities to be undertaken by DIA and Council for the next three months. The 90-day planning documents will be used to devise a transition plan for Council for 2023.

#### **Better off Funding**

The waters team is currently in the process of transitioning the delivery of this project to the Enterprise Project Management Office, in line with Council's decision at the last meeting.

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### 3. Staff recommendations Tuutohu-aa-kaimahi

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#### That the Waters Governance Board:

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

### 4. Discussion Matapaki

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#### 4.1 Te Rapunga – The Staff Room

Council's People and Capability team are in the process of migrating staff details of new starters onto Te Rapunga. Team leaders of affected teams will also be loaded into the system as non-transferring users to keep relevant managers informed of developments. Watercare will administer Te Rapunga and other staff transition activities on behalf of Watercare Waikato staff.

#### 4.2 Asset Management Plans

Using an unconstrained approach that aligns with standard AMP practices, Council and Watercare have submitted the capital expenditure spreadsheet to the Department of Internal Affairs. Recommendations from the Water Governance Board were incorporated into the final submission.

The operational expenditure spreadsheet, that focuses on direct costs, is being worked through using a similar methodology. Council and Watercare will independently populate the spreadsheets and collate prior to final submission. Staff consider this to be best practice for the accounting of direct costs due to the extension of the transition period for the Watercare Operations and Maintenance Contract.

#### 4.3 Transition Plan

The most recent 90-day plan received from the NTU has been attached (**Attachment 1**).

#### 4.4 Better off Funding

With the Enterprise Project Management Office operational, Council's waters team are undertaking the necessary steps to handover this kaupapa and redirect focus to core waters reform transition activities.

A lessons-learned and retrospective probity report to reflect on the learnings from the co-governance-based process undertaken for tranche 1 remains to be the final deliverable preceding handover.

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## 5. Next steps Ahu whakamua

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### 5.1 Te Rapunga – The Staff Room

Council's People and Capability team will continue to engage with the People and Workforce workstream at the NTU.

### 5.2 Asset Management Plans

Council will engage with the Entity B workstream leads to ensure the information provided meets the requirements of the DIA.

### 5.3 Transition Plan

Staff will be developing a transition plan based on inputs from the NTU and subject-matter experts within Council.

Council staff will be attending the Data, Digital and Customer workshop in Kirikiriroa Hamilton on 9 November 2022. Staff will be seeking clarification on the transfer and future ownership of electronic records as there is a legislative process that needs to be followed.

### 5.4 Better off Funding

A handover of activities will be undertaken so that the delivery of this project is transferred from the waters business to Council's Enterprise Project Management Office.

## 6. Attachments Ngaa taapirihanga

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Attachment 1 - 20221006 Entity B 90 Day Plan

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## Three Waters Programme (valid as at 6 October 2022)

Details of known upcoming work impacting Entity B Councils over the next 90 days. To be updated monthly and refined over time (by CIM).

Month	Engagement Activity	Comments/Purpose	Suggested Audience/Lead Contact
Jun-Dec 22	Water Services Entities Bill #1 (WSEB #1)	1 <sup>st</sup> reading then public submissions (to 26 July). Hearings for Oral Submissions (Aug) and department report to Select Committee before 2 <sup>nd</sup> and 3 <sup>rd</sup> readings	All Stakeholders and Submitters/NTU Reform & Policy Team
Fortnightly	Entity B Council Local Transition Team (LTT)	Exchange of information, updates on proposed work, action items (Thursdays)	LTT/CIM (on-line)
Fortnightly	Update from NTU Executive Director	Fortnightly emailed updates to CEs (typically sent Fridays)	CEs
6 weekly (TBC)	Three Waters Entity B LTT in-person meetings	Face to face workshopping/General work management and presentations AMOS workstream would use these for workshops e.g. Stormwater would use these for Relationship Management agreements (more details below)	GMs/Leads/SMEs (TBC)
Monthly	Three Waters Entity B CE Forum	Strategic and whole of business focus. Executive level discussions.	CEs
15 Sep – 21 Oct	<b>RFI Financial: Transfer of Debt</b> <b>DUE DATE 21 OCTOBER 2022</b>	FY21 & 22 financials (Operating funding & Opex; Capital funding & capex; Debt & assets), FY23 budget	CFOs/F&C Lead (NTU)
Sep - Feb	<b>Information: Asset management/maintenance agreements and operational services agreements plus above ground assets</b>	AMOS Workstream: Direct engagement to source information (via LTT nominated and sanctioned leads within council cohorts)	3W GMs/Leads/AM lead (NTU)
Sep – Dec	<b>Information: Current operational activities</b>	Operations workstream: Direct engagement via AECOM (late Oct approach) using interviews over a period of a week with a cross-section of operational staff. Will look at what is novated across or not, future needs etc	Operations Managers, Plant Managers etc (TBC for each Council)
Sep – Jun	<b>Information: AMP data</b>	Asset Management workstream: Direct council engagement via LTTs per stocktake approach (as above)	AM leads (council cohorts)/AM lead (NTU)
6/7 Oct	Entity B CE Forum/LTT	To be hosted by Tauranga CC	Council CEs/NTU leads
11 Oct	<b>RFI: Asset Management</b> <b>DUE DATE: 2 DECEMBER 2022</b>	Opex financial templates will be sent out for Councils to fill in. Will be similar format to Capex templates. Asset Management Working Group will support.	Asset managers, Water GMs, CFO
26, 27 Oct	People and Workforce Webinars (1 hour each – attend 1)	Feedback on staff transition guidelines and possible WSE organisation design	Transition Leads/HR focal points/people leaders of water teams
Oct	Mayoral and elected officials' engagement forums/packs	Three Waters briefings – details being worked on with LGNZ and to be provided	Transition Teams/Governance leads
Oct	<b>RFI: People and Workforce</b> (est. up to 1 day of work)	People and Workforce: template individual employment agreements, remuneration policies and frameworks, employee benefits and entitlements (policy based), current organisation structures. Provided in Survey Monkey.	HR Leads and HR Team
Oct – Dec 22	People and Workforce Staff Room Administrator Update sessions (1 hour)	Regular check ins re portal and questions – short sessions via Te Rapunga (DIA website for People & Workforce access)	The 3W staff administrator in each Council
Oct – Dec 22	People and Workforce workshop: Validation of future state functions and high-level activities. (One session per Council, 2 – 3 hours)	Review and validate the future-state functions and high-level activities including who undertakes them (staff, contractors, outsourced), rationales for groupings, which activities will transfer/not transfer to WSEs. Model for discussion provided by NTU. May be preceded by a pilot with selected councils (1 per Entity)	To discuss with Councils. Likely HR lead, Three Waters Lead, union and/or other staff representatives who understand the water services related functions best.
Oct – Dec 23	Framework development: National Compliance Working Group establishment/operation	Seeking 2 reps from Entity B. Consent, regulatory compliance, current state and new requirements. Conversion to operational practise	Lead and Taumata Arowai on board. Reps into Councils as required (day a week)
Oct - Dec	WSE Bill 2	Bill 2 – to House mid-late October after which submissions will be invited	
8, 9 & 11 Nov	Customer and Digital Workshop (Tauranga, Hamilton & New Plymouth)	Managing Systems of Record customer and supplier data and migration. May also touch on Operational Technology (O/T). Full day workshops	CIOs and CTOs: Asset, GIS, Customer, Financial, Project and Employee data
15 Nov	CCNZ Waikato Branch engagement	Brief local CCNZ Branch and including Hamilton, Waipa and Waikato council reps	Local suppliers/council reps/CIM
14, 15 Dec	People and workforce general programme check in webinar	Opportunity for a general check in on people and workforce matters	Invited: CEs, HR Leads, Transition Leads and Union Reps
Dec – Apr	<b>RFI: Legal Due Diligence</b> <b>DUE DATE: APRIL 2023</b>	Contractual arrangements including development agreements, supplier and bulk supply agreements (incl. independent contractors), leases, joint venture arrangements, operational technology and assets. Also assets: plant and equipment, fleet, workshops and stores, catchments and dams, shares and other interests, below ground assets. Consents and Approvals. CCO/CCTO arrangements.	CFOs and Legal/Commercial leads, Asset leads
Dec 22 – Mar 23	<b>Information and framework development: Trade waste permits</b>	Operations Workstream: Direct engagement via national working group (to be set up). Seeking 2 reps from Entity B (estimated 1 x day a week).	National Working Group reps to interface with Councils for further information/advice as required.
Jan23 – Jun 23	<b>Information: Stormwater hard infrastructure, engineered green assets, parks and reserves</b>	Stormwater Workstream: Direct engagement (via consultants) to LTTs, direct council contacts, with a single nominated lead to provide oversight/coordination for Entity B	Stormwater reps, generally on LTT.
Dec onwards	Customer and Digital: Training on using the migration portal	Regular training calls and workshops to enable and support data migration	Technical owners: Asset, GIS, Customer, Financial, Construction Project and Employee data.
Dec onwards	Framework development: Emergency Management Working Group establishment/operation	To review future Civil Defence & Emergency Management (CDEM) arrangements between Councils and WSE and to meet NEMA and Taumata Arowai CDEM requirements. Estimated 1 x day a week	Seeking one or two reps from Entity B working back into Councils.

- Customer workshops are still in planning but are likely to occur in this period and will be notified once planning is complete

### WORKSTREAM KEY

	Finance and Commercial workstream (F&C)		Asset Management, Operations & Stormwater workstream (AMOS)		People and Workforce workstream (P&W)		Customer and Digital workstream (C&D)		Local Transition Team (LTT) for Entity B
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The below view has been sent out post roadshow to emphasise Council involvement (RACI) in activities to Christmas

# Three Waters Programme

## 90 day roadmap of workstream activities

**Legend**

- ▲ Key milestone
- ▶ Activity continues from previous period
- Activity extends into next period

**Council involvement** R Responsible A Accountable C Consulted I Informed





<b>To</b>	<b>Waters Governance Board</b>
<b>Report title</b>	<b>Schedule of Meetings - 2023</b>
Date:	Thursday, 10 November 2022
Report Author:	Elizabeth Saunders, Democracy Advisor
Authorised by:	Gaylene Kanawa, Democracy Manager

## **1. Purpose of the report**

### **Te Take moo te puurongo**

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The purpose of this report is to seek the Board's approval to a proposed schedule of Board meetings for 2023.

## **2. Executive summary**

### **Whakaraapopototanga matua**

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Following confirmation of availability of Board members in 2023, it is proposed to meet six-weekly from 10.00am to 2.00pm on the following dates:

- Tuesday, 7 February,
- Thursday, 21 March,
- Tuesday, 2 May,
- Tuesday, 13 June,
- Tuesday, 25 July,
- Tuesday, 5 September,
- Tuesday, 17 October, and
- Tuesday, 28 November.

Workshops and additional (extraordinary) meetings may be required during 2023, 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.

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### **3. Staff recommendations** **Tuutohu-aa-kaimahi**

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**THAT the Waters Governance Board approves the schedule of Board meetings for 2023 as follows:**

- **Tuesday, 7 February,**
- **Tuesday, 21 March,**
- **Tuesday, 2 May,**
- **Tuesday, 13 June,**
- **Tuesday, 25 July,**
- **Tuesday, 5 September,**
- **Tuesday, 17 October, and**
- **Tuesday, 28 November,**

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

### **4. Attachments** **Ngaa taapirihanga**

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Nil

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<b>To</b>	<b>Water Governance Board</b>
<b>Report title</b>	<b>Small Water Schemes Proposal</b>
Date:	22 November 2022
Report Author:	Gil Miers
Authorised by:	Gavin Ion, Chief Executive

## **1. Purpose of the report**

### **Te Take moo te puurongo**

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To present to the Water Governance Board the recommended technical solutions for upgrades required to the three small water supply schemes to be compliant as set by Taumata Arowai.

#### **AND**

To gain approval for the funding to construct a compliant water plant in Te Akau.

## **2. Executive summary**

### **Whakaraapopototanga matua**

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The Te Akau, Port Waikato, and Onewhero (figure 1) Water Treatment Schemes under the ownership and management of WDC water supplies were being considered for decommissioning.

The decommissioning considered two primary options.

- Option 1: Return the households to rainwater tanks
- Option 2: Return the plants to private ownership

The threshold to decommission a public supply is via a referendum requiring >75% of the community's support. After engagement with the Te Akau community, the feedback indicated a strong preference to retain a public water supply. The assumption has been made that the Onewhero and Port Waikato communities would have a similar preference.

The Council has a \$750,000 opex budget previously approved for the decommissioning of the Council's three small water schemes.

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Based on earlier papers, the Water Governance Board has given direction to progress with the upgrade options and identify the costs for the three plants to meet the new drinking water standards.

After the initial assessments completed by Lutra and Beca, a gap analysis of the three small water plants was conducted against the new standards. This gap analysis highlighted that due to the nature of the Onewhero and Port Waikato plants, they will be compliant with the new standards without any upgrade due to the size of the population being supplied.

The notable exception is the Te Akau plant because this plant was shut down and moved to tanker supply because of raw water issues. While the tanker option achieves compliance, this is not viewed as a long-term solution due to the isolated nature of the community and poor road conditions for trucks.

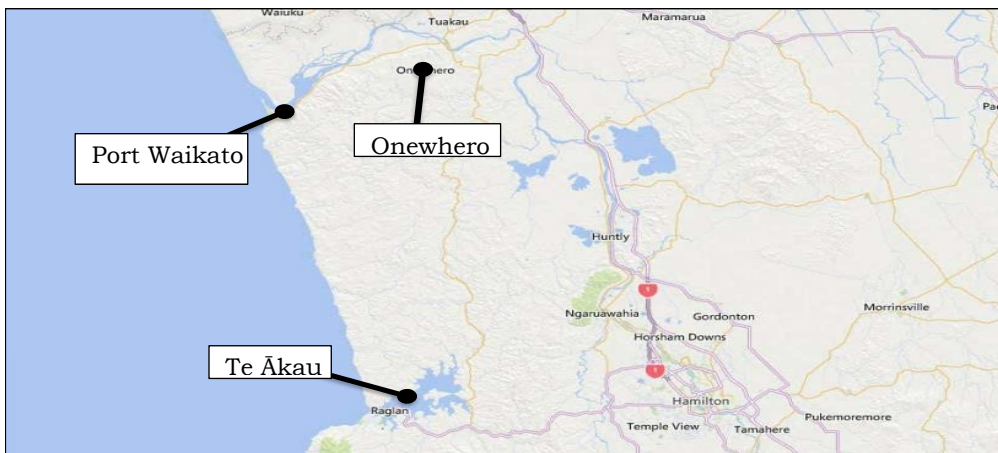


Figure 1: Port Waikato, Onewhero, and Te Akau small water supply scheme locations

This report focuses on compliance with the new standard and does not include the future strategic options for the upgrades to the plants.

### 3. Staff recommendations Tuutohu-aa-kaimahi

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**That the Governance Board:**

- 1) **Supports the recommendation for the budget to be made available to construct a new water treatment plant at the Te Akua.**
  - 2) **Recommends to Council that:**
    - a) **A budget of \$706,000 be approved for the new water treatment plant at Te Akau through repurposing the small water schemes decommissioning opex budget within the Long Term Plan.**
-

## 4. Background

### Koorero whaimaarama

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The threshold to decommission a public supply is via a referendum requiring >75% of the community's support. After engagement with the Te Akau community, the feedback indicated a strong preference to retain a public water supply. The assumption has been made that the Onewhero and Port Waikato communities would have a similar preference.

The gap analysis identified that while the Onewhero and Port Waikato plants meet a lower standard than new plants due to the size of the population serviced, they meet the standard required by Taumata Arowai. This report aims to ensure that all three small water schemes achieve compliance in short to medium term. Because the Te Akau plant was shut down due to several issues impacting the ability to achieve drinking water standards, the proposed new plant exceeds the minimum requirements.

Any short to medium term improvements required at Port Waikato and Onewhero can be managed within normal renewal budgets.

## 5. Discussion and analysis

### Taataritanga me ngaa tohutohu

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### 5.1 Options

#### Ngaa koowhiringa

#### Te Akau

The construction of a new water treatment plant at Te Akau, including a new Bore and telemetry.

This replacement plant option includes replacing the existing bore from 1993 due to the historical challenges of achieving consistently high-quality raw water. Raw water quality data indicated that surface water may be entering the bore, and the 2021 Lutra report commented on visible holes and cracks. Other issues, such as iron and ammonia, may not be resolved by re-establishing the existing bore or constructing a new bore.

Once the new bore is established, monitoring and testing will be ongoing to assess how consistent the water quality is. The WTP upgrade would include:

- A new bore cased to, and sealed at, bedrock level with~ 0.75mm screens protruding sufficiently into the bedrock to yield 5 m<sup>3</sup>/h flow reliably.
  - Screens of 20 µm with the final screen aperture not greater than 5µm nominal pore size.
  - Continuous turbidity measurement of raw and treated water.
  - Ultraviolet disinfection with various safeguard controls.
  - pH correction.
  - A vermin-proof and secured treated water tank is now mandatory.
  - Chlorine disinfection and water softening.
  - New or expanded control system (Network Kingfisher upgrade initiative).
-

Figure 1 Proposed Te Akau WTP Facility

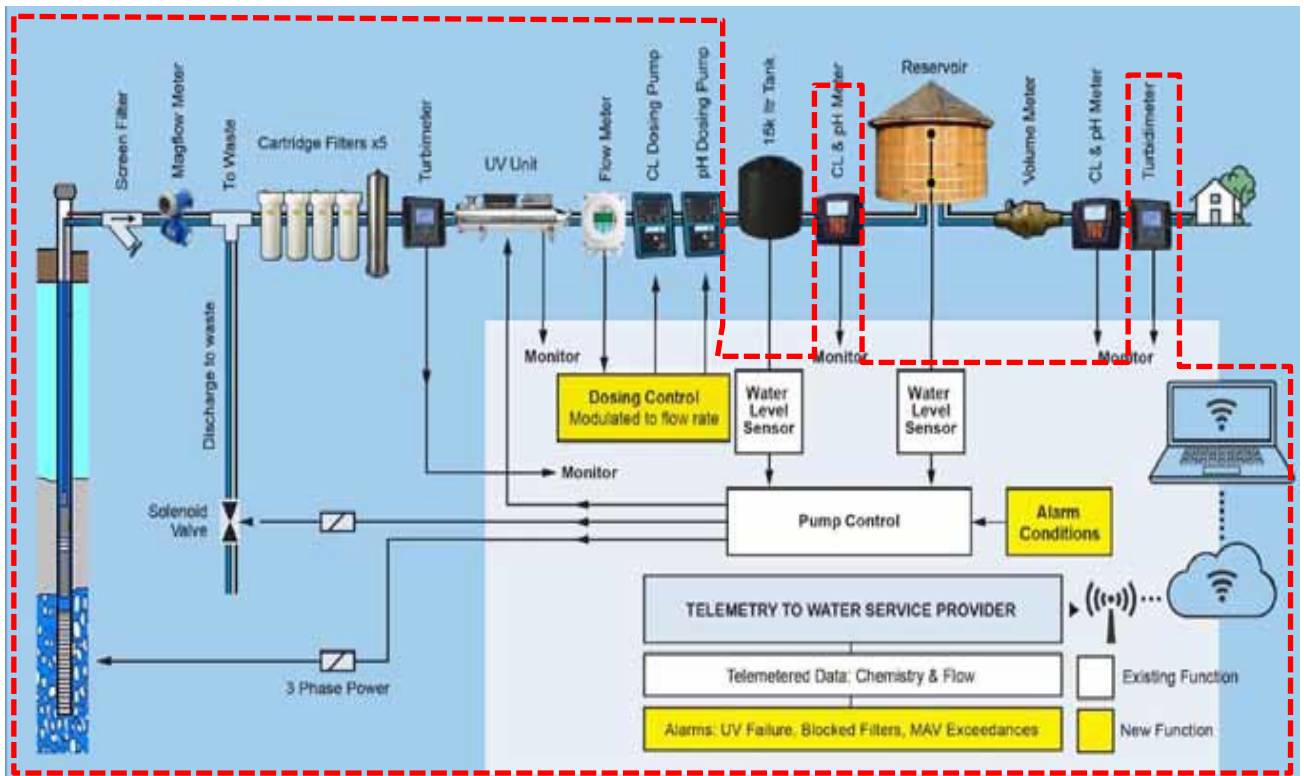


Table 2 Upper bound and lower bound scenario costs

Cost Scenario	Works total	Total + 20%	Total - 20%
Upper bound for stainless steel casing, MMF, Kingfisher and softening	706,200	\$ 949,000	\$ 671,000
Lower bound for mild steel casing, PVC screens on bore, cartridge filters, DATRAN, no chlorine and no softening.	353,000	\$ 477,000	\$ 335,000

A few key assumptions have been made for this option:

- The new bore will yield enough water and consistently high-quality raw water (including low turbidity and high UVT) can be obtained with the re-establishment of the bore.
- The upgraded WTP can fit within the existing shed and an extension or replacement is not required (even for continuity of supply during construction).
- No generator is required, but a portable generator plug is allowed. Requirement for a permanent generator should be reviewed in the future.
- Some of the existing equipment may be reused where appropriate.

### Onewhero and Port Waikato

No change is required to achieve the new standards. Further strategic planning is recommended to allow for further changes to standards or increased development.

## **5.2 Financial considerations**

### **Whaiwhakaaro puutea**

The two primary costs associated with the new plant is the initial capital cost and the ongoing operating costs for the three plants.

No capital funding is included in the current LTP for constructing a compliant water plant at Te Akua. The \$750k opex budget was to be used for decommissioning the existing plants and could be transferred to capex to offset the capital cost.

Ongoing operational costs for the Te Akau plant will be assessed once the new plant is operational, and appropriate sampling has been included in the design to reduce the need for onsite management of the plant.

## **5.3 Legal considerations**

### **Whaiwhakaaro-aa-ture**

Council has requirements under the Local Government Act to provide clean drinking water as noted in section 134 of the Local Government Act 2002.

Although, as an alternative to upgrading the water treatment plants, Council considered decommissioning the small water schemes and providing each house currently connected to the water network with its own water tank and water pump. A referendum to shut down the small water schemes would be required. A referendum requires 75% of supplied owners to agree to have the scheme shut down, which is unlikely to occur based on community feedback received.

Should the scheme be handed to the community, under Water Reform, any private small water supply supplying drinking water to two or more houses may be handed over to the Council. This could occur if the private water scheme operators choose not to maintain the scheme to the new drinking water rules.

## **5.4 Strategy and policy considerations**

### **Whaiwhakaaro whakamaaherehere kaupapa here**

The report and recommendations are consistent with the Council's policies and strategy for the small water schemes. Council wishes to ensure that residents of Te Ākau, Onewhero and Port Waikato are supplied with safe drinking water in the best manner for the community.

The Te Ākau community has strongly expressed their desire to continue with raw water sourced from the bore and treated and conveyed as already established.

## **5.5 Maaori and cultural considerations**

### **Whaiwhakaaro Maaori me oona tikanga**

No areas of significance affected by this proposed way forward, however during iwi / Hapū engagement, further concerns may arise.

Section 6.2 captures the groups with which Council will engage going forward.

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## **5.6 Climate response and resilience considerations**

### **Whaiwhakaaro-aa-taiao**

The decisions sought by, and matters covered in, this report are consistent with the Council's [Climate Response and Resilience Policy](#) and [Climate Action Plan](#) and aims to support resilience in the water supply to the Te Ākau, Onewhero and Port Waikato communities.

## **5.7 Risks**

### **Tuuraru**

#### **Te Ākau**

The risk that the new bore raw water quality is not suitable for cartridge filter and UV treatment. If high-quality raw water cannot be achieved, more advanced and expensive treatment, such as membrane treatment, would be required to provide safe drinking water. If the water quality from the new bore does not meet the requirements, the design will need to be reassessed.

#### **Onewhero and Port Waikato**

The isolated and land-constrained nature of these sites will impact future upgrades. A lack of storage within the Onewhero network constrains future growth. Neither area is expected to have significant growth.

## **6. Significance and engagement assessment**

### **Aromatawai paahekoheko**

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#### **6.1 Significance**

##### **Te Hiranga**

The decisions and matters of this report are assessed as of low significance in accordance with the Council's [Significance and Engagement Policy](#).

#### **6.2 Engagement**

##### **Te Whakatuutakitaki**

Engagement with the Te Akau community is required to gain support for the newly proposed plant design and address any concerns.

For the Onewhero and Port Waikato plants, minimal engagement as there will be no change to the services provided.

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Highest level of engagement	Inform ✓	Consult ✓	Involve ✓	Collaborate <input type="checkbox"/>	Empower <input type="checkbox"/>
<p><i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i></p>	<p><i>The assessment relates to the Te Akau community, which is already engaged in consultation with Council about the options for the community.</i></p> <p><i>The engagement has previously occurred with Community Boards/Community Committees, Waikato-Tainui / Local iwi / Hapū.</i></p> <p><i>Households and the fire service will be engaged as the design process progresses.</i></p>				

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

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

## 7. Next steps Ahu whakamua

The following next steps are:

- Watercare to progress to a final design for the new plant at Te Akau.
- Seek approval from Council for capital funding.
- A strategic assessment of the future of the three schemes to be commissioned.

## 8. Confirmation of statutory compliance Te Whakatuuturutanga aa-ture

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

The report fits with Council's role and Committee's/Community Board's Terms of Reference and Delegations.	Confirmed
The report contains sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages ( <i>Section 5.1</i> ).	Confirmed
Staff assessment of the level of significance of the issues in the report after consideration of the Council's Significance and Engagement Policy ( <i>Section 6.1</i> ).	Low
The report contains adequate consideration of the views and preferences of affected and interested persons taking account of any proposed or previous community engagement and assessed level of significance ( <i>Section 6.2</i> ).	Confirmed
The report considers impact on Maaori ( <i>Section 0</i> )	Confirmed
The report and recommendations are consistent with Council's plans and policies ( <i>Section 5.4</i> ).	Confirmed
The report and recommendations comply with Council's legal duties and responsibilities ( <i>Section 5.3</i> ).	Confirmed

## 9. Attachments Ngaa taapirihanga

Attachment 1: WDC small supplies review of Quality Assurance Rules

# Memorandum

To: Gil Miers – Production Manager

From: Grant King - Water Quality Scientist Waikato District

Subject: WDC small supplies review of Quality Assurance Rules

Date: 16/09/2022

Rule Number	Requirement	Comment/ Action
<b>G1</b>	Reporting requirements	<p>Port Waikato and Onewhero require either compliance monitoring reports or additional manual checks recorded in compliance system from operators to meet rules requirements.</p> <p>An assumption is made that continuous analysers can be used to record spot checks and/or extract values from a Wateroutlook report to fulfil Taumata Arowai reporting.</p>
<p><b>Onewhero</b></p> <p>Population of 35 fits into Small (26 – 100 people) and can follow G + S1 + T1 + D1.</p> <p>As a Small supply there are no prescribed rules for chlorination/residual disinfection. Water Services Act section on drinking water safety plan's sets out that all water supplies must <i>provide for the use of, residual disinfection in the supply unless an exemption is obtained</i>. Irrespective of any decision to install chlorination based on risk management, Taumata Arowai have indicated in webinars that they are considering a class exemption for drinking water supplies less than 100.</p>		
<b>T1.1</b>	Water abstracted from a river or stream or other source that has intermittently elevated turbidity, must be either filtered by a back-washable media filter, selectively abstracted, or provided to a raw water tank (minimum 10,000 litres) with a calmed bottom inlet and floating off take, to ensure turbidity is reduced so that it is suitable for further treatment.	Onewhero Spring not considered to have elevated turbidity (greater than 1 NTU). Average is 0.175 (eight samples over one year).
<b>T1.2</b> <b>T1.3</b> <b>T1.4</b>	cartridge filter system that includes a 5 micron or smaller pore size.	Met for Onewhero if installed within validation/manufacturers requirements.

<p><b>T1.5</b></p> <p><b>T1.6</b></p> <p><b>T1.7</b></p>	<p>All water passing through the treatment plant must be disinfected with UV light.</p>	<p>Met for Onewhero.</p> <p>Action: Seek validation documentation if not on file.</p>
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<p><b>Port Waikato</b></p> <p>Population of 350 (updated registration figure) fits into Medium (101 – 500 people) and can follow G + S2 + T2 + D2.</p> <p>Watercare may choose to adopt the large supplies. The rules state that If a drinking water supplier chooses to comply with a higher-level Rule module e.g., T3, they must comply with all of the Rules in that module.</p>		
<p><b>T2.3</b></p> <p><b>T2.9</b></p>	<p>All water passing through the treatment plant must be filtered by either a media, membrane, or cartridge filter system.</p> <p>Turbidity of water leaving the treatment plant must not exceed 5 NTU.</p>	<p>Sand pressure filter in place.</p> <p>Action: Further investigation of SCADA data.</p>
<p><b>T2.10</b></p> <p><b>T2.11</b></p> <p><b>T2.12</b></p> <p><b>T2.13</b></p>	<p>All water passing through the treatment plant must be disinfected with UV light.</p> <p>UV intensity (UVI) or UV dose must be monitored continuously and alarmed to indicate if the UVI or dose is outside of the limits specified by the manufacturer.</p> <p>UV transmittance (UVT) of water at the UV unit must not be less than the level specified by the manufacturer.</p> <p>The flow of water through the UV unit must be restricted or monitored so that it does not exceed the flow rate specified by the manufacturer.</p> <p>Lamp usage must be recorded and manufacturer’s recommendations not exceeded.</p> <p>Lamp outage must be alarmed if the UV unit uses more than one lamp.</p> <p>The UVI sensor must be referenced against a new sensor annually and should be replaced if it reads levels different to the new sensor that are outside the manufacturer’s recommendation.</p>	<p>Port Waikato UV is validated for ONORM M5873-1.</p> <p>Action: confirm UVT alarms and manual recording and sensor check.</p>

<p><b>T2.18</b></p> <p><b>T2.19</b></p> <p><b>T2.20</b></p> <p><b>T2.21</b></p>	<p>FAC of water leaving the treatment plant must be monitored.</p> <p>Water leaving the treatment plant must have a FAC of at least 0.5 mg/L.</p> <p>pH of water leaving the treatment plant must be monitored.</p> <p>Water leaving the treatment plant must have a pH of between 6.5 and 8.</p>	<p>Assuming continuous analysers can be used to record spot checks extract from a Wateroutlook report to fulfil Taumata Arowai reporting.</p> <p>For assessing FAC of 0.5 mg/L – recommend considering greater than 95% of the day as an acceptable level.</p> <p>Action: Further investigation of SCADA data.</p>
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### Te Akau

Population of 75 (updated registration figure) fits into Small (26 – 100 people) and can follow G + S1 + T1 + D1.

Source and treatment plant are still registered as active (Watercare decision). Therefore when demonstrating compliance from January 2023 Taumata Arowai will have to be advised that only the distribution is utilised and requires demonstrating compliance. Lab monitoring to continue from “ Post Reservoir” and “Treated” monitoring points.

Otherwise Te Akau can follow either the T1 rules (Onewhero) or T2 (Port Waikato). As a Small supply CL2/residual disinfection can be managed as an internal operational process to meet the Water Services Act section on drinking water safety plan’s having residual disinfection.

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<b>To</b>	<b>WATER GOVERNANCE BOARD</b>
<b>Report title</b>	Service delivery and resourcing for the Three waters contract
Date:	22 November 2022
Report Author:	Mathew Telfer – Operations Manager Waikato
Authorised by:	Gavin Ion, Chief Executive

## **1. Purpose of the report**

### **Te Take moo te puurongo**

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To inform the Water Governance Board of the review of service commitments and the resourcing needs to,

1. Achieving the Capital delivery targets
2. Address production challenges with aging plants, storm events, and resourcing
3. The transfer of functions from Waikato District Council (WDC) to Watercare (WSL), including validating functions, roles and responsibilities (Appendix 3).

#### **AND**

To seek approval for the budget and appointment of the four permanent roles as detailed in the paper.

## **2. Executive summary**

### **Whakaraapopotanga matua**

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With the delays in the capital delivery and the on-going transitional nature of the contract due to three waters reform, a review of roles and responsibilities and resourcing was required. This included an assessment of the functions delivered by WDC and WSL and considered recent staffing changes within WDC.

Workshops were held with WSL and WDC staff and management to understand the contract's roles, responsibilities, and functions and recommend actions required to support the delivery of the contract services and the Long Term Plan (LTP) capital programme over the three years.

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### 3. Staff recommendations Tuutohu-aa-kaimahi

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**That the Waters Governance Board:**

- a. **Supports the recruitment of the four additional resources.**
  - i. **Recruitment of three full-time water/wastewater treatment plant roles,**
    1. **Operations Controller,**
    2. **Plant Operator**
    3. **Graduate/cadet.**
  - ii. **Recruitment of a full-time Three waters technician to support the transfer of additional functions from Waikato District Council.**
- b. **Approves funding of additional resources at an estimated cost of \$300k per annum from the following sources:**
  - i. **Utilisation of \$200k (incl. overheads e.g. vehicles) of the operating surplus for the remaining 6 months of FY23**
  - ii. **Repurpose of Council Watercare establishment budget to cover the amount in excess of the available operating surplus**
- c. **notes that the additional contracting services to support the capital delivery**
  - i. **A programme manager (fixed term 3 – 6 months) for the delivery of small/high volume capex projects and project managers as required (Capex funded)**
  - ii. **Complete the strategic Consenting and Development mandates to define service level agreements and accountabilities between WSL and WDC.**
  - iii. **Improved project progress reporting supported by the WSL infrastructure team.**

### 4. Background Koorero whaimaarama

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The three aspects of the contract review were the roles and responsibilities due to the on-going transitional nature of the contract, the capital programme delivery, and challenges in the production area.

#### Capital Delivery.

The current LTP budgeted \$164m across the three years. The only exclusions from the delivery are \$12m, which relates to the Te Kauwhata wastewater plant discharge consent, and a portion of the Pokeno to Tuakau wastewater gravity pipeline due to an internal discussion and review, which delayed the project approvals.

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\$103m of the remaining \$152m budget has board approval and is progressing with either the design, tender or construction phase. The remaining \$49m consists of three significant projects with a combined value of \$20m and a large number of smaller value projects totalling \$29m. These smaller projects are the primary area of concern. The proposal is to utilise a programme manager to scope, consolidate and progress these projects. This aspect, combined with improved project reporting, will improve transparency, confidence, and the delivery of the remaining capital programme.

### Transfer of Functions

The functions that continued to be undertaken or supported by WDC after the implementation of the contract required the employment of a WDC Three Waters Contract Engineer.

Due to recent changes, this role will now transfer to the WSL contract team to manage the delivery of the functions, including,

- Build over assets administration, approval and compliance
- Transfer of consents
- Policies, Bylaws, technical support
- Third-Party Damage
- Customer complaints/queries

Transferring these functions to the WSL contract will reduce the 'grey areas' of responsibility during the transitional nature of the contract.

### Production

Several factors have impacted the production team's ability to deliver compliant water and wastewater treatment over the last five months.

Treatment plant performance during recent storm events has highlighted the limitations and challenges of operating the aging process and infrastructure. These challenges have required long working hours for the production team during the events and created concerns for staff welfare and compliance. A significant increase in overtime represents this, with double to expected figures e.g. 40 hours overtime per month budgeted but 80 hours actual during the recent months, which is not sustainable.

A review of the current structure identified the need to create a management role to increase the BAU capacity of the plant operations staff. This, coupled with an increase in front-line staff, will create capacity within the team to focus on necessary process improvement until the plants are replaced.

Other aspects, such as the increased complexity of treatment with new plants, are also a consideration, firstly to support the delivery of the capital programme with new plants at Te Kauwhata, Raglan, within the next two years. These new plants, like Meremere, move from 'Ponds to Plant, ' increasing the process complexity for wastewater treatment operators.

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Based on the outcome of the workshops, the recommendation is,

- Recruitment of three full-time water/wastewater treatment plant roles (Budget approval required)
  1. Operations Controller, to focus on Operational management, training, and upskilling and remove process engineer's day-to-day management of the operational team.
  2. Plant Operator to create capacity in the team to address workload and training needs
  3. Graduate/cadet. To add resiliency to the team and to develop capacity for the team and future staff changes.
- A programme manager (fixed term 3 – 6 months) for the delivery of small/high volume capex projects with a total value of \$29m and project managers as required (Capex funded)
- Recruitment of a full-time Three waters technician to support the transfer of additional functions from WDC (Budget approval required)
  - Build over assets administration, approval and compliance
  - Transfer of consents
  - Policies, Bylaws, technical support
  - Third-Party Damage
  - Customer complaints/queries
- Complete the Strategic consenting and development mandate to define service-level agreements, accountabilities, and expectations.
- Improved project progress reporting led by the WSL infrastructure team to the Water Governance Board and Council.

#### Health and Safety - Safety Culture

Watercare has a mature approach towards the safety of employees and their service providers workers. During the recent storm events, this was challenged by the hours worked by the production team to manage environmental or water compliance issues. These events have subsequently impacted the 'BAU' activities, which had to be placed on hold to manage the events.

This highlights the importance of ensuring staff are both trained and importantly, have the capacity to complete the functions of their role. The recent events are not sustainable, even with the actions to bring staff from Auckland to support the team.

An essential aspect of these new roles is creating capacity within the production team to support increased training, contractor management, infrastructure delivery, BAU and oversight. Process improvement is a vital part of this, as we continue to improve on-site processes and ensure they are understood and safe. We will increase staff safety by creating capacity for the process engineers to continue to address the legacy issues within the aging plants.

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## 5. Discussion and analysis

### Taataritanga me ngaa tohutohu

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The workshops quickly highlighted the areas of concern within the current delivery. The additional background on capital delivery supported a clearer understanding of the capital program's specific challenges in the next 20 months and beyond.

The high number of low dollar-value projects still require significant planning and design with the necessary staffing to meet the delivery expectation.

The awareness that the increased number of storm events and on-going poor quality of the raw water source combined with aging treatment plants is creating unacceptable levels of risk to deliver quality services safely.

This has been highlighted by the recent challenges to maintaining compliance in water production. Due to decreasing raw water quality and aging treatment, the frequency of plant shutdowns, reduce water usage notices, and reduction to 3 logs has increased. Compliance was maintained at all times during these events; the team does not have the capacity for this to continue. The other example is the recent risk of overtopping at the wastewater treatment plant in Huntly.

With increased compliance requirements under Taumata Arowai and an aging workforce, the importance of having appropriate resourcing to manage all aspects of safety, from contractor approval to on-site stand-overs and training needs, is a key focus of this paper. With the move to more technical treatment processes, staff training to ensure the plants are operated safely and the community continues to receive a safe and consistently high-quality service is crucial.

#### 5.1 Options

##### Ngaa koowhiringa

For the resourcing of the production team, our recommendation is there is only one viable option for the Governance board to consider. The need to increase the resources appropriately reflects the significance level (see paragraph 6.1) and the severe implications of the status quo concerning the community and staff wellness.

For the role required for the transfer of functions from WDC to WSL, there are two viable options: to

- 1) continue with the status quo, and WDC recruit technical support or
- 2) transfer these functions to WSL in line with the technical expertise WSL brings to the contract.

Option 2 is recommended because of the alignment with the technical skill and to ensure services are delivered efficiently.

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## **5.2 Financial considerations**

### **Whaiwhakaaro puutea**

Material financial considerations are associated with this report's recommendations, with an increase to the labour budget of \$300k per annum. There is insufficient funding available within the current 2023 labour budget to support the increased staffing.

The recommendation is to utilise the budget available from the current operating surplus of \$429k for the remaining six months (subject to recruitment) of 23FY. These labour costs will need to be included in future annual budgeting for the 2024 FY and beyond.

We are not anticipating having a surplus for 24 FY, but if we do, we could consider utilising it for additional resourcing costs in 24FY. The change in the Waters Engineer role at Council has freed up some salary budget. There is approximately \$1.3m operational budget available in the Council Watercare establishment budget due to delaying the transition of customer-facing activities, billing, and technology systems while remaining within the Transitional Period of the contract. An option to repurpose some of this establishment budget could be considered to avoid an increase in rates charged to customers.

This report is recommending using operational surplus and repurposing of Council Watercare establishment budget. As we are requesting shifting cost centres within the same operating budget it does not require Council approval.

## **5.3 Legal considerations**

### **Whaiwhakaaro-aa-ture**

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

## **5.4 Strategy and policy considerations**

### **Whaiwhakaaro whakamaaherehere kaupapa here**

The report and recommendations are consistent with the Council's policies, plans, and prior decisions regarding maintaining service level and delivering on the Long Term Plan.

## **5.5 Maaori and cultural considerations**

### **Whaiwhakaaro Maaori me oona tikanga**

Ensuring the on-going compliance with water and wastewater standards and the delivery of new infrastructure to address the aging treatment plants provides a healthier natural environment and offers security to iwi and hapu groups in their role as mana whenua.

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## 5.6 Climate response and resilience considerations Whaiwhakaaro-aa-taiao

The decisions sought by, and matters covered in, this paper has climate change implications in accordance with the expectation that more extreme and fluctuating weather events will continue to impact the raw water sources and the ability to treat wastewater with the aging plant.

## 5.7 Risks Tuuraru

The risks associated with the production team resourcing include staff wellness and the ability to maintain compliance standards of water and wastewater treatment.

The failure to deliver capital plants renewals due to high operational demands.

Failure to meet obligations to the Health and safety of staff, the community, and the environment which is critical in water and wastewater treatment. The production team is an aging workforce with three key staff nearing retirement age, the additional resource will create resilience to manage this risk.

## 6. Significance and engagement assessment Aromatawai paahekoheko

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### 6.1 Significance Te Hiranga

The decisions and matters of this report are assessed as of moderate significance, in accordance with the Council's [Significance and Engagement Policy](#).

The following criteria are particularly relevant in determining the level of significance for this matter:

- The proposal or decision will affect a large portion of the community.
  - The proposal affects the level of service of a significant activity.
  - The likely consequences are controversial.
-

## 6.2 Engagement

### Te Whakatuutakitaki

Highest level of engagement	Inform ✓	Consult ✓	Involve ✓	Collaborate ✓	Empower <input type="checkbox"/>
<i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i>	<p>All of the aspects above are included and on-going for the delivery of the capital program.</p> <p>For the resourcing requirements, the primary engagement is In relation to the delivery of services to the community.</p>				

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

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

## 7. Next steps

### Ahu whakamua

- The recruitment of the production and technical roles and appointment of the programme manager.
- Improved reporting and visibility for the capital delivery

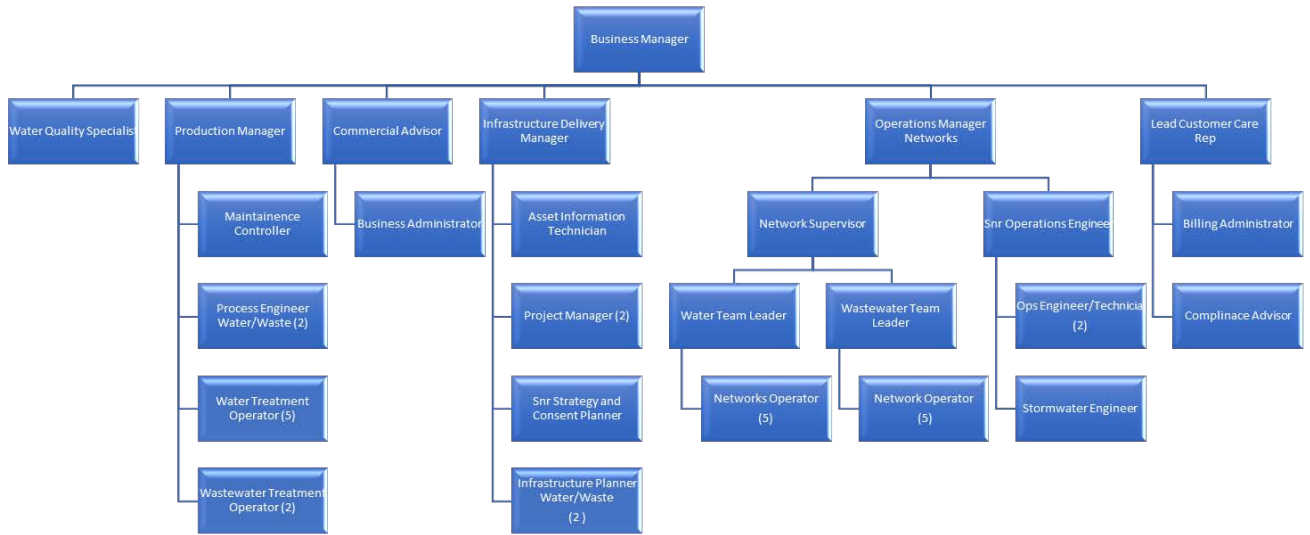
## 8. Confirmation of statutory compliance Te Whakatuuturutanga aa-ture

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

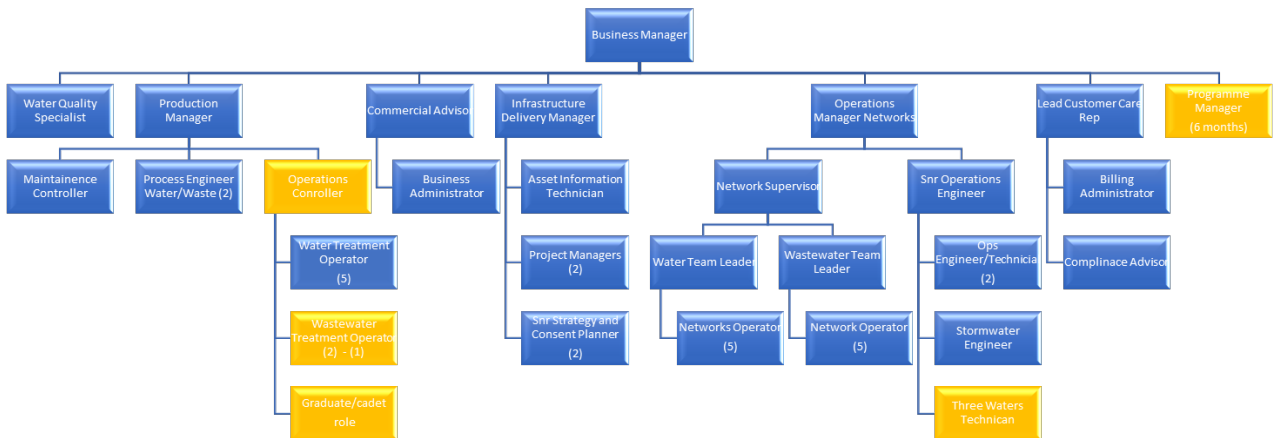
The report fits with Council's role and Governance Boards Terms of Reference and Delegations.	Confirmed
The report contains sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages ( <i>Section 5.1</i> ).	Confirmed
Staff assessment of the level of significance of the issues in the report after consideration of the Council's Significance and Engagement Policy ( <i>Section 6.1</i> ).	High
The report contains adequate consideration of the views and preferences of affected and interested persons taking account of any proposed or previous community engagement and assessed level of significance ( <i>Section 6.2</i> ).	Confirmed
The report considers impact on Maaori ( <i>Section 5.5</i> )	Not applicable
The report and recommendations are consistent with Council's plans and policies ( <i>Section 5.4</i> ).	Confirmed
The report and recommendations comply with Council's legal duties and responsibilities ( <i>Section 5.3</i> ).	Confirmed

## 9. Attachments Ngāa taapirihanga

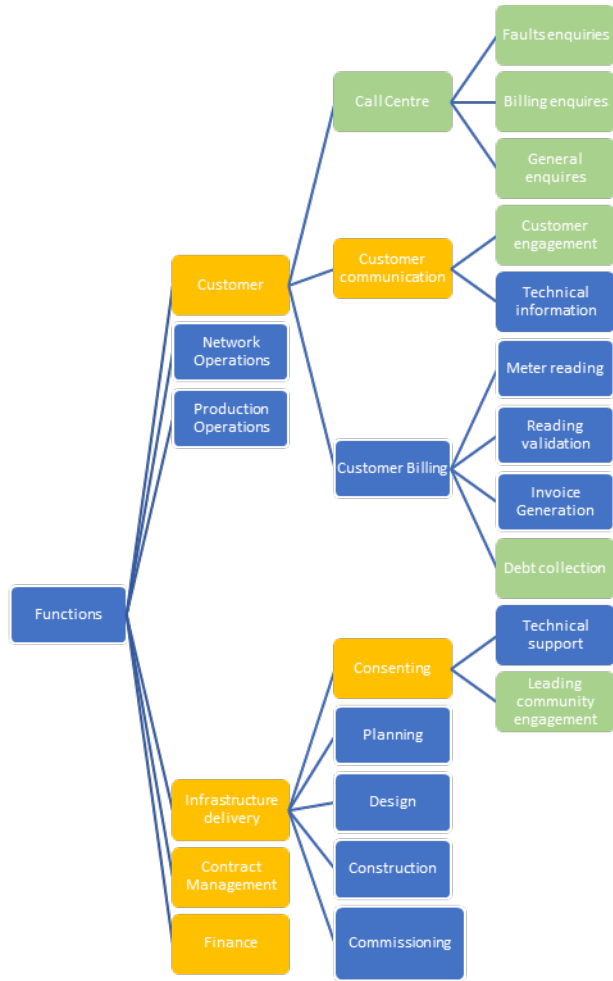
### Attachment 1 – Current Structure



### Attachment 2 – Proposed Structure



Attachment 3 – High-level Contract functions – Roles/Responsibilities



Watercare

Council

Shared/both



<b>To</b>	<b>Waters Governance Board</b>
<b>Report title</b>	<b>Exclusion of the Public</b>
Date:	Tuesday, 15 November 2022
Report Author:	Elizabeth Saunders, Democracy Advisor
Authorised by:	Gaylene Kanawa, Democracy Manager

## 1. Staff recommendations Tuutohu-aa-kaimahi

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Item PEX 1 Confirmation of Minutes Item number PEX 2 Action Register	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
Item PEX 3.1 Waters Financial Results to 31 October 2022		
Item PEX 3.2 Ngaruawahia Wastewater Network Renewal		
Item PEX 3.3 Raglan Wastewater Treatment Plant Upgrade		

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
<b>Item PEX 1</b> <b>Confirmation of Minutes</b>  <b>Item number PEX 2</b> <b>Action Register</b>		<b>Refer to the previous Public Excluded reason in the agenda for this meeting.</b>
<b>Item PEX 3.1</b> <b>Waters Financial Results to 31 October 2022</b>	7(2)(b)(ii)	<b>To protect information that would otherwise unreasonably prejudice a person's commercial position.</b>
	7(2)(h)	<b>To enable commercial activities to be carried out without prejudice or disadvantage.</b>
<b>Item PEX 3.2</b> <b>Ngaruawahia Wastewater Network Renewal</b>	7(2)(b)(ii)	<b>To protect information that would otherwise unreasonably prejudice a person's commercial position</b>
	7(2)(h)	<b>To enable commercial activities to be carried out without prejudice or disadvantage.</b>
	7(2)(j)	<b>To prevent use of the information for improper gain or advantage.</b>
<b>Item PEX 3.3</b> <b>Raglan Wastewater Treatment Plant Upgrade</b>	7(2)(b)(ii)	<b>To protect information that would otherwise unreasonably prejudice a person's commercial position.</b>
	7(2)(h)	<b>To enable commercial activities to be carried out without prejudice or disadvantage.</b>
	48(1)(d)	<b>To enable deliberations in private on a decision or recommendation in any applicable proceeding</b>

## 2. Attachments

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There are no attachments for this report.

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