

Agenda for a meeting of the Waters Governance Board to be held via audio-visual conference on **TUESDAY, 25 AUGUST 2020** commencing at **9.00am**.

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|-----------|---|-----------|
| 1. | <u>APOLOGIES AND LEAVE OF ABSENCE</u> | |
| 2. | <u>CONFIRMATION OF STATUS OF AGENDA</u> | |
| 3. | <u>DISCLOSURES OF INTEREST</u> | 5 |
| | The Register of Interests document is attached for the Board's information. | |
| 4. | <u>CONFIRMATION OF MINUTES</u> | |
| | Meeting held on Thursday, 23 July 2020 | 9 |
| 5. | <u>REPORTS</u> | |
| 5.1 | Actions Register | 17 |
| 5.2 | Te Ture Whaimana | 21 |
| 5.3 | Three Waters Service Delivery Reform Stimulus Programme | 22 |
| 5.4 | Waters Long Term Plan Performance Targets Result | 65 |
| 5.5 | Three Waters Performance Report – July 2020 | 71 |
| 6. | <u>EXCLUSION OF THE PUBLIC</u> | 90 |

GJ Ion
CHIEF EXECUTIVE

TERMS OF REFERENCE AND DELEGATION

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

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

Purpose and Terms of Reference:

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

The Board is delegated the following powers to act:

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

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

Register of Interests – Waters Governance Board

Ruku Schaafhausen

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

Garth Dibley

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

David Wright

Companies and Trusts	Director, David Wright Limited Trustee, Tervuren Trust Trustee, Solomon Islands Tourism Infrastructure Development Fund (Incorporated) Chief Executive, Red Meat Profit Partnership Chair of Waimea Water Ltd Chair, Wellington Water Limited Chair, Solomon Islands Airport Corporation Limited
Community organisations	Chair, Tokelau Renewable Energy Steering Group Member, Audit and Risk Committee, Internet New Zealand Incorporated
Other appointments	Chair, Central Air Ambulance Rescue Limited Chair, Search and Rescue Services Limited
Property within the District	Nil
Any other interests	Nil

Gavin Ion

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

Jackie Colliar

Companies and Trusts	Te Whakakitenga O Waikato Inc Member of Te Arataura
Community organisations	Nil
Other appointments	Trustee and Chair of Taniwha Marae Waipa District Council – Co-Governance Committee Waikato Regional Council – Co-Governance Committee Waikato River Authority Board Member
Property within the District	Nil
Any other interests	Employee of Hamilton City Council Project Lead for the Subregional Three Waters project on behalf of Future Proof

Open Meeting

To	Waters Governance Board
From	Gavin Ion Chief Executive
Date	25 August 2020
Prepared by	Lynette Wainwright Committee Secretary
Chief Executive Approved	Y
Reference #	GOV1301
Report Title	Confirmation of Minutes

1. EXECUTIVE SUMMARY

To confirm the minutes of the Waters Governance Board meeting held on Thursday, 23 July 2020.

2. RECOMMENDATION

THAT the minutes of the meeting of the **Waters Governance Board** held on **Thursday, 23 July 2020** be confirmed as a true and correct record of that meeting.

3. ATTACHMENTS

WGB Open Minutes – 23 July 2020

MINUTES of a meeting of the Waters Governance Board Meeting of the Waikato District Council held in Committee Rooms 1 & 2, District Office, 15 Galileo Street, Ngaruawahia on **THURSDAY, 23 JULY 2020** commencing at **12.55pm**.

Present:

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

Attending:

Mr I Cathcart (Special Infrastructure Projects Manager)
Ms C Nutt (Waters Contract Relationship Manager)
Mr V Ramduny (Strategic Projects Manager)
Mrs C Pidduck (Legal Counsel)
Mr B Stringer (Democracy Manager)

Ms S Danks (Waikato Business Manager, Watercare)
Mr R Pullar (Infrastructure Delivery Manager – Waikato, Watercare)
Ms P McFall (Network Planner, Watercare)
Mr R Kumar (Commercial Advisor – Waikato, Watercare)
Mr P Kapasilli (Treatment Planner, Watercare)

APOLOGIES AND LEAVE OF ABSENCE

All members were present

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Ms Schaafhausen/Mr Ion)

THAT the agenda for a meeting of the Waters Governance Board Meeting held on Thursday, 23 July 2020 be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 6 which shall be discussed with the public excluded.

CARRIED

WGB2007/01

DISCLOSURES OF INTEREST

There were no disclosures of interest.

CONFIRMATION OF MINUTES**Resolved: (Ms Schaafhausen/Mr Ion)****THAT the minutes of a meeting of the Waters Governance Board Meeting held on Tuesday, 23 June 2020 be confirmed as a true and correct record of that meeting.****CARRIED****WGB2007/02****REPORTS**Actions Report
Agenda Item 5.1

The following updates were made to the Actions Register:

- Financial reporting and audit process – deferred to August 2020.
- Te Kauwhata watertake consents strategy – deferred to September 2020.
- Maramarua Wastewater Treatment Plant Compliance – completed.
- Minister’s visit – deferred to August 2020.
- Water NZ funding – deferred to August 2020.
- Benchmarking other councils in relation to engagement with mana whenua:
 - The Chief Executive advised further work was required with the Councillors on this matter following an initial discussion.
 - Deferred to August 2020
- Raglan discharge – update provided at the meeting.
- Risk Register – staff working on this; deferred to August 2020.

Resolved: (Mr Ion/Mr Dibley)**THAT the report from the Special Infrastructure Projects Manager be received.****CARRIED****WGB2007/03**Register of Interests
Agenda Item 5.2**Resolved: (Mr Dibley/Mr Wright)****THAT the report from the Special Infrastructure Projects Manager be received.****CARRIED****WGB2007/04**

Three Waters Performance Report – June 2020

Agenda Item 5.3

The Special Infrastructure Projects Manager and Ms Danks spoke to the report. The following matters were noted:

- Raglan overflow – some minor improvements were made; a good turnaround.
- Health & Safety
 - contractual site audits had commenced, with a trial site for health & safety induction to be undertaken within the next week.
 - Near miss in relation to caustic soda delivery to Ngaruawahia with failure to clean up lime. Also contractor blocked driveway at Te Kauwhata wastewater plant; contractors had been advised to keep access clear and tidy. Issue with ongoing reinforcement with drivers.
- KPIs
 - continued challenges on meeting timeframes with travel distances to Raglan.

ACTION: KPI adjusted for urgent callouts to be one hour for Raglan only, aligned to the Long Term Plan.
- Treatment plants
 - Watercare working through deferred maintenance programme. Summary provided on the testing work undertaken.
 - Huntly wastewater treatment plant nearing its electrical capacity. Watercare reviewing as part of maintenance/upgrade.
 - Back-up mechanisms for treatment plants.
- Networks
 - Overflow in Raglan discussed. No adverse feedback from community following shut-down of harbour.
 - Meremere reservoir works completed.
 - Travers Road culvert – Watercare Waikato undertaking maintenance work; issues with connection with rail corridor.
- Planning – projects had been initiated and were in the implementation phase, to support growth and Asset Management Plans.
- Abatement Notice
 - Letters sent to Waikato Regional Council to seek extension of abatement notice to enable new treatment plants to be constructed for Meremere and Te Kauwhata.
 - Te Kauwhata Treatment Plan
 - i. new treatment plant to take approximately 2 to 3 years to complete; some minor improvements had commenced. Challenges to expedite the solution.

- ii. Waikato Regional Council were planning formal investigation on compliance issues; a plan had been provided to WRC on how issues would be addressed by December 2022.
- iii. Council/Watercare endeavouring to meet with mana whenua. Waikato Regional Council had responded to mana whenua's request to take action
 - Stormwater abatement notice in Raglan – progress by October 2020 expected; some historical issues with WRC; not an easy fix.

ACTION: Letter to be sent to WRC to request time for abatement notice be moved, as with other abatement notices.

- Shared Services – The Chief Executive provided an update.
- Compliance – no significant changes noted.
- Strategic Resource Consents
 - Raglan WWTP Resource consent – update on proposed timing to align with Matariki.
 - Stream discharge (Raglan) – MBR option favoured by iwi but concerns expressed by other stakeholders; a higher risk option.
- Building consents – Building new sewer. Process to be agreed between Council and Watercare on ownership and delegation; work underway.

Resolved: (Mr Wright/Mr Dibley)

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

CARRIED

WGB2007/05

EXCLUSION OF THE PUBLIC

Agenda Item 6

Resolved: (Gavin/Ruku)

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 1 Confirmation of Minutes	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
Item 2.1 Actions Report		
Item 2.2 Waters Financial Report Results – June 2020		
Item 2.3 Mid-Waikato Water & Wastewater Servicing Strategy dated June 2020		
Item 2.4 Watercare Interim Business Plan 2020-2021		
Item 2.5 Three Waters Reform Programme		

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
I		Refer to the previous Public Excluded reason in the agenda for this meeting.
2.1		Refer to the previous Public Excluded reason in the agenda for this meeting.
2.2	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
	7(2)(j)	To prevent the disclosure or use of official information for improper gain or improper advantage.
2.3	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
	7(2)(j)	To prevent the disclosure or use of official information for improper gain or improper advantage.
2.4	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
	7(2)(j)	To prevent the disclosure or use of official information for improper gain or improper advantage.
2.5	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
	7(2)(j)	To prevent the disclosure or use of official information for improper gain or improper advantage.

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

CARRIED

WGB2007/06

Resolutions WGB2007/07 – WGB2007/13 are contained in the public excluded section of these minutes.

Having resumed open meeting and there being no further business the meeting was declared closed at 4.59pm.

Minutes approved and confirmed this day of 2020.

Rukumoana Schaafhausen
CHAIRPERSON

Open Meeting

To	Waters Governance Board
From	Ian Cathcart Special Infrastructure Projects Manager
Date	17 August 2020
Prepared by	Lynette Wainwright Committee Secretary
Chief Executive Approved	Y
Reference #	GOV1301
Report Title	Actions Register

1. EXECUTIVE SUMMARY

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

2. RECOMMENDATION

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

3. ATTACHMENTS

Actions Register

Waters Governance Board Actions Register

OPEN MEETING

Meeting Date	Action	To Action	When	Status
20/11/19	The General Manager Service Delivery to confirm the financial reporting and audit process and report back to the Board.	I Cathcart	August 2020	Full financials have been reported to the Board and future requirements confirmed at the July meeting. Work has commenced on brief and identification of audit partners. Update to Board due in August.
	The Board to be provided with: <ul style="list-style-type: none"> ▪ The proposed Te Kauwhata water take consents strategy. 	Ian Cathcart/ Watercare	September 2020	Richard Bax engaged to work with TKWA and include the Mid Waikato Servicing Strategy outcomes in securing a new consent.
	<u>Maramarua Wastewater Treatment Plant Compliance</u> Letter of response to be completed and forwarded to Waikato Regional Council.	Ian Cathcart	Treat as Complete	This Letter of Direction is being revised by WRC as part of the assessment for the annual compliance of the plant YE June 2020. The compliance report surpassing the letter is to be submitted in September 2020.
20/12/19	<i>(Arrange for education and upskilling on maaori perspectives on water: what does it mean to mana whenua, kaitiakitanga, vision and strategy for the Waikato River, uniqueness to river settlement etc.)</i> The Chair advised that she proposed the training session for Board members in relation to Maaori perspectives on water would take place on a quarterly basis, rather than	R Schaafhausen	August November February May	Training sessions to take place on a quarterly basis.

Waters Governance Board Actions Register

Meeting Date	Action	To Action	When	Status
	be tagged on to each Board meeting.			
	<ul style="list-style-type: none"> ▪ The Minister of Local Government to be invited to the next meeting of the Board. The Chief Executive to outline the urgency and the reasons for her attendance - funding to explore projects and potential changes with water entities. <p>Presentation to be prepared to form base for discussions with LG Minister</p> <ul style="list-style-type: none"> ▪ Council's arrangements with Watercare – learnings and successes to date. ▪ Data on potential regulatory (cost) impact on the ratepayer as a consequence of the proposed water regulations. ▪ Impact of Council assuming some responsibility for private water supplies. ▪ Contribution towards Council/Watercare transition costs. ▪ The Lead we are providing on co-governance for 3 waters by Council and Iwi. ▪ Funding from central government towards the sub-regional 3 waters study. <p>Affordability – rates rebates and financial hardship</p>	G Ion	August 2020	It is suggested we defer this until we understand the situation regarding the timing of the election.
11/2/2019	Investigation into forums held by other Councils in respect of engagement with mana whenua. Iwi and Community Partnerships Manager, Sam Toka, to present the vision to the next meeting of the Board.	Sam Toka / Gavin Ion	August 2020	Council have agreed in principle to form mana whenua forums. Staff need to work with Waikato-Tainui to flesh out what this looks like.

Waters Governance Board Actions Register

Meeting Date	Action	To Action	When	Status
23/6/2020	Risk Register - The Board requested a standing Health & Safety report, in dashboard style, showing key trends be placed on each agenda.	Ian/Sharon	August 2020	Health and Safety reporting has been increased in the August Watercare operational report.
23/7/2020	<u>KPIs</u> KPI adjusted for urgent callouts to be one hour for Raglan only, aligned to the Long Term Plan.	Sharon Danks	August 2020	To be included in August monthly report
23/7/2020	Letter to be sent to WRC to request time for Raglan stormwater abatement notice be moved, as with other abatement notices.	Ian Cathcart	August 2020	Letter not yet progressed but actions underway with new stormwater engineer in the interim

Open Meeting

To	Waters Governance Board
From	Gavin Ion Chief Executive
Date	10 August 2020
Chief Executive Approved	Y
Reference #	WGB2020
Report Title	Te Ture Whaimana

1. EXECUTIVE SUMMARY

This report is to inform the Board that Donna Flavell of Waikato-Tainui and Bob Penter of Waikato River Authority will be providing background on Te Ture Whaimana for the understanding of the Board members.

2. RECOMMENDATION

THAT the report from the Chief Executive be received.

3. ATTACHMENTS

Nil

Open Meeting

To	Waters Governance Board
From	Ilan Cathcart Special Infrastructure Projects Manager
Date	25 August 2020
Prepared by	Carole Nutt Waters Contract Relationship Manager
Chief Executive Approved	Y
Reference #	WGB2020
Report Title	Three Waters Service Delivery Reform/Stimulus Programme

I. EXECUTIVE SUMMARY

In July 2020, the Government announced a \$761 million funding package to provide post COVID-19 stimulus to maintain, improve three waters infrastructure, support a three-year programme of reform of local government water service delivery arrangements (reform programme), and support the establishment of Taumata Arowai, the new Waters Services Regulator.

A Joint Central/Local Government Three Waters Steering Committee has been established to provide oversight and guidance to support progress towards reform, and to assist in engaging with local government, iwi/Māori, and other water sector stakeholders on options and proposals.

The reform programme is designed to support economic recovery, and address persistent systemic issues facing the three waters sector, through a combination of:

- stimulating investment, to assist economic recovery through job creation, and maintain investment in water infrastructure renewals and maintenance; and
- reforming current water service delivery, into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium to long term.

Initial funding from the stimulus package will be made available to those councils that agree to participate in the first stage of the reform programme, through a Memorandum of Understanding (MoU), Funding Agreement, and approved Delivery Plan. The MoU must be signed by the end of August 2020, with the Funding Agreement and Delivery Plan submitted and approved by the end of September 2020.

This report asks the Waters Governance Board to give approval to sign the MoU at Appendix A and Funding Agreement at Appendix B.

2. RECOMMENDATION

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

AND THAT the Waters Governance Board notes the following:

- in July 2020, the Government announced an initial funding package of \$761 million to provide a post COVID-19 stimulus to maintain and improve water networks infrastructure, and to support a three-year programme of reform of local government water services delivery arrangements.
- initial funding will be made available to those councils that agree to participate in the initial stage of the reform programme, through a Memorandum of Understanding (MoU), Funding Agreement, and approved Delivery Plan.
- this initial funding will be provided in two parts: a direct allocation to individual territorial authorities, and a regional allocation. The participating individual authorities in each region will need to agree an approach to distributing the regional allocation.
- the Joint Central/Local Government Three Waters Steering Committee has recommended a preferred approach to the allocation of regional funding, being the same formula as was used to determine the direct allocations to territorial authorities.
- the MoU and Funding Agreement cannot be amended or modified by either party, and doing so would void these documents.
- participation in this initial stage is to be undertaken in good faith, but this is a non-binding approach, and the Council can opt out of the reform process at the end of the term of the agreement (as provided for on page 5 of the MoU).
- Waikato District Council has been allocated \$5.67 million of funding, which will be received as a grant as soon as practicable once the signed MoU and Funding Agreement are returned to the Department of Internal Affairs, and a Delivery Plan has been supplied and approved (as described on page 5 of the MoU).
- the Delivery Plan must show that the funding is to be applied to operating and/or capital expenditure relating to three waters infrastructure and service delivery, and which:
 - supports economic recovery through job creation; and
 - maintains, increases, and/or accelerates investment in core water infrastructure renewal and maintenance.

AND FURTHER THAT the Waters Governance Board:

- approves the MoU (attached as Appendix A of the staff report) and Funding Agreement (attached as Appendix B of the staff report), and authorises the signing of both documents; and

- appoints the **Chief Executive** as the **primary point of communication** for the purposes of the **MoU** and reform programme (as referred to on page 6 of the **MoU**); and
- delegates authority to the **Chief Executive** to:
 - a. make any decisions about the allocation of regional funding in order to secure the best arrangement possible for the **Council**;
 - b. complete and submit the **Delivery Plan to Crown Infrastructure Partners**,
 in accordance with any direction provided by the **Board**.

3. DISCUSSION

3.1 BACKGROUND AND CONTEXT

Issues facing the three waters system, and rationale for reform

Over the past three years, central and local government have been considering the issues and opportunities facing the system for regulating and managing the three waters (drinking water, wastewater, and stormwater).

The Government Inquiry into Havelock North Drinking Water – set up following the serious campylobacter outbreak in 2016 – identified widespread, systemic failure of suppliers to meet the standards required for the safe supply of drinking water to the public. It made a number of urgent and longer-term recommendations to address these significant systemic and regulatory failures.

The Government's Three Waters Review highlighted that, in many parts of the country, communities cannot be confident that drinking water is safe, or that good environmental outcomes are being achieved. This work also raised concerns about the regulation, sustainability, capacity and capability of a system with a large number of localised providers, many of which are funded by relatively small populations.

The local government sector's own work has highlighted similar issues. For example, in 2014, LGNZ identified an information gap relating to three waters infrastructure. A 2015 position paper, argued for a refresh of the regulatory framework to ensure delivery of quality drinking water and wastewater services, and outlined what stronger performance in the three waters sector would look like.

Both central and local government acknowledge that there are many challenges facing the delivery of water services and infrastructure, and the communities that fund and rely on these services. These challenges include:

- Underinvestment in three waters infrastructure in parts of the country, and substantial infrastructure deficits. For example, it is estimated that between \$300 to \$570 million is required to upgrade networked drinking water treatment plants to meet drinking water standards; and up to \$4 billion is required to upgrade wastewater plants to meet new

consent requirements. These deficits are likely to be underestimates, given the variable quality of asset management data.

- Persistent funding and affordability challenges, particularly for communities with small rating bases, or high-growth areas that have reached their prudential borrowing limits.
- Additional investment required to increase public confidence in the safety of drinking water, improve freshwater outcomes, and as a critical component of a collective response to climate change and increasing resilience of local communities.

COVID-19 has made the situation even more challenging. Prior to COVID-19, territorial authorities were planning on spending \$8.3 billion in capital over the next five years on water infrastructure. However, COVID-19 is likely to cause significant decreases in revenue in the short term. As a result, borrowing will be constrained due to lower debt limits that flow from lower revenues, and opportunities to raise revenue through rates, fees and charges will be limited.

Progress with three waters regulatory reforms

Good progress is already being made to address the regulatory issues that were raised by the Havelock North Inquiry and Three Waters Review. The Government is implementing a package of reforms to the three waters regulatory system, which are designed to:

- improve national-level leadership, oversight, and support relating to the three waters – through the creation of Taumata Arowai, a new, dedicated Water Services Regulator;
- significantly strengthen compliance, monitoring, and enforcement relating to drinking water regulation;
- manage risks to drinking water safety and ensure sources of drinking water are protected;
- improve the environmental performance and transparency of wastewater and stormwater networks.

Legislation to create Taumata Arowai had its third reading on 22 July 2020 and should be enacted shortly. This new Crown entity is currently being built, and will become responsible for drinking water regulation once a separate Water Services Bill is passed (anticipated mid 2021).

However, both central and local government acknowledge that regulatory reforms alone will not be sufficient to address many of the persistent issues facing the three waters system. Reforms to service delivery and funding arrangements also need to be explored.

3.2 PROPOSAL – CENTRAL/LOCAL GOVERNMENT THREE WATERS REFORM PROGRAMME

Overview of proposed approach to three waters investment and service delivery reform

At the recent Central/Local Government Forum, central and local government leadership discussed the challenges facing New Zealand's water service delivery and infrastructure, and committed to working jointly on reform. A Joint Central/Local Government Three Waters Steering Committee has been established to provide oversight and guidance to support this work. Further details are provided in Appendix D.

Central and local government consider it is timely to apply targeted infrastructure stimulus investment to enable improvements to water service delivery, progress service delivery reform in partnership, and ensure the period of economic recovery following COVID-19 supports a transition to a productive, sustainable economy.

In July 2020, the Government announced an initial funding package of \$761 million to provide post COVID-19 stimulus, support a three-year programme of reform of local government water service delivery arrangements, and support the establishment and operation of Taumata Arowai.

The reform programme is designed to support economic recovery, and address persistent systemic issues facing the three waters sector, through a combination of:

- stimulating investment, to assist economic recovery through job creation, and maintain investment in water infrastructure renewals and maintenance; and
- reforming current water service delivery, into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium to long term.

While the Government's starting intention is for publicly-owned multi-regional models for water service delivery (with a preference for local authority ownership), final decisions on a service delivery model will be informed by discussion with the local government sector and the work of the Joint Steering Committee.

Further information on the reform objectives, and the core design features of any new service delivery model, are provided in pages 3 to 4 of the MoU at Appendix A.

Reform process and indicative timetable

As noted above, this is a three-year programme to reform three waters service delivery arrangements, which is being delivered in conjunction with an economic stimulus package of Crown investment in water infrastructure. The reform programme will be undertaken in stages.

The initial stage is an opt in, non-binding approach, which involves councils taking the actions and signing the documents described below (MoU, Funding Agreement, and Delivery Plan). Councils that agree to opt in by the end of August 2020 will receive a share of the initial funding package.

Any further tranches of funding will be at the discretion of the Government and may depend on progress against reform objectives.

An indicative timetable for the full reform programme is provided below. While this is subject to change as the reforms progress, and subject to future Government budget decisions, it provides an overview of the longer-term reform pathway.



3.3 ALLOCATION OF THE INVESTMENT PACKAGE

The Government has determined a notional allocation framework based on a nationally-consistent formula.

The general approach to determining each authority's notional allocation is based on a formula that gives weight to two main factors:

- The population in the relevant council area, as a proxy for the number of water connections serviced by a territorial authority (75 per cent weighting);
- The land area covered by a local authority excluding national parks, as a proxy for the higher costs per connection of providing water services in areas with low population density (25 per cent weighting).

The investment package is structured into two components:

- A direct allocation to each territorial authority, comprising 50% of that territorial authority's notional allocation; and
- A regional allocation, comprising the sum of the remaining 50% of the notional allocations for each territorial authority in the relevant region.

The relevant allocations for Waikato District Council are:

- \$5.67 million (excluding GST) direct allocation for Waikato District Council;
- \$33.3 million (excluding GST) regional allocation for Waikato.

The purpose of the Government's regional allocation is to establish collective participation by councils in the reform programme. Each regional group of councils has until 30 September to agree on how best to apportion the regional funds to the individual territorial authorities that make up the region. Appendix E includes a hypothetical example of how a regional allocation decision-making process could work.

The Steering Committee has recommended a preferred approach to the allocation of regional funding, being the same formula that is used to determine the direct allocations to territorial authorities.

Officers recommend delegating decisions about the allocation of regional funding to the Chief Executive of the Council, to obtain the best outcome he can for council, and noting that participation by two-thirds of territorial authorities within the Waikato region is required to access the regional allocation.

3.4 WHAT ACTIONS ARE THE COUNCIL BEING ASKED TO TAKE AT THIS POINT?

The initial stage of the reform programme involves three core elements:

- Memorandum of Understanding (Appendix A);
- Funding Agreement (Appendix B);
- Delivery Plan (Appendix C).

Initial funding will be made available to those councils that sign the MoU, and associated Funding Agreement, and provide a Delivery Plan.

This initial funding will be provided in two components: a direct allocation to individual councils, and a regional allocation. The participating councils in each region are required to agree an approach to distributing the regional allocation.

The MoU is the ‘opt in’ to the first stage of the reform and stimulus programme. The MoU needs to be signed and submitted by the end of August 2020. The Funding Agreement and Delivery Plan need to be submitted by the end of September 2020, to access the stimulus funding.

Councils that do not opt in by the end August 2020 deadline will not receive a share of the stimulus funding. Councils will still be able to opt into the reform programme at a later date, but will not have access to the initial funding package, retrospectively.

3.5 MEMORANDUM OF UNDERSTANDING

A MoU has been developed by the Steering Group, for each council to enter into with the Crown. This is a standardised document, which cannot be amended or modified by either party.

Signing the MoU commits councils to:

- engage in the first stage of the reform programme – including a willingness to accept the reform objectives and the core design features set out in the MoU;
- the principles of working together with central government and the Steering Committee;
- work with neighbouring councils to consider the creation of multi-regional entities;
- share information and analysis on their three waters assets and service delivery arrangements.

At this point, this is a voluntary, non-binding commitment. It **does not** require councils to commit to future phases of the reform programme, to transfer their assets and/or liabilities, or establish new water entities.

The MoU is effective from the date of agreement until 30 June 2021, unless terminated by agreement or by replacement with another document relating to the reform programme.

A legal opinion by Simpson Grierson, commissioned by SOLGM on behalf of the Steering Committee, advises that the MoU **does not** contain any explicit triggers for consultation under the Local Government Act 2002. Staff are reviewing our internal policies to confirm if there are any triggers for consultation specific to Waikato District Council.

3.6 FUNDING AGREEMENT

This Council has been allocated \$5.67 million by the Crown, if it opts into the reform programme. A further \$33.3 million has been allocated to the Waikato to agree an appropriate distribution between participating Councils. This funding will be provided as a grant, which does not need to be repaid if the Council does not ultimately commit to reform at later stages of the process.

There are several options for how the regional funding could be allocated between councils. The joint central-local government Three Waters Steering Committee preferred approach is to apply the same formula¹ used to calculate the direct allocations.

It is recommended that the Board delegates authority to the Chief Executive to agree an appropriate allocation with other participating councils, noting that participation by two thirds of territorial authorities within the region is to access the regional funding. The Funding Agreement is one of the mechanisms for accessing the funding package. Like the MoU, it is a standardised document, for agreement between each council and the Crown. It cannot be amended.

The Funding Agreement guides the release and use of funding. It sets out:

- the funding amount allocated to the Council;
- funding conditions;
- public accountability requirements, including the Public Finance Act;
- reporting milestones.

While there is some local flexibility around how the funding can be applied, the Government has indicated that this investment is intended to support economic recovery, enable improvements in water service delivery, and progress the service delivery reform programme.

The Funding Agreement will be supplemented by a Delivery Plan, which is the document that sets out how the grant funding is to be applied by the Council.

¹ Applying a 75% weighting for population and a 25% weighting for land area, excluding national parks.

3.7 DELIVERY PLAN

The Delivery Plan is the other mechanism for accessing the funding package.

This Delivery Plan must show that the funding allocation is to be applied to operating and/or capital expenditure relating to three waters infrastructure and service delivery, and which:

- supports economic recovery through job creation; and
- maintains, increases, and/or accelerates investment in core water infrastructure renewal and maintenance.

The Delivery Plan is a short-form template, which sets out:

- a summary of the works to be funded, including location, estimated associated costs, and expected benefits/outcomes;
- the number of people to be employed in these works;
- an assessment of how the works support the reform objectives in the MoU;
- reporting obligations.

The Delivery Plan will be supplied to Crown Infrastructure Partners (and other organisations as agreed between the Council and Crown), for review and approval. Crown Infrastructure Partners will monitor progress against the Delivery Plan, to ensure spending has been undertaken with public sector financial management requirements.

In conjunction with Watercare Services Limited, staff have identified the following initiatives for consideration and are working through Delivery Plans for each initiative to check that they meet the funding and delivery criteria:

Initiative	Opex/ Capex	Cost Estimate \$M	Notes
Future Proof sub-regional 3 waters study, and Hamilton-Waikato metropolitan wastewater detailed business cases	Opex	\$0.5 to \$1.0	Joint initiative with Waipa District Council and Hamilton City Council to meet the servicing needs of the wider District
Additional resource in Special Infrastructure Projects Team	Opex	TBA	New role with waters engineering skillset, focus on clearing historical waters issues and assisting with day to day tasks
District wide wastewater pond desludging	Opex	\$5.5	Accelerated works for Raglan and Ngaruawahia Cost for Huntly in excess of Annual Plan budget

SCADA telemetry upgrade and renewals	Capex	\$0.5	Additional upgrade and renewals in excess of current budget allocation; move to third party hosting
Water and wastewater reticulation renewables	Capex	TBC	Accelerate renewals in excess of already approved works (dependent on Contractor availability)

4. ATTACHMENTS

- Appendix A: Memorandum of Understanding
- Appendix B: Funding Agreement
- Appendix C: Delivery Plan
- Appendix D: Information on Joint Three Waters Steering Committee
- Appendix E: Hypothetical example

MODEL

Memorandum of Understanding Three Waters Services Reform

Between the [Sovereign in right of New Zealand acting by and through the Minister of Local Government] and

[Territorial Authority]

Date

PURPOSE

This Memorandum of Understanding (Memorandum) sets out the principles and objectives that the Parties agree will underpin their ongoing relationship to support the improvement in three waters service delivery for communities with the aim of realising significant public health, environmental, economic, and other benefits over the medium to long term. It describes, in general terms, the key features of the proposed reform programme and the Government funding arrangements that will support investment in three waters infrastructure as part of the COVID 19 economic recovery.

BACKGROUND

Over the past three years central and local government have been considering solutions to challenges facing the regulation and delivery of three water services. This has seen the development of new legislation to create Taumata Arowai, the new Water Services Regulator, to oversee and enforce a new drinking water regulatory framework, with an additional oversight role for wastewater and stormwater networks.

While addressing the regulatory issues, both central and local government acknowledge that there are broader challenges facing the delivery of water services and infrastructure, and the communities that fund and rely on these services. There has been regulatory failure, underinvestment in three waters infrastructure in parts of the country, and persistent affordability challenges, and additional investment is required to increase public confidence in the safety of drinking water and to improve freshwater outcomes. Furthermore, investment in water service delivery infrastructure is a critical component of a collective response to climate change and increasing resilience of local communities.

The Parties to this Memorandum consider it is timely to apply targeted infrastructure stimulus investment to enable improvements to water service delivery, progress reform in partnership, and ensure the period of economic recovery following COVID-19 supports a transition to a productive, sustainable economy. Additional funding will be subject to Government decision-making and reliant on the Parties demonstrating substantive progress against the reform objectives. The quantum, timing, conditions, and any other information relating to future funding will be advised at the appropriate time but will likely comprise additional tranches of funding and more specific agreement to key reform milestones.

The reform process and stimulus funding, proposed by Government, is designed to support economic recovery post COVID-19 and address persistent systemic issues facing the three waters sector, through a combination of:

- stimulating investment, to assist economic recovery through job creation, and maintain investment in water infrastructure renewals and maintenance; and
- reforming current water service delivery, into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium to long term.

There is a shared understanding that a partnership approach will best support the wider community and ensure that the transition to any eventual new arrangements is well managed and as smooth as possible. This requires undertaking the reform in a manner that enables local government to continue and, where possible, enhance delivery of its broad “wellbeing mandates” under the Local Government Act 2002, while recognising the potential impacts that changes to three waters service delivery may have on the role and functions of territorial authorities.

PRINCIPLES FOR WORKING TOGETHER

The Parties shall promote a relationship in their dealings with each other, and other Parties related to the three waters services reform, based on:

- mutual trust and respect; and
- openness, promptness, consistency and fairness in all dealings and communication including through adopting a no-surprises approach to any matters or dealings related to the reform programme; and
- non-adversarial dealings and constructive problem-solving approaches; and
- working co-operatively and helpfully to facilitate the other Parties perform their roles; and
- openly sharing information and analysis undertaken to date on the state of the system for delivering three waters services and the quality of the asset base.

This Memorandum is intended to be non-binding in so far as it does not give rise to legally enforceable obligations between the Parties.

REFORM OBJECTIVES AND CORE DESIGN FEATURES

By agreeing to this Memorandum, the Parties agree to work constructively together to support the objectives of the three waters service delivery reform programme.

The Parties agree that the following objectives will underpin the reform programme and inform the development of reform options/proposals:

- significantly improving the safety and quality of drinking water services, and the environmental performance of drinking water and wastewater systems (which are crucial to good public health and wellbeing, and achieving good environmental outcomes);
- ensuring all New Zealanders have equitable access to affordable three waters services;
- improving the coordination of resources, planning, and unlocking strategic opportunities to consider New Zealand’s infrastructure and environmental needs at a larger scale;
- increasing the resilience of three waters service provision to both short- and long-term risks and events, particularly climate change and natural hazards;
- moving the supply of three waters services to a more financially sustainable footing, and addressing the affordability and capability challenges faced by small suppliers and councils;
- improving transparency about, and accountability for, the delivery and costs of three waters services, including the ability to benchmark the performance of service providers; and
- undertaking the reform in a manner that enables local government to further enhance the way in which it can deliver on its broader “wellbeing mandates” as set out in the Local Government Act 2002.

In addition to these objectives, the Parties recognise that any consideration of changes to, or new models for, water service delivery arrangements must include the following fundamental requirements and safeguards:

- mechanisms that provide for continued public ownership of water service delivery infrastructure, and protect against privatisation; and
- mechanisms that provide for the exercise of ownership rights in water services entities that consider the interests and wellbeing of local communities, and which provide for local service delivery.

The Parties also recognise the reform programme will give rise to rights and interests under the Treaty of Waitangi and both Parties acknowledge the role of the Treaty partner. This includes maintaining Treaty settlement obligations and other statutory rights including under the Resource Management Act 1991 and the Local Government Act 2002. The outcome of discussions with iwi/Māori will inform design of appropriate mechanisms to reflect Treaty interests. This will include clarity of roles and responsibilities.

The Parties agree to work together to identify an approach to service delivery reform that incorporates the objectives and safeguards noted above, and considers the following design features as a minimum:

- water service delivery entities, that are:
 - of significant scale (most likely multi-regional) to enable benefits from aggregation to be achieved over the medium to long-term;
 - asset owning entities, with balance sheet separation to support improved access to capital, alternative funding instruments and improved balance sheet strength; and
 - structured as statutory entities with appropriate and relevant commercial disciplines and competency-based boards;
- delivery of drinking water and wastewater services as a priority, with the ability to extend to stormwater service provision only where effective and efficient to do so; and
- publicly owned entities, with a preference for collective council ownership;
- mechanisms for enabling communities to provide input in relation to the new entities.

The Parties acknowledge that work will also be undertaken to develop a regulatory framework, including mechanisms to protect the interests of consumers.

FUNDING ARRANGEMENTS

The Government has indicated its intention to provide funding to stimulate investment to enable improvements in water service delivery, support economic recovery and progress Three Waters Services Reform. The quantum of funding available for the Council (and each participating Council) will be notified by Government prior to signing this Memorandum.

Funding will be provided as soon as practicable following agreement to this Memorandum and the associated Funding Agreement and Delivery Plan. The Delivery Plan will need to show that the funding is to be applied to operating or capital expenditure on three waters service delivery (with the mix to be determined by the Council) that:

- supports economic recovery through job creation; and
- maintains, increases and/or accelerates investment in core water infrastructure renewals and maintenance.¹

The Delivery Plan will be based on a simple template and will include a summary of projects, relevant milestones, costs, location of physical works, number of people employed in works, reporting milestones and an assessment of how it supports the reform objectives set out in this Memorandum.

The Delivery Plan will be supplied to Crown Infrastructure Partners, and other organisations as agreed between the Parties, who will monitor progress of application of funding against the Delivery Plan to ensure spending has been undertaken consistent with public sector financial management requirements.

Agreement to this Memorandum and associated Funding Agreement and Delivery Plan are required prior to the release of Government funding. The Council will have the right to choose whether or not they wish to continue to participate in the reform programme beyond the term of the Memorandum.

FUTURE AGREEMENTS

The Parties may choose to enter other agreements that support the reform programme. These agreements will be expected to set out the terms on which the Council will partner with other councils to deliver on the reform objectives and core design features, and will include key reform milestones and detailed plans for transition to and establishment of new three waters service delivery entities.

PROGRAMME MANAGEMENT

The Government will establish a programme management office and the Council will be able to access funding support to participate in the reform process.

The Government will provide further guidance on the approach to programme support, central and regional support functions and activities and criteria for determining eligibility for funding support. This guidance will also include the specifics of any information required to progress the reform that may be related to asset quality, asset value, costs, and funding arrangements.

TERM

This Memorandum is effective from the date of agreement until 30 June 2021 unless terminated by agreement or by replacement with another agreement related to the reform programme.

¹ Maintains previously planned investment that may have otherwise deferred as a result of COVID-19.

INTERACTIONS, MONITORING, INFORMATION AND RECORDS

The Parties nominate the following representatives to act as the primary point of communication for the purposes of this Memorandum and any other purpose related to the reform programme.

Government's representative	Council
[As delegated]	[Chief Executive of the Council]

It is the responsibility of these representatives to:

- work collaboratively to support the reform objectives;
- keep both Parties fully informed;
- act as a first point of reference between Parties and as liaison persons for external contacts; and
- communicate between Parties on matters that arise that may be of interest to either party.

If the contact person changes in either organisation, the other party's contact person must be informed of the new contact person immediately and there should be an efficient transition to ensure the momentum of the reform process is not undermined.

CONFIDENTIALITY

Neither of the Parties is to disclose, directly or indirectly, any confidential information received from the other party to any third party without written consent from the other party, unless required by processes under the Official Information Act 1982 or the Local Government Official Information and Meetings Act 1987 (whichever applies), or under a Parliamentary process- such as following a Parliamentary question, in which case the relevant party is to inform the other party prior to disclosure. Protocols will be established to enable exchange information between Councils where that is consistent with progressing reform objectives.

DISPUTE RESOLUTION

Any dispute concerning the subject matter of this document is to be settled by full and frank discussion and negotiation between the Parties.

.....

SIGNED on behalf of the Crown

by [insert name - DELETE TEXT]

[Sovereign in right of New Zealand acting by and through the Minister of Local Government]:

.....

SIGNED by [insert name of the Mayor of the Territorial Authority signing - DELETE TEXT] on behalf of [Territorial Authority]

.....

SIGNED by [insert name of the Chief Executive of the Territorial Authority signing - DELETE TEXT] on behalf of [Territorial Authority]

.....

Witness signature

Witness name [insert name - DELETE TEXT]

Witness occupation [insert occupation - DELETE TEXT]

Witness address [insert address - DELETE TEXT]

.....

Witness signature

Witness name [insert name - DELETE TEXT]

Witness occupation [insert occupation - DELETE TEXT]

Witness address [insert address - DELETE TEXT]

FUNDING AGREEMENT

BETWEEN

DEPARTMENT OF INTERNAL AFFAIRS

AND

[NAME OF RECIPIENT]

FOR

THREE WATERS SERVICES REFORMS

AGREEMENT

The parties (identified below in Part 1) agree to be bound by the terms and conditions of this Agreement, as set out below in Part 1 (Key Details), Part 2 (General Terms), Part 3 (Definitions and Construction) and the Schedule (Payment Request).

PART 1: KEY DETAILS

- 1 Parties** The Sovereign in right of New Zealand, acting by and through the Chief Executive of the Department of Internal Affairs (**DIA**)
[NAME OF RECIPIENT] (**Recipient**)
- 2 Background** The New Zealand Government is undertaking a reform programme for “Three Waters” (drinking water, wastewater and stormwater) service delivery for communities (**Three Waters Reform Programme**). In conjunction with the Three Waters Reform Programme, the New Zealand Government is investing in water service delivery. The investment’s objectives are to:
1. improve the safety and quality of drinking water services, and the environmental performance of drinking water and wastewater systems, by maintaining, increasing or accelerating investment in core water infrastructure renewals and maintenance; and
 2. support New Zealand’s economic recovery from the COVID-19 pandemic through job creation, by enabling investment to continue at a time when council revenues are uncertain and they face immediate cashflow challenges.
- The New Zealand Government has mandated DIA to manage the provision of Government funding to local authorities to support investment in water infrastructure that supports its public health and environmental management objectives. Provision of such funding supports the objectives of the reform programme, by creating positive momentum toward reform of delivery arrangements for drinking water and wastewater services and infrastructure (with stormwater as a secondary priority).
- The New Zealand Government has also mandated Crown Infrastructure Partners Limited (**CIP**) to assist in managing such funding by undertaking a monitoring role.
- The Recipient is a territorial authority with statutory responsibility for delivering Three Waters services within its own district or city. The Recipient will work collaboratively with the New Zealand Government in connection with the Three Waters Reform Programme.
- DIA has agreed to contribute funding to the Recipient on the terms and conditions of this Agreement (**Agreement**).
- Key details of this Agreement are set out in this **Part 1**. The full terms and conditions are set out in **Part 2**. Defined terms and rules of interpretation are set out in **Part 3**.
- 3 Conditions Precedent** No Funding is payable under this Agreement until DIA has confirmed to the Recipient in writing that it has received, and found, in its sole discretion, to be satisfactory to it in form and substance, the following documents and evidence:
1. This Agreement, duly executed by the Recipient by 30 September 2020.
 2. The Memorandum of Understanding, duly executed by the Recipient by 31 August 2020.

3. The final Delivery Plan prepared by the Recipient, in a form approved by DIA and duly executed by the Recipient by 31 October 2020.

A draft of the Delivery Plan must be submitted by no later than 30 September 2020 to threewaters@dia.govt.nz (copied to the Monitor) for review and comment by DIA (and/or the Monitor as its nominee).

Once DIA (or the Monitor) responds to the draft Delivery Plan, the Recipient must promptly engage with DIA (or the Monitor), seek to resolve such comments, and submit a final Delivery Plan for DIA's approval.

The Recipient is responsible for the content of the Delivery Plan and approval by DIA for the purposes of this Agreement shall not impose any obligations on DIA in respect of the Delivery Plan other than as expressly set out in this Agreement.

These conditions precedent must either be satisfied (in the opinion of DIA) or waived by DIA (at its sole discretion) by 31 October 2020, unless a later date is agreed otherwise in writing with DIA. In the event that they are not satisfied or waived within that time, DIA may notify the Recipient that this Agreement has not come into effect and is null and void.

- 4 **Expenditure Programme(s)** The Recipient may only use the Funding to complete the expenditure programme(s) described in the Delivery Plan (each an **Expenditure Programme**).
- 5 **Expenditure Programme Milestones and Completion Dates** The Recipient is to complete the Expenditure Programme Milestones set out in the Delivery Plan to the satisfaction of DIA by the Completion Dates dates set out therein.
- 6 **End Date** The End Date is 31 March 2022, or such later date determined by DIA in its discretion.
- 7 **Funding** The total Funding available under this Agreement is up to **NZ\$[INSERT HERE]** plus GST (if any). This is the Total Maximum Amount Payable.
- The first instalment of Funding under this Agreement is subject to satisfaction of the Conditions Precedent set out in Item 3 above and receipt of a duly completed Payment Request in accordance with clause 1 of Part 2.
- The balance of the Funding under this Agreement will be paid in instalments as specified in the Delivery Plan, subject to satisfaction of the conditions set out below and the other terms and conditions of this Agreement.
- Each instalment of Funding under this Agreement, following payment of the first instalment, is subject to:
- (a) Receipt of a duly completed Payment Request in accordance with clause 1 of Part 2.
 - (b) The Expenditure Programme(s) having commenced no later than 31 March 2021.
 - (c) DIA receiving and being satisfied with the quarterly reports specified in the Key Details, together with the other information required in this Agreement.
 - (d) No Termination Event, or event entitling DIA to suspend funding under this Agreement, subsisting.
 - (e) Any further conditions relating to that instalment of Funding as specified in the Delivery Plan.

The first Payment Request may be submitted upon the Commencement Date

occurring. Each subsequent Payment Request may only be submitted at the same time as submission of a quarterly report in accordance with item 8 (Reporting) of the Key Details, and no more than one such Payment Request may be submitted in any Quarter, except (in each case) to the extent agreed by DIA in its sole discretion.

8 Reporting

The Recipient will provide DIA (copied to the Monitor) with quarterly reports by the 10th Business Day following the end of each Quarter, with effect from the Commencement Date. Each quarterly report must include the information set out below, in the standard reporting form specified by DIA.

The Recipient will also provide DIA (copied to the Monitor) with a final report by the 10th Business Day following the date on which the Expenditure Programme(s) are completed. The final report must include the information set out below, in the standard reporting form specified by DIA.

Each report is to be in form and substance satisfactory to DIA in its sole discretion.

Each quarterly report must include the following information:

- (a) Description and analysis of actual progress of the Expenditure Programme(s) against planned progress for the relevant Quarter;
- (b) A summary of expenditure, actual against budgeted (including underspend and cash float), for the relevant Quarter;
- (c) Plans for the next Quarter;
- (d) Forecast cashflows and forecast of the costs to complete the Expenditure Programme(s);
- (e) Any major risks arising or expected to arise with the Expenditure Programme(s), costs or performance of this Agreement, together with actual or proposed mitigations for those risks (including, where the actual Expenditure Programme(s) costs are forecast to exceed budgeted costs, how the shortfall is to be funded);
- (f) A summary of the number of jobs created, actual against expected, through people employed in the Expenditure Programme(s);
- (g) Any specific reporting requirements set out in the Delivery Plan; and
- (h) Any other information that is notified by DIA in writing to the Recipient.

The final report must include the following information:

- (a) Description and analysis of completion of the Expenditure Programme(s) against the original programme;
- (b) A summary of expenditure, actual against budgeted (including underspend), for the full Expenditure Programme(s);
- (c) Detail of the Recipient's proposed next steps;
- (d) An update on media, marketing and communication activities for the Expenditure Programme(s);
- (e) A summary of the number of jobs created, actual against expected, through people employed in the Expenditure Programme(s);
- (f) Any specific reporting requirements set out in the Delivery Plan; and
- (g) Any other information that is notified by DIA in writing to the Recipient.

9 Special Terms

[None] / [*Special terms to be added*]

10 **Recipient’s Bank Account** [xx-xxxx-xxxxxxxx-xxx]

11 **Representative** DIA’s Representative:
 Name: Allan Prangnell
 Email: threewaters@dia.govt.nz

Recipient’s Representative:
 Name: [name]
 Email: [email]

12 **Address for Notices** To DIA:
 Three Waters Reform
 Level 7, 45 Pipitea Street
 Wellington 6011
 Attention: Allan Prangnell
 Email: threewaters@dia.govt.nz, with
 a copy to legalnotices@dia.govt.nz
 To the Monitor:
 Attention: Anthony Wilson
 Email:
3waters@crowinfrastucture.govt.nz

To the Recipient:
 [address]
 Attention: [name]
 Email: [email]

SIGNATURES

SIGNED by the **SOVEREIGN IN RIGHT OF NEW ZEALAND** acting by and through the Chief Executive of the Department of Internal Affairs or his or her authorised delegate:

SIGNED for and on behalf of **[RECIPIENT NAME]** by the person(s) named below, being a person(s) duly authorised to enter into obligations on behalf of the Recipient:

 Name:
 Position:
 Date:

 Name:
 Position:
 Date:

 Name:
 Position:
 Date:

PART 2: GENERAL TERMS

1 FUNDING

- 1.1 DIA must pay the Funding (up to the "Total Maximum Amount Payable" specified in the Key Details) to the Recipient, subject to the terms of this Agreement. Unless stated otherwise in this Agreement, the Recipient may only claim the Funding to the extent necessary to cover Eligible Costs that have been or will be incurred by the Recipient, and the Recipient must use the Funding solely on Eligible Costs.
- 1.2 The Recipient must submit a Payment Request to threewaters@dia.govt.nz and copying in DIA's Representative and the Monitor on completion of one or more Expenditure Programme Milestones specified in the Delivery Plan. Such Payment Request must be submitted at the time specified in, and otherwise in accordance with, item 7 (Funding) in the Key Details.
- 1.3 Each Payment Request is to be signed by the Chief Executive and an authorised signatory of the Recipient and must be in the form set out in the Schedule and include the confirmations set out therein, and must include:
- (a) the amount of Funding requested, which must not exceed the aggregate maximum Funding instalment amounts set out in the Delivery Plan for the Expenditure Programme Milestone(s) to which that Payment Request relates; and
 - (b) contain any other information required by DIA.
- 1.4 Once DIA has reviewed the Payment Request and the information enclosed with it, it will request the Recipient to provide (and the Recipient will provide) a valid GST invoice complying with the Goods and Services Tax Act 1985.
- 1.5 DIA is not required to pay any Funding in respect of a Payment Request:
- (a) if any Expenditure Programme Milestone(s) have not been completed by the relevant "Completion Date" specified in the Delivery Plan;
 - (b) if any reports specified in the Key Details have not been provided or are not in form and substance satisfactory to DIA in its sole discretion;
 - (c) if the Conditions specified in Item 7 of the Key Details relating to that instalment have not been satisfied;
 - (d) if payment will result in the Funding exceeding the "Total Maximum Amount Payable" specified in the Key Details;
 - (e) if this Agreement has expired or been terminated; and/or
 - (f) while the Recipient is in breach of this Agreement.
- For the avoidance of doubt, DIA's obligation to make Funding available under this Agreement is strictly subject to clause 6.2.
- 1.6 Subject to the terms of this Agreement, DIA must pay each valid Payment Request by the 20th day of the month after the month the GST invoice referred to in clause 1.4 is dated, and if such day is not a Business Day, on the next Business Day. DIA will pay the Funding to the Bank Account of the Recipient specified in Item 10 of the Key Details.

- 1.7 The Funding made available under this Agreement comprises grant funding and does not comprise an equity investment or loan. It is only repayable in the specific circumstances set out in this Agreement.
- 1.8 DIA may, at its discretion, notify the Recipient in writing that it wishes to enter into a GST Offset Agreement in connection with the payment of GST on any Funding. The Recipient must, where applicable, take all such steps as are reasonably required to achieve that GST offset in accordance with the Goods and Services Tax Act 1985.

2 RECIPIENT'S RESPONSIBILITIES

Standards and compliance with laws

- 2.1 The Recipient must comply with all applicable laws, regulations, rules and professional codes of conduct or practice.

Expenditure Programme(s) and Contractors

- 2.2 The Recipient must not, without DIA's prior written consent, make any Material Variation to the Expenditure Programme(s) (including its description and scope) as set out in the Delivery Plan.
- 2.3 The Recipient must ensure that the Expenditure Programme(s) are carried out:
- (a) promptly with due diligence, care and skill, and in a manner that meets or exceeds Best Industry Practice;
 - (b) by appropriately trained, qualified, experienced and supervised persons; and
 - (c) in accordance with any directions of DIA, notified by DIA in writing from time to time.
- 2.4 The Recipient must use reasonable endeavours to ensure that the Expenditure Programme Milestones are completed by the relevant "Completion Date" specified in the Delivery Plan.
- 2.5 The Recipient is responsible for the acts and omissions of any contractors and subcontractors.
- 2.6 The Recipient must ensure (and will procure that the head contractor when engaging with any other contractor ensures) that all agreements it enters into with any contractors or any other party in connection with the Expenditure Programme(s) are on an "arm's length" basis, provide value-for-money and do not give rise to any Conflict of Interest. The Recipient must provide DIA with reasonable evidence of compliance with this clause 2.6 in response to any request by DIA from time to time.

Information Undertakings

- 2.7 The Recipient must provide DIA with the reports specified in the Key Details, in accordance with the timeframes and reporting requirements set out in the Key Details.
- 2.8 The Recipient must provide DIA with any other information about the Expenditure Programme(s) requested by DIA within the timeframe set out in the request.
- 2.9 The Recipient must promptly notify DIA if:

- (a) the Recipient (or any of its personnel or contractors) becomes aware of, or subject to, a Conflict of Interest; or
- (b) the Recipient becomes aware of any matter that could reasonably be expected to have an adverse effect on an Expenditure Programme and any related programme, or result in a Termination Event or a breach of any term of this Agreement by the Recipient,

and if requested by DIA must promptly provide DIA with its plan to mitigate and manage such Conflict of Interest or such matter.

- 2.10 The Recipient must not at any time do anything that could reasonably be expected to have an adverse effect on the reputation, good standing or goodwill of DIA or the New Zealand Government. The Recipient must keep DIA informed of any matter known to the Recipient which could reasonably be expected to have such an effect.
- 2.11 The parties acknowledge and agree that CIP (or any other Monitor) may, to the extent directed by DIA, undertake a reviewing and monitoring role under this Agreement, including by:
- (a) reviewing and confirming satisfaction with the Delivery Plan and with the reports specified in the Key Details;
 - (b) seeking, reviewing and confirming satisfaction with further information from the Recipient; and
 - (c) making recommendations to DIA and the New Zealand Government in respect of the Funding and the Agreement.

The Recipient agrees that all its communications and correspondence under this Agreement may be made with DIA or, to the extent directed by DIA, the Monitor.

Funding, records and auditors

- 2.12 The Recipient must receive and manage all Funding in accordance with good financial management and accounting practices and to a high standard that demonstrates appropriate use of public funds.
- 2.13 The Recipient must keep full and accurate records (including accounting records) of the Expenditure Programme(s) and retain them for at least 7 years after the last payment of Funding under this Agreement. The Recipient must permit DIA (or any auditor nominated by DIA) to inspect all records relating to the Expenditure Programme(s) and must allow DIA and/or the auditor access to the Recipient's premises, systems and personnel for the purposes of this inspection. DIA shall bear any third party costs arising from such inspection, unless the inspection reveals a breach of this Agreement, in which case the Recipient shall bear such costs.

Reform

- 2.14 The Recipient agrees to work constructively together with DIA and the New Zealand Government to support the objectives of the Three Waters Reform Programme pursuant to the Memorandum of Understanding. The parties acknowledge that the undertaking set out in this clause 2.14 is intended to be non-binding.

3 INTELLECTUAL PROPERTY

- 3.1 DIA acknowledges that the Recipient and its licensors own all pre-existing intellectual property which they contribute to the Expenditure Programme(s), and all new intellectual property which they create in the course of the Expenditure Programme(s).
- 3.2 The Recipient grants an irrevocable, perpetual, royalty-free, sub-licensable licence to DIA and the Monitor to use all reports, documents, information and other materials created or provided by the Recipient to DIA or the Monitor under or in connection with the Expenditure Programme(s) and this Agreement.
- 3.3 The Recipient warrants that it has obtained (or will obtain, prior to creation of each relevant work) all rights and permissions necessary to enable the grant and exercise of the licence in clause 3.2 without infringing the intellectual property rights of any third party.

4 TERM AND TERMINATION

- 4.1 This Agreement will be effective on and from the Commencement Date, which will be the latest to occur of:
- (a) the date this Agreement has been signed by both parties; and
 - (b) the date on which DIA has provided written notice to the Recipient that the Conditions Precedent specified in the Key Details have either been satisfied (in the opinion of DIA) or waived by DIA (at its sole discretion).
- 4.2 This Agreement will remain in force until the End Date, unless terminated in accordance with this Agreement.
- 4.3 DIA can terminate this Agreement with immediate effect, by giving notice to the Recipient, at any time:
- (a) while DIA reasonably considers that the Recipient has become or is likely to become insolvent;
 - (b) while the Recipient is subject to the appointment of a liquidator, receiver, manager or similar person in respect of any of its assets or a Crown Manager or Commission is appointed in respect of the Recipient under Part 10 of the Local Government Act 2002;
 - (c) if the Expenditure Programme(s) have not commenced by 31 March 2021; or
 - (d) while any one or more of the follow events or circumstances remains unremedied:
 - (i) the Recipient is materially in breach of any obligation, or a condition or warranty, under this Agreement;
 - (ii) the Recipient has provided DIA with information in connection with or under this Agreement that (whether intentionally or not) is materially incorrect or misleading, and/or omits material information;
 - (iii) DIA reasonably considers that this Agreement or an Expenditure Programme has caused, or may cause, DIA and/or the New Zealand Government to breach any legal obligations (including its international trade obligations);
 - (iv) the Recipient abandons an Expenditure Programme;

- (v) the Recipient is involved in any intentional or reckless conduct which, in the opinion of DIA, has damaged or could damage the reputation, good standing or goodwill of DIA or the New Zealand Government, or is involved in any material misrepresentation or any fraud;
- (vi) the Recipient (or any of its personnel or contractors) is subject to a Conflict of Interest which cannot be managed to DIA's satisfaction; or
- (vii) any change in law, regulations or other circumstances materially affects DIA's ability to perform its obligations under this Agreement.

- 4.4 However, where DIA considers that a Termination Event set out in clause 4.3(d) can be remedied, DIA must give notice to the Recipient requesting a remedy, and must not exercise its right of termination unless the relevant event remains unremedied for at least 14 days (or any longer period agreed with the Recipient) after that notice has been provided by DIA.
- 4.5 On expiry or termination of this Agreement, where the aggregate of (a) the total Funding paid under this Agreement and (b) any other money received or allocated by the Recipient, in each case to carry out an Expenditure Programme, exceeds the amount required to perform the Expenditure Programme, the Recipient must upon request refund to DIA the excess amount.
- 4.6 At any time DIA may recover the amount of any Funding that has been spent or used other than in accordance with this Agreement, or not applied to Eligible Costs by the End Date, together with interest on all such amounts calculated at 10% per annum from the date of the misspending to the date the money is repaid.
- 4.7 Clauses 1.5, 2.1, 2.12, 2.13, 3, 4, 5, 6, 7, 8, 9, 10 and 11 survive expiry or termination of this Agreement, along with any other parts of this Agreement necessary to give effect to those provisions. Expiry or termination of this Agreement does not affect any accrued rights, including any rights in respect of a breach of this Agreement or Termination Event that occurred before expiry or termination.

5 **WARRANTIES AND UNDERTAKINGS**

- 5.1 The Recipient warrants that, in the course of its activities in connection with the Expenditure Programme(s), it will not infringe any intellectual property or other rights of any contractor or any other third party.
- 5.2 The Recipient warrants that, as at the date of this Agreement:
- (a) It has full power and authority to enter into and perform its obligations under this Agreement which, when executed, will constitute binding obligations on it in accordance with this Agreement's terms, and it has complied with the Local Government Act 2002 in entering into this Agreement;
 - (b) the Recipient is solvent and is not subject to the appointment of a liquidator, receiver, manager or similar person in respect of any of its assets or to the appointment of a Crown Manager or Commission under Part 10 of the Local Government Act 2002;
 - (c) all information and representations disclosed or made to DIA by the Recipient in connection with this Agreement are true and correct, do not omit any material matter, and are not likely to mislead or deceive DIA as to any material matter;

- (d) it has disclosed to DIA all matters known to the Recipient (relating to the Expenditure Programme(s), the Recipient or its personnel) that could reasonably be expected to have an adverse effect on the reputation, good standing or goodwill of DIA or the New Zealand Government; and
- (e) it is not aware of any material information that has not been disclosed to DIA which may, if disclosed, materially adversely affect the decision of DIA whether to provide the Funding.

5.3 The Recipient warrants that:

- (a) the Funding has been or will be applied solely to Eligible Costs; and
- (b) the Expenditure Programme(s) will take into account the parties' shared intention to:
 - (i) support economic recovery through job creation; and
 - (ii) maintain, increase and/or accelerate investment in core water infrastructure renewals and maintenance,

and such warranty will be deemed to be repeated continuously so long as this Agreement remains in effect by reference to the facts and circumstances then existing.

- 5.4 DIA warrants that, as at the date of this Agreement, it has full power and authority to enter into and perform its obligations under this Agreement which, when executed, will constitute binding obligations on it in accordance with this Agreement's terms.
- 5.5 The Recipient acknowledges that DIA has entered into this Agreement in reliance on these warranties and undertakings.
- 5.6 The Recipient acknowledges and agrees that DIA has made no warranty or representation that any funding or financial support is or will be available to the Recipient in respect of the Expenditure Programme(s), other than the Funding.

6 LIABILITY

- 6.1 The maximum liability of DIA under or in connection with this Agreement, whether arising in contract, tort (including negligence) or otherwise, is limited to the total amount of Funding paid or payable under this Agreement.
- 6.2 The Recipient undertakes to pay any and all cost overruns of the Expenditure Programme(s) and any funding shortfall, and DIA and the New Zealand Government have no obligations or responsibility whatsoever in respect of such cost overruns and funding shortfall and accept no financial risk in the Expenditure Programme(s).
- 6.3 DIA is not liable for any claim under or in connection with this Agreement or the Expenditure Programme(s), whether arising in contract, tort (including negligence) or otherwise, where such claim is or relates to any loss of profit, loss of revenue, loss of use, loss of reputation, loss of goodwill, loss of opportunity (in each case whether direct, indirect or consequential) or any other indirect, consequential or incidental loss or damages of any kind whatsoever.

7 CONFIDENTIALITY

- 7.1 Subject to clause 7.2 and 7.3, each party must keep the other party's Confidential Information in confidence, and must use or disclose that Confidential Information only to the extent necessary to perform its obligations, and/or take the intended benefit of its rights, under this Agreement. However, this will not prohibit:
- (a) either party from using or disclosing any information with the written prior consent of the other party;
 - (b) use or disclosure of information that has become generally known to the public other than through a breach of this Agreement;
 - (c) either party from disclosing information to its personnel, contractors or advisors with a need to know, so long as the relevant personnel, contractors and advisors use the information solely to enable that party to perform its obligations and/or take the intended benefit of its rights under this Agreement, and so long as they are informed of the confidential nature of the information and, in the case of the Recipient, the Recipient receives an acknowledgement from its personnel, contractors or advisors that they acknowledge, and must comply with, the confidentiality obligations in this Agreement as if they were party to it;
 - (d) disclosure required by any law, or any compulsory order or requirement issued pursuant to any law; or
 - (e) DIA from using or disclosing to any party any documents, reports or information received in relation to this Agreement, provided that prior to any such disclosure DIA removes all information that is commercially sensitive to the Recipient from the relevant work.
- 7.2 The Recipient acknowledges and agrees that nothing in this Agreement restricts DIA's ability to:
- (a) discuss, and provide all information in respect of, any matters concerning the Recipient, the Expenditure Programme(s) or this Agreement with any Minister of the Crown, the Monitor, any other government agency or any of their respective advisors;
 - (b) meet its obligations under any constitutional or parliamentary convention (or other obligation at law) of or in relation to the New Zealand Parliament, the New Zealand House of Representatives or any of its Committees, any Minister of the Crown, or the New Zealand Auditor-General, including any obligations under the Cabinet Manual including the "no surprises" principle; and
 - (c) publicise and report on the awarding of the Funding, including the Recipient's and any of its contractor's names, the amount and duration of the Funding and a brief description of the Expenditure Programme(s), on websites; in media releases; general announcements and annual reports.
- 7.3 The Recipient acknowledges that:
- (a) the contents of this Agreement (including the Delivery Plan); and
 - (b) information provided to DIA and the Monitor (including the reports specified in the Key Details),

may be official information in terms of the Official Information Act 1982 and, in line with the purpose and principles of the Official Information Act 1982, this Agreement and such information may be released to the public unless there is good reason under the Official Information Act 1982 to withhold it.

- 7.4 DIA acknowledges that the Recipient is subject to the Local Government Official Information and Meetings Act 1987 and that its confidentiality obligations under this clause 7 are subject to its compliance with that Act.

8 MEDIA AND COMMUNICATIONS

- 8.1 Before making any media statements or press releases (including social media posts) regarding this Agreement and/or DIA's involvement with the Expenditure Programme(s), the Recipient will consult with DIA, and will obtain DIA's prior approval to any such statements or releases.
- 8.2 The Recipient will refer any enquiries from the media or any other person about the terms or performance of this Agreement to DIA's Representative.
- 8.3 The Recipient will acknowledge the New Zealand Government as a source of funding in all publications (including any digital presence) and publicity regarding the Expenditure Programme(s) in accordance with funding acknowledgement guidelines agreed with DIA. The Recipient must obtain DIA's approval of the form and wording of the acknowledgement prior to including the acknowledgement in the publication or publicity (as the case may be).
- 8.4 The Recipient does not have the right to enter into any commitment, contract or agreement on behalf of DIA or any associated body, or to make any public statement or comment on behalf of DIA or the New Zealand Government.
- 8.5 All correspondence with DIA under this clause 8 must be directed to DIA's Representative and copied to threewaters@dia.govt.nz and the Monitor.

9 DISPUTES

- 9.1 In the event of any dispute, controversy or claim arising out of or in connection with this Agreement, or in relation to any question regarding its existence, breach, termination or invalidity (in each case, a **Dispute**), either party may give written notice to the other specifying the nature of the Dispute and requesting discussions under this clause 9 (**Dispute Notice**). As soon as reasonably practicable following receipt of a Dispute Notice, the parties must meet (in person, or by audio or video conference) and endeavour to resolve the Dispute by discussion, negotiation and agreement.
- 9.2 If the matter cannot be amicably settled within 20 Business Days after the date of the Dispute Notice then, at the request in writing of either party, the matter in respect of which the Dispute has arisen must be submitted, together with a report describing the nature of such matter, to the Representatives (or, if no such Representatives have been appointed, the respective Chief Executives of the parties) (together the **Dispute Representatives**).
- 9.3 Within 20 Business Days after the receipt of a request under clause 9.2, one individual (who does not act in his or her professional capacity as legal counsel for either party) selected by each of the Dispute Representatives, must make a presentation of no longer than 30 minutes to each of the Dispute Representatives (which may be by telephone or remotely), who will then attempt in good faith to reach a common decision within a half-day. The decision of the Dispute Representatives is binding on the parties.

- 9.4 In the case of a Dispute, if the Dispute Representatives have not met within 20 Business Days of receiving a request in accordance with clause 9.2, or if they fail to reach a common decision within the stated time period, either party may by notice in writing to the other party refer the Dispute to be referred to mediation before a single mediator appointed by the parties. Each party will bear its own costs of mediation and the costs of the mediator will be divided evenly between the parties.
- 9.5 If the parties are unable to agree on the appointment of a mediator within 5 Business Days of the notice requiring the Dispute to be referred to mediation, a mediator may be appointed at the request of any party by the Arbitrators' and Mediators' Institute of New Zealand Inc.
- 9.6 If the Dispute is not resolved within 20 Business Days of referral to mediation, the parties may commence court proceedings without further participation in any mediation.
- 9.7 Nothing in this clause 9 will prevent either party from seeking urgent interim relief from a court (or other tribunal) of competent jurisdiction.

10 REPRESENTATIVES

- 10.1 All matters or enquiries regarding this Agreement must be directed to each party's Representative (set out in the Key Details).
- 10.2 Each party may from time to time change the person designated as its Representative on 10 Business Days' written notice to the other Party. Any such change will also take effect as a change of the relevant Representative for the purposes of the Memorandum of Understanding.

11 GENERAL

- 11.1 Each notice or other communication given under this Agreement (each a **notice**) must be in writing and delivered personally or sent by post or email to the address of the relevant party set out in the Key Details or to any other address from time to time designated for that purpose by at least 10 Business Days' prior written notice to the other party. A notice under this Agreement is deemed to be received if:

- (a) **Delivery:** delivered personally, when delivered;
- (b) **Post:** posted, 5 Business Days after posting or, in the case of international post, 7 Business Days after posting; and
- (c) **Email:** sent by email:
 - (i) If sent between the hours of 9am and 5pm (local time) on a Business Day, at the time of transmission; or
 - (ii) If subclause (i) does not apply, at 9am (local time) on the Business Day most immediately after the time of sending,

provided that an email is not deemed received unless (if receipt is disputed) the party giving notice produces a printed copy of the email which evidences that the email was sent to the email address of the party given notice.

- 11.2 The Recipient agrees to execute and deliver any documents and to do all things as may be required by DIA to obtain the full benefit of this Agreement according to its true intent.

- 11.3 No legal partnership, employer-employee, principal-agent or joint venture relationship is created or evidenced by this Agreement.
- 11.4 This Agreement constitutes the sole and entire understanding with respect to the subject matter hereof and supersedes all prior discussions, representations and understandings, written or oral.
- 11.5 No amendment to this Agreement will be effective unless agreed in writing and signed by both parties.
- 11.6 The Recipient may not assign or transfer any of its contractual rights or obligations under this Agreement, except with DIA's prior written approval.
- 11.7 DIA may assign or transfer any of its contractual rights or obligations under this Agreement without the Recipient's prior approval. DIA may at any time disclose to a proposed assignee or transferee any information which relates to, or was provided in connection with, the Recipient, the Expenditure Programme(s) or this Agreement.
- 11.8 No failure, delay or indulgence by any party in exercising any power or right conferred on that party by this Agreement shall operate as a waiver. A single exercise of any of those powers or rights does not preclude further exercises of those powers or rights or the exercise of any other powers or rights.
- 11.9 The exercise by a party of any express right set out in this Agreement is without prejudice to any other rights, powers or remedies available to a party in contract, at law or in equity, including any rights, powers or remedies which would be available if the express rights were not set out in this Agreement.
- 11.10 This Agreement is not intended to confer any benefit on or create any obligation enforceable at the suit of any person not a party to this Agreement.
- 11.11 Any provision of this Agreement that is invalid or unenforceable will be deemed deleted, and will not affect the other provisions of this Agreement, all of which remain in force to the extent permitted by law, subject to any modifications made necessary by the deletion of the invalid or unenforceable provision.
- 11.12 This Agreement is to be governed by the laws of New Zealand, and the parties submit to the non-exclusive jurisdiction of the courts of New Zealand.
- 11.13 This Agreement may be executed in any number of counterparts (including duly electronically signed, scanned and emailed copies). So long as each party has received a counterpart signed by each of the other parties, the counterparts together shall constitute a binding and enforceable agreement. This Agreement is intended to constitute a binding and enforceable agreement in accordance with its terms.

END OF PART 2

PART 3: DEFINITIONS AND CONSTRUCTION

Defined terms

In this Agreement, unless the context requires otherwise, terms defined in the Agreement have the meaning set out therein and:

Authorisation means:

- (a) any consent, authorisation, registration, filing, lodgement, agreement, notarisation, certificate, permission, licence, approval, authority or exemption from, by or with a governmental agency or required by any law (including any consent under the Resource Management Act 1991); or
- (b) in relation to anything which will be fully or partly prohibited or restricted by law if a governmental agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

Best Industry Practice means that degree of skill, care and foresight and operating practice that would reasonably and ordinarily be expected of a skilled and competent supplier of services engaged in the same type of undertaking as that of the Recipient or any contractors (as applicable) under the same or similar circumstances as those contemplated by this Agreement.

Business Day means any day other than a Saturday, Sunday or public holiday within the meaning of section 44 of the Holidays Act 2003.

Commencement Date has the meaning given in clause 4.1 of Part 2.

Completion Date is the date that the relevant Expenditure Programme Milestone is to be completed by the Recipient, described in the Delivery Plan, and includes any amendment to the date which may be agreed in writing (including by email but only when DIA's Representative expressly confirms in writing

that they have received approval of the change from the correct DIA delegation holder) between the parties from time to time.

Conditions means the conditions to the payment of a Funding instalment as specified in Item 7 of the Key Details.

Confidential Information of a party (Owner), means any information in the possession or control of another party (Holder) that:

- (a) was originally acquired by the Holder in connection with this Agreement through disclosures made by or at the request of the Owner; and/or
- (b) was originally acquired by the Holder in connection with this Agreement through any access to, or viewing, inspection or evaluation of, the premises, facilities, documents, systems or other assets owned or controlled by the Owner; and/or
- (c) is derived from information of a kind described in paragraph (a) or (b) above;

but excludes any information which the Holder can show:

- (d) was lawfully acquired by the Holder, entirely independently of its activities in connection with this Agreement, and is free of any other obligation of confidence owed to the Owner; and/or
- (e) has been independently developed by the Holder without reference to the Owner's Confidential Information, and without breaching any other obligation of confidence owed to the Owner.

Notwithstanding the foregoing, the terms of this Agreement (excluding the Delivery Plan) are not Confidential Information.

Conflict of Interest means any matter, circumstance, interest or activity of the Recipient, its personnel or contractors, or any other person with whom the Recipient has a relationship that:

- (a) conflicts with:
- (i) the obligations of the Recipient (or its personnel or contractors) to DIA under this Agreement; or
 - (ii) the interests of the Recipient in relation to this Agreement and/or the procuring of the Expenditure Programme(s); or
- (b) otherwise impairs or might appear to impair the ability of the Recipient (or any of its personnel or contractors) to diligently and independently carry out the Expenditure Programme(s) in accordance with this Agreement.

Delivery Plan means the delivery plan setting out the scope of the Expenditure Programme(s) to which Funding is to be applied, based on the template provided by and in the form approved by DIA and executed by DIA and the Recipient.

Eligible Costs means the actual costs that have been or will be reasonably incurred by the Recipient on or after the Commencement Date and no later than the End Date to deliver an Expenditure Programme in accordance with the Delivery Plan.

Expenditure Programme Milestone means, in respect of an Expenditure Programme, a milestone for that Expenditure Programme, as set out in the Delivery Plan.

Funding means the funding or any part of the funding (as the context requires) payable by DIA to the Recipient in accordance with the terms of this Agreement, as described in the Key Details.

GST Offset Agreement means a deed of assignment between DIA as Assignor and the Recipient as Assignee providing for the offset of the amount of GST in accordance with the Goods and Services Tax Act 1985.

Key Details means Part 1 of this Agreement.

Memorandum of Understanding means the memorandum of understanding relating to Three Waters Services Reform between DIA

and the Recipient, in the form provided by DIA.

Material Variation means, in respect of an Expenditure Programme, any variation which on its own or together with any other variation or variations results in, or is likely to result in the budgeted expenditure (taking into account all variations) being exceeded or an Expenditure Programme being materially delayed, or any variation that materially amends the scope, specifications or function of an Expenditure Programme.

Monitor means CIP, or any other entity appointed by DIA in its sole discretion to assist in managing the Funding by undertaking a monitoring role.

Payment Request means a request submitted to DIA by the Recipient seeking payment of Funding substantially in the form set out in the Schedule to this Agreement.

Quarter means a financial quarter, being a three monthly period ending on 30 June, 30 September, 31 December or 31 March.

Termination Event means any one or more of the events or circumstances set out in clause 4.3.

Construction

In the construction of this Agreement, unless the context requires otherwise:

Currency: a reference to any monetary amount is to New Zealand currency;

Defined Terms: words or phrases appearing in this Agreement with capitalised initial letters are defined terms and have the meanings given to them in this Agreement;

Documents: a reference to any document, including this Agreement, includes a reference to that document as amended or replaced from time to time;

Inclusions: a reference to “includes” is a reference to “includes without limitation”, and “include”, “included” and “including” have corresponding meanings;

Joint and Several Liability: any provision of this Agreement to be performed or observed by two or more persons binds those persons jointly and severally;

Parties: a reference to a party to this Agreement or any other document includes that party's personal representatives/successors and permitted assigns;

Person: a reference to a person includes a corporation sole and also a body of persons, whether corporate or unincorporate;

Precedence : if there is any conflict between the different parts of this Agreement, then unless specifically stated otherwise, the Key Details will prevail over Part 2, and Part 2 will prevail over the Delivery Plan;

Precedence with Memorandum of Understanding: if there is any conflict

between this Agreement and the Memorandum of Understanding, then unless specifically stated otherwise, this Agreement will prevail;

Related Terms: where a word or expression is defined in this Agreement, other parts of speech and grammatical forms of that word or expression have corresponding meanings;

Statutes and Regulations: a reference to an enactment or any regulations is a reference to that enactment or those regulations as amended, or to any enactment or regulations substituted for that enactment or those regulations;

Writing: a reference to "written" or "in writing" includes email and any commonly used electronic document format such as .DOC or .PDF.

END OF PART 3

SCHEDULE: PAYMENT REQUEST

To: DEPARTMENT OF INTERNAL AFFAIRS

Dated: [•]

PAYMENT REQUEST

1. We refer to the Funding Agreement dated [•] 2020 between [•] as recipient (**Recipient**) and the Department of Internal Affairs (**DIA**) (the **Agreement**). Terms defined in the Agreement have the same meaning in this Payment Request.
2. This is a Payment Request for the purpose of clauses 1.2 and 1.3 of the Agreement.
3. Each of the Expenditure Programme Milestones that have been completed are:

[insert description of each of Expenditure Programme Milestones completed, including the date of completion]
4. The amount of Funding requested is \$[•] plus GST if any.
5. The Funding requested in this Payment Request has been or will be required to meet the Eligible Costs.
6. We enclose with this Payment Request:
 - (a) a breakdown / total transaction listing of total Eligible Costs that have been or will be incurred to deliver the completed Expenditure Programme Milestone(s);
 - (b) the conditions to the applicable Expenditure Programme Milestone(s) as set out in the Funding Agreement and the Delivery Plan;
 - (c) a quarterly report; and **Note: (c) is not applicable for the first Payment Request, or where DIA has agreed under item 7 of the Key Terms that a Payment Request does not need to be provided alongside a quarterly report*
 - (d) any other reasonable information or evidence requested by DIA or the Monitor in relation to Eligible Costs that have been incurred or will be incurred.
7. We confirm that:
 - (a) no Termination Event is subsisting; and
 - (b) each of the warranties set out in the Agreement are correct as at the date of this Payment Request.

By and on behalf of the Recipient by

NAME OF RECIPIENT

Chief Executive

Authorised Officer

THREE WATERS STIMULUS GRANT DELIVERY PLAN

Instructions for completion: A single Delivery Plan is to be completed for the full Expenditure Programme. Territorial Authorities may elect to provide appendices providing further detail of specific elements of the proposed expenditure programme.

The draft Delivery Plan must be submitted by the Territorial Authority as soon as possible and in any event by no later than 30 September 2020 to threewaters@dia.govt.nz, with a copy to 3waters@crowinfrastructure.govt.nz. The Delivery Plan will be assessed by the Department of Internal Affairs and Crown Infrastructure Partners Limited, who may elect to provide feedback and require further detail, additions or alterations. A revised version of the Delivery Plan, incorporating all agreed changes, must be submitted for approval thereafter, with the final Delivery Plan to be in an approved form by 31 October 2020.

Where the Department of Internal Affairs requires additional reporting or other assurance based on a specific Delivery Plan, this will be included in section 17 below following the Department of Internal Affairs/Crown Infrastructure Partners Limited review. Section 17 will form part of the Delivery Plan. All figures in this Delivery Plan should be GST exclusive.

Capitalised terms in this Delivery Plan have the meaning given to them in the Funding Agreement, where applicable.

Territorial Authority information

1. Programme Title:

2. Territorial Authority:

3. Total Maximum Amount Payable (NZ\$M):

4. Organisation Lead Contact:

Name:	<input type="text"/>
Position:	<input type="text"/>
Email:	<input type="text"/>

Expenditure Programme overview

5. Please provide a brief description of the expenditure programme to be undertaken:

6. Location/address of the programme:

(if this is a series of investments, please identify each location where relevant)

7. What is the **total** estimated cost of the programme (NZ\$M)?

\$

8. If the total estimated cost exceeds the Total Maximum Amount Payable, please specify the funding source(s) and amount(s):

Funding Source	Amount (NZ\$M)
	\$
	\$
Total	\$

9. Please provide a high-level breakdown of the expenditure programme including a cost schedule identifying estimated costs for each major component:

10. What is the expected number of people employed, and net jobs created through the expenditure programme? How has this been estimated?

Expenditure Programme commencement

11. Please describe the initial activity to be undertaken on expenditure programme commencement:

Expenditure Programme completion

12. Please outline below the high-level plan that will ensure the expenditure programme is completed by 31 March 2022 (these should largely mirror the milestones below):

Expenditure Programme funding status

13. Please indicate below the expenditure programme funding status:

Included in LTP	Y/N	Amounts NZ\$	Year
Included in Annual Plan 2020/21	Y/N	Amounts NZ\$	N/A
Not funded in any plan	Y/N	Amounts NZ\$	Year
Was funded but COVID-19 deferred	Y/N	Amounts NZ\$	Year
Is any Territorial Authority co-funding being contributed?	Y/N	Amounts NZ\$	Year

14. Please set out the key milestones of the expenditure programme to be undertaken, and for each milestone the planned completion date and budget:¹

	Expenditure Programme Milestone (including a description of how the milestone is identified)	Completion Date	Maximum Funding instalment amount (NZ\$) ²	Budgeted costs to complete the expenditure programme (NZ\$)	[DIA USE ONLY] Funding Conditions
1.	Commencement Date occurring under the Funding Agreement	31 October 2020 (or such date agreed otherwise in writing with DIA under the Funding Agreement)	NZ\$[INSERT HERE] [Note: this is to be 50% of the Total Maximum Amount Payable]	Nil	
2.	[Commencement of expenditure programme]	[date] [To be no later than 31 March 2021]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
3.	[milestone]	[date]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
4.	[milestone]	[date]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
5.	[milestone]	[date]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
6.	[milestone]	[date]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
7.	[Completion of expenditure programme]	[date] [To be no later than 31 March 2022]	NZ\$[INSERT HERE]) ³	NZ\$[INSERT HERE]	
	TOTAL		[Must be less or equal to Total Maximum Amount Payable]	[Must be equal to the total estimated cost of the expenditure programme]	

¹ All figures should be GST exclusive.

² You may choose to determine each maximum Funding instalment amount for a milestone on the basis of seeking funds either for application towards costs incurred for that milestone, or for application towards costs to be incurred for the following milestone.

³ The final Payment Request needs to be submitted with the quarterly report for the period ending 31 December 2021.

15. Briefly outline the final expected outcomes/objectives of the expenditure programme:

16. Briefly outline an assessment of how the expenditure programme supports the reform objectives set out in the Memorandum of Understanding relating to Three Waters Services Reform between you and the Sovereign in Right of New Zealand acting by and through the Minister of Local Government:

DIA USE ONLY

17. Additional requirements in respect of the Funding Agreement (such as specific reporting requirements):

The parties acknowledge and agree that this is the agreed Delivery Plan.

SIGNATURES

SIGNED by the **SOVEREIGN IN RIGHT OF NEW ZEALAND** acting by and through the Chief Executive of the Department of Internal Affairs or his or her authorised delegate:

Name:
Position:
Date:

SIGNED for and on behalf of

by the person(s) named below, being a person(s) duly authorised to enter into obligations on behalf of that territorial authority:

Name:
Position:
Date:

Name:
Position:
Date:

Appendix D – Information on Joint Three Waters Steering Committee

- The Joint Three Waters Steering Committee has been established to provide oversight and guidance to support progress towards reform, and to assist in engaging with local government, iwi/Māori and other water sector stakeholders on options and proposals.
- The Steering Committee comprises independent chair Brian Hanna, local government mayors, chairs and chief executives, representatives of Local Government New Zealand (LGNZ) and the Society of Local Government Managers (SOLGM), and officials and advisors from the Department of Internal Affairs (DIA), Taumata Arowai, and the Treasury.
- The Steering Committee will ensure that the perspectives, interests and expertise of both central and local government, and of communities throughout New Zealand are considered, while the challenges facing water services and infrastructure are addressed. This will include periods of engagement, in the first instance with the local government sector. an overview is provided below.
- The Steering Committee is supported by a secretariat made up of advisors and officials from LGNZ, SOLGM, DIA and the Treasury. This secretariat is hosted by DIA.
- The terms of reference for the Steering Committee is available on the DIA Three Waters website.

Appendix E – Hypothetical scenario for agreeing regional funding allocation

The following is a hypothetical, worked example of how the funding allocation approach could work for a mythical Council and region

This is for Monkchester City Council in the Bernicia Region of New Zealand. Monkchester is a small city with a population of 80,000 in a region of 140,000. The rest of the Region is made up by Bidchester with 30,000 residents and Smithchester with 30,000 residents.

The notional funding allocated for the Bernicia Region, based on the national formula, is set out in Table I.

Table I Funding Allocation for Bernicia Regional

Area	Direct council allocations \$ Millions	Regional allocation \$ Millions
Monkchester	5	10 (to be allocated to territorial authorities by agreement through a regional process)
Bidchester	2.5	
Smithchester	2.5	
Bernicia Region	10	
Total direct and regional allocation		20

Council officers looked at a range of projects as candidates for the stimulus funding:

- An unsuccessful bid for the ‘Shovel Ready’ programme
- Projects the Long-Term Plan
- Accelerating planned maintenance, renewals and renewals upgrades
- A new project.

Projects already fully-funded in the Annual Plan were excluded for obvious reasons.

A discussion was also held at regional level to agree how to allocate the regional element of funding. Three options were considered:

- Discuss regional priorities and then allocate the monies based on the formula the Government used, as recommended by the Steering Committee.
- Discuss regional priorities and allocate the money in three equal shares.
- Allocate all the regional money to a single project of regional importance.

After two meetings the Mayors and Chief Executives agreed two regional priorities for accelerating renewals and improving resilience for earthquakes. They decided against pursuing a new regional project because it required considerable preparatory work, design work, consents and a procurement programme. This would mean in practice a 4-year timescale and high risks and this would not meet the economic stimulus objective.

They also agreed to allocate the regional fund to territorial authorities using the Government’s formula. This means Monkchester’s overall allocation is \$10 Million.

The criteria used to identify the best use of the investment were – priority for water and wastewater services, speed of delivery, job creation in the City and the risk profile of the project. An analysis of the candidates is set out below in Table 2.

Table 2 Analysis of the Project Options

Project	Speed	Job Implications	Risk	Alignment with Regional Priorities	Overall Score
Shovel Ready project – new water treatment plant	Low as it requires resource and building consents and procurement. Overall a 3 year project.	Medium, creates 50 jobs directly	High, especially in an overheated construction market with extreme volatility	Low	4 out of 10
Upgrade of wastewater treatment plant from year 3 of LTP	Medium as it requires building consent and fresh procurement. Overall a 2-year project.	Medium, creates 50 jobs	Medium	High	6 out of 10
Renewal programme for the Central City's sewer network	High as no consents or procurement required. Overall an 18-month programme.	High with 100 jobs largely from the local area	Medium as the work is underground and we will find things we did not expect to so a sensible contingency will be needed.	High	8 out of 10
Completely new project - a new reservoir	Low as is requires community consultation, consents and a fresh procurement.	Low as will take a good 18 months to be shovel ready	High due to seismic issues	Medium because improves long-term reliance	3 out of 10

Accelerating investment in the renewals and renewal upgrade programme for the Central City's sewer network is the preferred project. It can be done speedily. No resource consent is required. No fresh procurement is required either as the City Council already has a 5-year renewals partnership with Downers. It creates 100 direct jobs for 18 months whilst the network is upgraded. Moreover, it will enable significant expansion of activity in the Northern quarter of the CBD which could lead to 20000 square meters of new development and 2000 jobs. Work will begin on the ground by February 2021. Finally, it is a low risk project being contracted to a trusted partner. An appropriate contingency budget has been established and this will be the subject to a confidential pre-committee briefing with the CFO.

Through the Mayoral Forum, councils also agreed to progress further discussions on three water service delivery reform opportunities within the region.

Mayors of participating councils wrote to the Minister to communicate their decision on the regional allocation and the steps they were proposing to take to advance the objectives of the reform program

Open Meeting

To	Waters Governance Board
From	Ian Cathcart Special Infrastructure Projects Manager
Date	25 August 2020
Prepared by	Carole Nutt Waters Contract Relationship Manager
Chief Executive Approved	Y
Reference #	WGB2020
Report Title	Waters Long Term Plan Performance Targets Result

I. EXECUTIVE SUMMARY

A copy of the Waikato District Council Scorecard Report on the three waters Long Term Plan (LTP) performance targets and results for the 2019/20 year is attached for the Board's information.

2. RECOMMENDATION

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

3. DISCUSSION

Each month Watercare Services Ltd (Watercare) report on the performance targets as set in the Agreement for Operation and Maintenance of Water, Wastewater and Stormwater Services. The LTP in some instances has a different target compared with the Watercare Agreement, there are also performance targets that are only reported annually included in the Scorecard Report.

With the exception of the two items below, all LTP performance targets have been met.

Water Supply	Target	Actual	Comments
The percentage of real water loss from Council's networked reticulation system.	29%	32.9%	The result is based on an estimate from available data and assumptions including metering inaccuracies. Council are working towards reducing water loss over the coming years.

Stormwater	Target	Actual	Comments
Council's level of compliance with resource consents for discharge from its stormwater system, measured by the number of abatement notices, infringement notices, enforcement orders and convictions received in relation those resource consents.	0	1	<p>Abatement Notice received for Raglan urban area and work to resolve non-compliances is starting early in 2020-21.</p> <p>Engagement of a consultant to update the Raglan Stormwater Management Plan is underway.</p> <p>A dedicated Stormwater Engineer position has recently been created and filled.</p>

4. ATTACHMENTS

- Waikato District Council Scorecard Report - Period July2019 – June 2020



Waikato District Council

Scorecard Report

Period: Jul-19 - Jun-20

Scorecard Name
2019-21 Waters

Date From
01-Jul-2019

Date To
30-Jun-2020

LINKED ITEMS	UNIT	TARGET	ACTUAL	INDICATOR
2019-21 LTP Stormwater				
The number of flooding events that occurred throughout the district	#	5.00	0.00	
<i>COMMENTS:</i> There has been no flooding events affecting habitable floors within the district this year.				
The number of habitable floors affected in a stormwater flooding event expressed per 1000 properties connected to the councils stormwater system per event	#	0.30	0.00	
<i>COMMENTS:</i> There has been no flooding events affecting habitable floors within the district this year.				
The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	m	120.00	0.00	
<i>COMMENTS:</i> There were no flooding events recorded for this year.				
The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the stormwater system	#	5.00	1.69	
<i>COMMENTS:</i> A total of 22 complaints and over 13,000 stormwater connections for the year.				
Council's level of compliance with resource consents for discharge from its stormwater system, measured by the number of abatement notices, infringement notices, enforcement orders and convictions received in relation those resource consents.	#	0.00	1.00	
<i>COMMENTS:</i> Abatement Notice received for Raglan urban area and work to resolve non-compliances is starting early in 2020-21				
2019-21 LTP Wastewater				
The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system	#	3.00	1.92	
<i>COMMENTS:</i> There were 22 dry weather overflows for the year and over 11,000 wastewater connections.				
The median attendance time where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, from the time that Council receives notification to the time that service personnel reach the site.	m	60.00	34.00	
<i>COMMENTS:</i> 34 calls received for the year with a median response time of 34 minutes.				
The median resolution time where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, from the time Council receives notification to the time personnel confirm resolution of the blockage or other fault.	m	240.00	123.00	
<i>COMMENTS:</i> 34 calls received with a median completion time of 123 minutes.				
The total number of complaints received by Council about odour, system faults, blockages, response to issues with its sewerage system.(expressed per 1000 connections to the sewerage system):	#	10.00	9.45	

COMMENTS: There were 108 complaints and over 11,000 wastewater connections.

Council's level of Compliance with resource consents for discharge from its wastewater system, measured by the number of abatement notices, infringement notices and enforcement orders	#	2.00	0.00	
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COMMENTS: No Abatement Notices were issued during 2019-20. As at 30 June 2020, there are two active Abatement Notices (Meremere and Te Kauwhata).

Meremere Wastewater Treatment Plant is being upgraded to a Membrane Bioreactor plant; this work is expected to be completed by July 2021 and will improve operating compliance.

A mid Waikato Servicing Strategy has been completed and solutions for Te Kauwhata identified; consultation with stakeholders is planned for early in 2020-21 and this process will finalise the solution.

Council's level of Compliance with resource consents, measured by the number of Convictions for discharge from its wastewater system,	#	0.00	0.00	
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COMMENTS: Target met

2019-21 LTP Water Supply - EOY

The extent to which Councils drinking water supply (zones) complies with part 4 of the drinking water standards (bacteria compliance criteria)	#	18.00	18.00	
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COMMENTS: Target met

The extent to which Councils drinking water supply (plants) complies with part 4 of the drinking water standards (bacteria compliance criteria)	#	4.00	4.00	
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COMMENTS: Target met

The extent to which Councils drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	#	4.00	4.00	
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COMMENTS: Target met

The median on site attendance time for an urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system	m	60.00	40.00	
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COMMENTS: 161 urgent call outs received for the year with a median attendance time of 40 minutes.

The median resolution time for an urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system	m	240.00	103.00	
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COMMENTS: 161 urgent call outs received for the year with a median completion time of 103 minutes.

The median on site attendance time for a non-urgent call out, where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system	Days	5.00	1.00	
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COMMENTS: 476 non-urgent call outs for the year with a median response time of 1 day.

The median resolution time for a non-urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system

Days

5.00

1.00



COMMENTS: 476 non-urgent call outs for the year with a median completion time of 1 day.

The total number of complaints received by Council about drinking water clarity, taste, odour, water pressure or flow, continuity of supply and response to any of these issues (expressed per 1000 connections to the water system)

#

25.00

19.35



COMMENTS: 309 complaints received for the year with almost 16,000 water connections.

The average consumption of drinking water per day per resident within the Waikato district

L

260.00

210.00



COMMENTS: Actual result better than target from a resource perspective

The percentage of real water loss from Council's networked reticulation system

%

29.00

32.90



COMMENTS: The result is based on an estimate from available data and assumptions including metering inaccuracies; we will be working towards reducing water loss over the coming years

Overall Performance

%

0.00**0.00**

Open Meeting

To	Waters Governance Board
From	Ian Cathcart Special infrastructure Projects Manager
Date	25 August 2020
Prepared by	Carole Nutt Waters Contract Relationship Manager
Chief Executive Approved	Y
Reference #	WGB2020
Report Title	Three Waters Performance Report – July 2020

I. EXECUTIVE SUMMARY

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

2. RECOMMENDATION

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

3. ATTACHMENTS

- Waikato District Council Three Waters Monthly Performance Report - July

WAIKATO DC

THREE WATERS

MONTHLY

PERFORMANCE REPORT

JULY 2020



Sharon Danks
WDC Business Manager
Watercare Waikato
July 2020

1. Health & Safety

HIGHLIGHTS AND LOWLIGHTS

1. Health, Safety & Wellness

- There were 0 Lost Time Injuries (LTI), and 0 Restricted Duties Injury (RDI) involving Watercare employees in July.
- There were 0 recordable injuries involving contractors in July.
- The 10-month average Lost Time Injury Frequency Rate (LTIFR) for employees is 2.14 per million hours, under our target of ≤ 5 .
- The 10-month average Total Recordable Injury Frequency Rate (TRIFR) for employees is 4.27 per million hours, under our target of ≤ 20 .
- 18 mechanical or electrical safety hazards were identified and resolved during recent asset condition assessment project.

Note: Once the contract has been running for more than 12 months, a rolling 12month average for LTI will be presented in a graphical form. WSL does not have access to WDC health and safety statistics prior to the contract period. Absolute LTIFR and TRIFR graphs are included in Appendix 1 of this report

1. HEALTH, SAFETY & WELLNESS UPDATE

Worker, type of incident and location	Critical Risk (Yes/No) and Severity	Description of injury/incident	Our learnings	The actions we have taken
Watercare Near Miss Operations - Service Delivery Huntly 15/07/20	Yes - Falling object	A water leak at Bells Crossing had saturated the ground to such an extent the streetlight was beginning to tilt	Actions were required to make the site and public safe prior to undertaking the repairs	<ul style="list-style-type: none"> • The streetlight was braced and eventually removed to ensure it was safe to repair the watermain • The site was backfilled with drainage material to prevent further undermining

AUDITS, MANAGEMENT REVIEWS, INSPECTIONS, SAFETY OBSERVATIONS

- A general workplace audit was conducted at by the HSW Business Partner at the Te Kauwhata Water Treatment plant. Audit findings:
 - In general, a high standard of safety compliance achieved at the treatment plant
 - Areas for improvement primarily focused on lack of appropriate storage for equipment and spares, updating safety data sheets.
 - Actions:
- The next 6 monthly review of the HSW Management System is scheduled for mid-September.
- An all sites condition assessment of mechanical, control and electrical was completed in February.
- 1 Safety walks and observations was conducted by senior management in July.

2. Key Performance Indicators

KPI – Description	Result June	Target 2019/2020
Water		
The extent to which Council’s drinking water supply complies with Part 4 of the drinking water standards (bacteria compliance criteria). (Number of zones that comply, maximum 18)	18	18
The extent to which Council’s drinking water supply complies with Part 5 of the drinking water standards (bacteria compliance criteria). (Number of zones that comply, maximum 18)	15	15
Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: - Attendance for urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site.	28	40 mins

Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: - Resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	92	120 minutes
Where Council attends a call out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: - Attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site.	1	≤ 3 days
Where Council attends a call out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: - Resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	1	<3days
The total number of complaints received by Council about any of the following (expressed per 1000 connections to the networked reticulation system): - Drinking water clarity - Drinking water taste - Drinking water odour - Drinking water pressure or flow - Continuity of supply - The local authority's response to any of these issues	2.31	22/1000
Wastewater		
The number of dry weather sewage overflows from Council's system expressed per 1000 sewage connections to that sewage system. - Non-sensitive receiving environments	0.48	≤ 2/1000
The number of dry weather sewage overflows from Council's system expressed per 1000 sewage connections to that sewage system. - Sensitive receiving environments	0.00	≤ 2/1000
Where Council attends to sewage overflows resulting from a blockage or other fault in its sewage system, the following median response times measured: - Attendance time: from the time that Council receives	42	≤ 1 hour (45 mins)

notification to the time that service personnel reach the site.		
Where Council attends to sewage overflows resulting from a blockage or other fault in its sewage system in Raglan , the following median response times measured: - Attendance time: from the time that Council receives notification to the time that service personnel reach the site.	0	≤ 1 hour
Where Council attends to sewage overflows resulting from a blockage or other fault in its sewage system, the following median response times measured: - Resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	150	≤ 4 hours
The total number of complaints received by Council about any of the following (expressed per 1000 connections to the sewage system): - Sewage odour - Sewage system faults - Sewage system blockages - Council's response to issues with its sewage system	1.11	≤ 10/1000
Health and Safety		
Safety: Lost time injury frequency rate (LTIFR) per million hours worked	2.14	≤ 5
Safety: Total recordable injury frequency rate (TRIFR) per million hours worked	4.27	≤ 20
Safety: 100% of Notifiable (or serious non-notifiable) Events reported to WDC within 2 hours of occurrence	No events	100%
Safety: 100% of Notifiable Event reports supplied to WDC within 21 business days	No events	100%
Safety – percentage of complaints resolved within 10 working days	100%	95%
Safety- Health and safety Audit programme and action plan completed (6 monthly and then annually)	1	1
Safety - All site emergency plans to be drilled 6 monthly as per drill schedule	20% (WSL have)	>100%

	restarted drills after they were paused during Covid 19 – will have all plants tested within 6 months)	
Safety - Monthly Health and safety meeting held with all workers	Meetings now individual team based and conducted using WhatsApp	>90%
Safety-Critical risk audit to be conducted by HSW BP Bi-monthly	1	1
Safety -Actions required to be closed within 1 month	100%	>90%

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

3. Operational Update

3.1 Treatment

General

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

Of significance on the 31st of July, Port Waikato WTP failed to restart remotely. The root cause of this fault was related to an ant infestation of the head of the contact tank level sensor.

Operator refresher training has commenced. 5 Operators have completed “Breathing Apparatus Operational Refresher” and 2 Operators have completed “Approved Chemical Handler” training in July. Training of all Operators will continue along with additional training for “Workplace First Aid” and “Confined Space and Gas Monitoring”.

General Workflow

General workflow has normalised post Covid 19. Staff have settled back into normal rotation of Focus Plants.

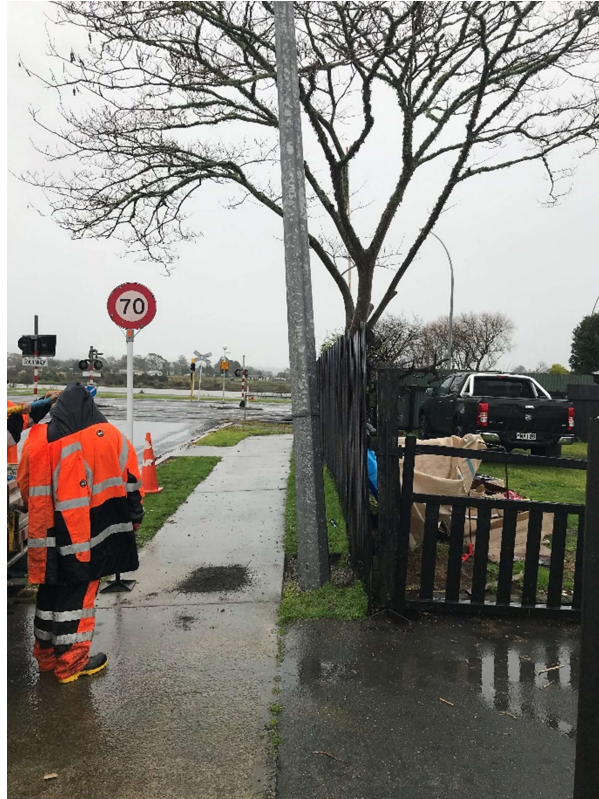
Other issues include:

- All water quality instruments across all sites 6 monthly checks have been serviced by Chemical Feed Solutions.
- Meremere WWTP oxidation pond cage rotor aerator has failed and is not economic to repair. This aerator was installed in 1998 and has far exceeded its design life. A new aerator has been sourced and will be purchased following capex approval. The dissolved oxygen level in the oxidation pond will be lower than usual until the new unit has been installed and commissioned. (3 to 4 weeks for delivery)
- The Meremere WWTP pond level increased again due to heavy rain fall, storm water inflow and infiltration. Continuous pump down to reduce the pond level and risk of overflow was required from 07/07/2020 to 09/07/2020. All stake holders have been notified.
- Huntly WTP Filter #5 remains out of service. All filter media has been removed and the false floor inspected. All air scour pipework and ceramic nozzles have been removed and removal of the false floor and underdrain pipework is in progress.
- Huntly WTP #1, #2 and #3 Clarifiers have been drained and cleaned. #1 and #2 have been returned to service.
- The Ngaruawahia WTP visual/audible chlorine gas leak alarm has been tested and reconnected to SCADA as was found to be incorrectly wired.
- Ngaruawahia WTP turbidity issues are being monitored. Clarifier cleaning has been planned to improve the clarifier water quality. Filter media may also be near end of life.
- Raglan WTP UV system 12 monthly service has been completed. Some quartz sleeves replaced.
- Raglan WWTP UV system 12 monthly service has been completed. 24 lamps have been replaced.
- Te Kauwhata WTP #2 Backwash pump VSD has failed and requires replacement.
- Te Kauwhata WWTP hosted a site visit from the local Iwi groups to establish a working relationship and ability to monitor upgrade progress moving forward.
- The access to the Te Kauwhata WWTP site continues to be limited whilst contractors for the neighbouring development carry out upgrade work of the new gravity sewer main. The plant has returned to normal power supply and the temporary generator has been removed.
- Te Kauwhata WWTP aeration improvements were delayed due to parts being imported from America and contractor availability. Good progress has been made with all Aqua-Disc units being replaced and all pond #1 aeration lines cleaned. This is showing a marked improvement in aeration across this pond. Investigation is now underway to replace the existing rock filter media.
- Sludge level surveys have been completed at Huntly, Ngaruawahia, Te Kauwhata and Raglan WWTP ponds. Reports to be processed.

3.2 Networks

- A PLC fault at Central Districts Reservoir resulted in widespread water pressure loss for a period of approximately 5 hrs, beginning 1am 30/07. The on-call engineer sent electrical contractors McKay to site to identify and rectify the issue, which turned out to be a coding issue in the PLC. Once identified, this was fixed quickly and pressures returned to normal levels.
- The water team dealt with a challenging repair on a 150mm water line at Bell's Crossing Street in Huntly, completing works Friday 31 July. The team initially went to site to repair

earlier in the month (15/07), but unfortunately had to stop works as the leak was in a very close proximity to a street lighting pole and due to the subsoil being at saturation point, the pole began to undermine and tilt slightly. The hole was filled with drainage metal and the pole braced until the Waikato Alliance were able to remove it (this was done 20/07). The team then revisited the site to action the repair 24/07 with traffic management but again were unable to fix the leak in time due to the pipe being >2m deep and stringent TMP timing as the road is classed as State Highway. A full lane closure was arranged for 28/07, along with vacuum tankers to drain the saturated silt and the repair was completed the same day.



Initial reinstatement after the light pole began to undermine



Repair being completed – new Gibault installed.

- Watercare and Neo Consulting held a workshop on 28/07 to formally kick off the NCU design project. A risk register was developed and discussed in detail and a programme of works was agreed upon. Neo were also given an induction covering treatment plants and pumping stations so works can commence immediately.
- A project assessing all manholes in the Raglan area commenced the last week of July. This is an important piece of work as it ensures the optimal working of the sewer system and prevents overflows and I&I issues. All manholes will be positively located, and a condition assessment carried out to identify a repair works programme. To date, we have completed approximately 30% of the investigation and information gathering phase of this project, with requisite remedial works to follow.

3.3 Planning

Key tasks completed include:

- Te Kauwhata WTP 4.5 MLD upgrade – Beca working on design of upgrade
- Weekly Engineering Forum with WDC – this has been enhanced in status as the key weekly interaction between Watercare (Planning and Operations) and WDC (Legal, Development Engineers, Building Consents). Meetings on Developments have tended to be undertaken on an individual basis rather than through the forum.
- Meremere WWTP proposed MBR – Contract awarded to Apex.
- Mid Waikato water supply and wastewater Servicing Strategy is completed. Has been presented to WGB, Sleepyhead Developers and Future Proof with further presentations to other stakeholders in the coming month.
- Te Kauwhata water supply reservoir design progressing.
- Te Kauwhata WWTP design progressing.
- Scoping of renewal works is complete and will progress to tendering in the next few months; this will be 2 years of renewal expenditure as we were unable to deliver projects last year.
- Draft of Three Waters AMP has been submitted to WDC and was presented to WGB last month.

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

- Ngaruawahia WW Pump Stations and Rising main upgrade concept – package has been prepared.
- SW modelling is being undertaken to assist in sizing of proposed SW culvert in Travers Road Te Kauwhata

Development / Growth related matters being worked on include:

- Synlait Dairy Factory Pokeno – rising main and fibre optic connection between Market St wastewater pump Station – issues damage to existing rising main, SCADA control, DA and future flows, Pukekohe WWTP capacity issues, Trade Waste and Development agreements. Synlait have committed to repairing damaged rising main this month. Watercare have assisted WDC in the development of a Development Agreement; significant progress has been made on this during the month.

- Met with Ultimate Holdings to further development agreement for River Road North WW upgrade.
- Met Sleepyhead Developers re MWSS and servicing of the Ohinewai site.
- WDC met with Watercare to go over Waikato 2070 strategy and the Waters servicing requirements to meet the strategy.

3.4 Abatement Notice Resolution

Meremere WWTP

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

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

The preparation of the Long Term 35-year consent for this site is progressing well and is on track for submission to WRC in late August 2020

Te Kauwhata WWTP

WRC abatement notice on this plant requires Total Kjeldahl Nitrogen (TKN), Total Nitrogen (TN), Total Phosphorus (TP) loads and E.coli exceedances to be addressed. There is also a requirement to develop short term capacity for increase in loads from residential development from Lakeside and Te Kauwhata structure plan areas prior to the HIF funded new WWTP.

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

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

A consenting strategy is being prepared and it is anticipated a new discharge consent application will be submitted to WRC in late 2022.

Raglan stormwater

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

In July Watercare completed a detailed review of the outstanding on-compliant consent conditions. Following this review the following actions have been undertaken:

- A meeting has been held with the WRC to confirm WSL's approach for resolving the non-compliances
- Key stakeholder in Raglan have been contacted with view to resuming the Liaison Group in August
- The sampling programme has been reviewed and changes made for the proposed sampling regime for 2020/2021
- A consultant has been engaged to update the District Wide Stormwater Operations Management Plan

3.5 Shared Services

Planning is continuing for the transition of laboratory and trade waste services to WSL internal providers with a confirmed start date of 1 October 2020. Watercare has developed an operational plan for the services post 1 October.

Waikato District Council will provide WSL with a scope for the Smart Water portion of shared services contract in early August. There is significant complexity in this area with varying standards for restrictions through the district and potential issues with branding.

3.6 Compliance

All July compliance reports were submitted to Waikato Regional Council and Waikato Regional Public Health Service on schedule.

All Water Supply Operation Annual Reports for resource consents have been submitted to Waikato Regional Council on time.

3.7 Customer

- The customer team continues as business as usual and a focus on the year ahead with data cleansing to begin to align meter data next month.
- The customer team is continuing to work with Council Contact Centre with updates and communications. A workshop lead by Customer team on BAU queries and knowledge of waters billing, feedback and Q&A aspect was organised for the 31 July 2020, unfortunately postponed to hopefully August 2020.

3.8 Condition Assessment / Asset Remediation

Condition Assessment

The condition assessment field work has been completed and the final report has been received

The asset data collected in the condition assessment programme will be used as the basis of an interim management system. Maintenance planning will be initially focussed on Water Treatment plants. This will allow Watercare to demonstrate compliance with the Drinking Water Standards.

Work is progressing on replacing obsolete compliance instrumentation at Water Treatment Plants as a priority.

3.9 Strategic Resource Consents

Raglan WWTP resource consent application

A July community e-meeting was held. This enabled an overview to be offered on investigations underway that will inform the selection of the best practical treatment and discharge option. Key notes were:

- Geophysical testing is planned at the existing outfall in August to establish the rock bed location. Any ocean outfall point source discharge solution with a diffuser will require pinning to a stable foundation under sand layers. The last method (prior to 2012) relied on a weighted diffuser, however the dynamic tidal nature of the harbour mouth meant that the infrastructure did not remain in place (i.e. the pipe end in the present discharge point, which is close to the low tide shore line).
- The membrane bioreactor (MBR) investigation has been completed. The MBR and UV plant would be located centrally, where buffer ponds would be needed also (see diagram). Ecological testing of the neighbouring tributaries has determined that low ecological value is applicable. Rehabilitation of these waterways to accompany and treated wastewater discharge could theoretically occur as part of the project.



Image: Theoretical layout of a Raglan MBR plant (tributaries leading to the upper harbour are indicated with blue lines. These would be the discharge locations)

- Soil testing needed to establish land irrigation discharge viability has now been undertaken. The image below highlights the characteristic soil of much of the Raglan rural area within 10km of the WWTP. This is fine grained with high clay content beyond topsoil (see image below). This will rule out many sites where seen as potential options for summer discharge (i.e. the Wainui Reserve or Golf Course). The best free draining soil is found nearer the base of Mount Karioi (allophanic soils). Any future 'in-principle' purchase or lease discussion with property owners should occur in this locality.



Image: Granular orthic (no-draining) soils are the predominate soil nearest the WWTP

Next steps planned for August include:

- Advancing any potential of land acquisition with owners (there is no secured property, or MOUs in place)
- Considering flows from Waikato 2070 growth predictions, and how estimates will affect treatment and discharge options (i.e. 35 years of growth need to be considered within design)
- Consider how best to advance MBR knowledge building with Hapu and Key stakeholders. This could potentially be achieved through a site visit to an operational plant (Rotorua). This may suit our Raglan partners where we are yet to ask. Engagement with River Hapu at Marae near the Te Kauwhata wastewater plant have expressed interest for such a visit which WSL intend to facilitate in August. A similar visit maybe suitable for the Raglan project also.

Meremere WWTP Resource consent

The Meremere WWTP MBR upgrade, design and build contract has commenced. The first design activities include ground investigation work and preparing layout plans for initial review. The upgrade project and new consent application are progressing in parallel.

The project team are continuing to consider the plant design alongside peak flows. It is critical that any proposed conditions on compliance limits and periods (i.e. to accompany the application) are practical and allow for intermittent higher loads. Ongoing discussion is underway, where engagement with Waikato Regional Council as part of pre-application discussion on pathways forward has been initiated and will continue.

Mid Waikato Strategy

Key asset planning work undertaken during the early months of 2020 has been the preparation of a draft Mid Waikato Water and Wastewater Servicing Strategy. This work is needed to develop a long-term water supply and wastewater strategy which:

- provides for the rapid growth predicted in the Mid-Waikato region, while;
- protecting water supplies and receiving environments.

Strategy preparation is now entering the community and mana whenua engagement phase, given that such groups are council partners. Once finalised, the strategy will be the core Watercare Waikato planning document. It will be a non-statutory document that acts as a guiding document for statutory activities under both the Local Government Act and the Resource Management Act (i.e. discharge and water take consents associated with new infrastructure). Draft strategy preparation methodology has encompassed:

- Literature and data review
- Supply/demand balance and key risks identification
- High level solution options – long list
- Multicriteria assessment and options short list
- Option analysis report

Place holder scoring was needed for community and cultural consideration, to provide practical scenarios for discussion. A draft preferred option is shown in the image below, where hapū and community sessions shall be undertaken during August (by e-meeting or workshops). The very first upgrade activities that will arise out of the finalised strategy will be:

- A long term Te Kauwhata wastewater treatment plant and discharge solutions, which will require resource consent applications.

Broadly, there is understood to be hapū satisfaction with advanced treatment solutions for the plant (MBR), which could provide opportunities for habitat enhancement and re-use.

Consultation with Key stakeholders is continuing and is expected to be completed by August 2021. No formal feedback on the report was received from WDC in July. It is proposed to incorporate all feedback and suggestions into an addendum to the report in late August – early September.

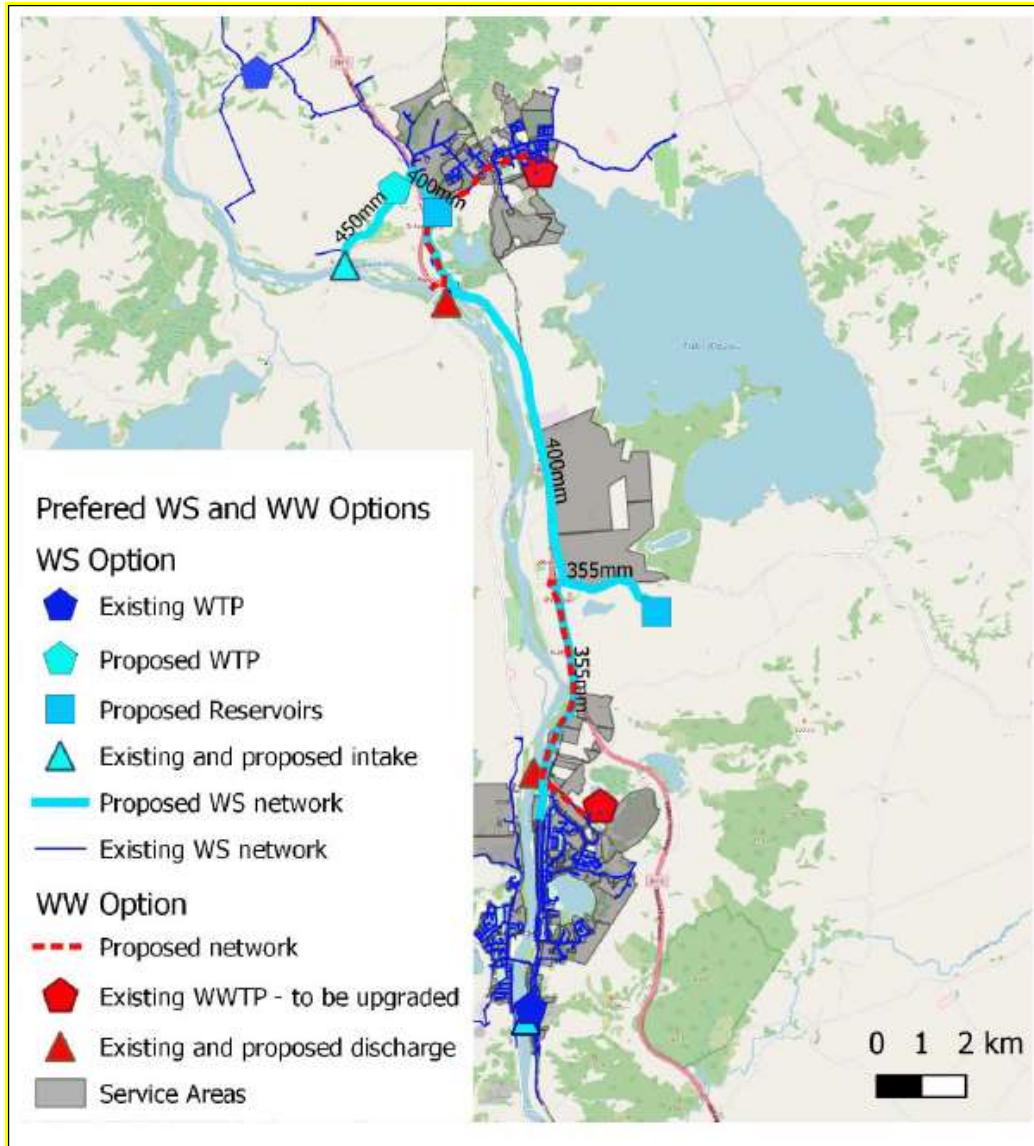


Image 1 Draft Preferred Option

3.10 Building Consent – Works Over Approval

Waikato District Council's Building consent has indicated they will no longer assess works in close to WDC 3 waters assets or respond to CRM requests from WSL to assess these issues from the 1st of August. This work has historically not been undertaken by the WDC 3- waters business unit.

The lack of assessment of the impact of building works on 3-waters assets will result in Waikato District Councils assets being damaged unnecessarily.

An initial meeting was held on this issue with all parties whilst no solutions to the problem were found, various teams will investigate potential solutions and report back in a month

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

Wastewater Treatment

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

Stormwater

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

Appendix 1 – Health and Safety Statistical Reporting

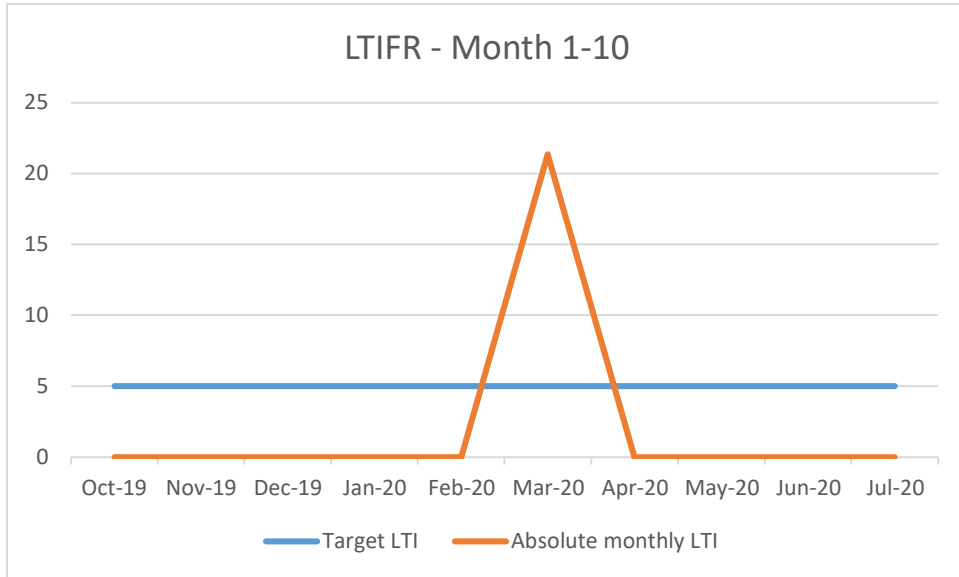


Figure 1: LTIFR Values

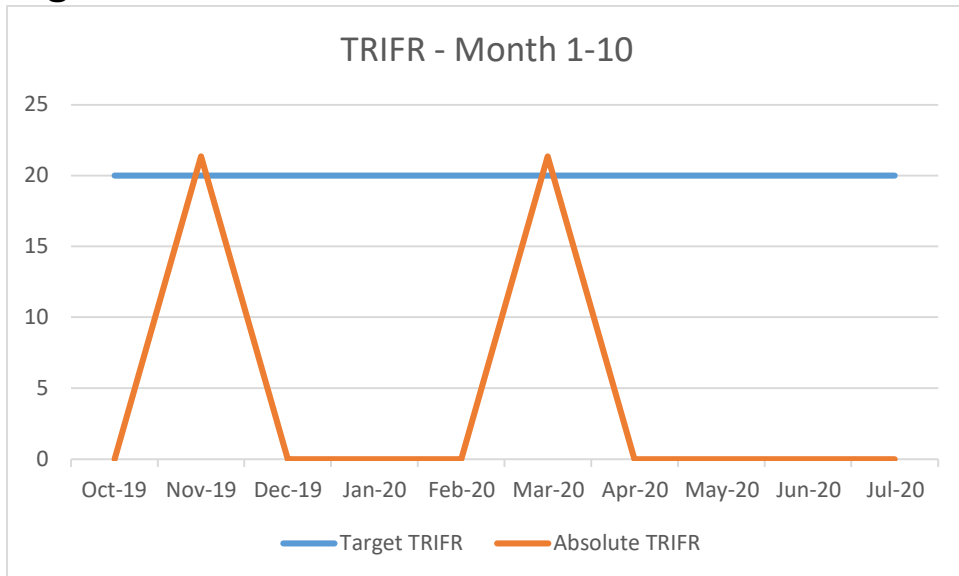


Figure 2: TRIFR Values

Open Meeting

To	Waters Governance Board
From	Gavin Ion Chief Executive
Date	17 August 2020
Prepared by	Lynette Wainwright Committee Secretary
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Exclusion of the Public

I. RECOMMENDATION

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Item 1 Confirmation of Minutes	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
Item 2.1 Actions Report		
Item 2.2 Contract Financial Report – July 2020		
Item 2.3 3 Waters Long Term Plan Schedule		

Item 2.4 Te Kauwhata Waters Association Water Supply and Operations Agreement - Update		
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This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item No.	Section	Interest
1		Refer to the previous Public Excluded reason in the agenda for this meeting.
2.1		Refer to the previous Public Excluded reason in the agenda for this meeting.
2.2	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
	7(2)(j)	To prevent the disclosure or use of official information for improper gain or improper advantage.
2.3	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
	7(2)(j)	To prevent the disclosure or use of official information for improper gain or improper advantage.
2.4	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
	7(2)(j)	To prevent the disclosure or use of official information for improper gain or improper advantage.

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