

MINUTES for a meeting of the Waters Governance Board Meeting of the Waikato District Council held via audio-visual conference on **TUESDAY, 15 MARCH 2022** commencing at **10.00am**.

Present:

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

Attending:

Cr E Patterson

Mr A Wilson (Te Akau South Community Committee)
Mr R Bax (Richard Bax Consulting)

Ms A Diaz (Chief Financial Officer)
Mr R MacCullouch (General Manager Service Delivery)
Ms C Nutt (Waters Contract Relationship Manager)
Mr J Ebenhoh (Planning and Policy Manager)
Mr D Sharma (Three Waters Reform Project Manager)
Ms C Wratt (Principal Planner)
Ms Z Al-Khaleefa (Three Waters Contract Engineer)
Ms L Cilliers (Management Account)
Mr M Horsfield (Democracy Advisor)

Mr M Telfer (Watercare)
Mr M Bourne (Watercare)
Mr R Pullar (Watercare)
Mr S Howard (Watercare)

APOLOGIES AND LEAVE OF ABSENCE

Resolved: (Mr Ion/Mr Dibley)

THAT an apology be received from Ms Schaafhausen for non-attendance.

CARRIED

WGB2203/01

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Mr Wright/Mr Ion)

THAT the agenda for a meeting of the **Waters Governance Board Meeting** held on **Tuesday, 15 March 2022** be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 7 which shall be discussed with the public excluded;

AND FURTHER THAT the Board resolves that the following items be added to the agenda as a matter of urgency as advised by the Chairperson in the open section of the meeting :

- **Water Reform**

AND FURTHER THAT the Board resolves that the following items be added to the agenda as a matter of urgency as advised by the Chairperson in the public excluded section of the meeting :

- **Update on the status of the Ngaruawahia Wastewater Treatment Plan and Correspondence with Watercare Services**

AND THAT in accordance with **Standing Order 9.4** the order of business be changed with agenda item 6.5 [*Huntly Wastewater Treatment Plant Upgrade*] being considered after agenda item 6.1

CARRIED

WGB2203/02

DISCLOSURES OF INTEREST

The Chief Executive noted Ms Schaafhausen's recent appointment to the Three Waters Establishment Board.

Mr Wright noted the updates provided during the previous meeting were not reflected in the Disclosures of Interest report relating to his role as interim Chief Executive of Horowhenua District Council and the removal of Interim Chief Executive Officer – Central Economic Development Agency from the Register of Interests.

CONFIRMATION OF MINUTES

Resolved: (Mr Ion/Mr Dibley)

THAT the minutes of a meeting of the **Waters Governance Board Meeting** held on **Tuesday, 1 February 2022** be confirmed as a true and correct record of that meeting.

CARRIED

WGB2203/03

REPORTS

Actions Register Agenda Item 5

The Waters Contract Relationship Manager noted the following matters:

- Circulation of the Taumata Arowai webinars link - The Iwi and Community Partnership Manager distributed the link to the appropriate iwi groups. There has been a section created on Council's website relating to Taumata Arowai and included in Council's newsletter.
- Small Water Schemes – There had been a number of enquiries on identifying non-Council small waters schemes there were in the district. There were thirty (30) Community Halls, twenty-seven (27) Maraes and ten (10) Schools identified that were not on reticulated supplies. Waikato Regional Council had identified over 400 consents but the large majority were classified as agriculture-dairy supplies and not necessary for potable use.

Resolved: (Mr Dibley/Mr Ion)

THAT the Actions Register for March 2022 be received.

CARRIED

WGB2203/04

District Plan Presentation - Ohinewai Agenda Item 6.1

The Principal Planner noted the following matters:

- All the appeals had been resolved now and the Ohinewai chapter would become operative once the Council's seal was affixed. The Council would meet on 22 March 2022 to approve this.
- Very strong policy direction for staging and sequencing.
- Three Waters – Very strong objective and policy direction that development must be serviced for three waters and it be available prior to development.
- OHI-P7 (Ohinewai Policy Seven) Infrastructure & Transport:
 - All development must be connected to a reticulated public water supply, except for on-site water supply for initial industrial development in Factory Stages F1 and F2.

- Avoid development not connected to a public reticulated wastewater network, except for initial subdivision and development in Factory Stages F1 and F2.
- Except for initial subdivision and development in Factory Stages F1 and F2, any stage of development must be serviced for wastewater to a public reticulated system
- Water – Initial industrial development in Factory Stages F1 and F2 can have onsite water supply. Strong policy direction that all developments must be connected to a reticulated public water supply.
- Wastewater – Initial subdivision and development in Factory Stages F1 and F2 must have onsite treatment and disposal of wastewater. Strong policy direction to avoid development not connected to a public reticulated wastewater network.
- Stormwater – Stormwater management avoids discharges to the existing regional drainage system. The initial factory stages F1 and F2 temporarily discharges water into the Belemi drain. Beyond F1 and F2, stormwater disposal will be via the Wetland Park and Central Park to Lake Rotowaru.
- Sleepyhead had provided an indicative timeframe for the development stages to Council. There had been discussion that Sleepyhead fund a role within Council to act as a liaison between Council and Sleepyhead.

Resolved: (Mr Ion/Mr Dibley)

THAT the District Plan Presentation – Ohinewai chapter be received.

CARRIED

WGB2203/05

Three Waters Governance Report – March 2022
Agenda Item 6.2

Mr Telfer noted the following matters;

- All performance measures for the year to date were achieved. There were challenges in January 2022 due to a low number of jobs.
- COVID – Watercare was doing surveillance testing for critical staff, which was undertaken once a week for each individual and across the work bubbles. Staff identified as close contacts were doing daily rapid antigen tests. Staff from Auckland had been identified as reserves and were visiting plants in the Waikato to develop an understanding of the sites if they needed to assist the Waikato team.
- Te Kauwhata & Meremere Drone Surveying – There was a lack of communication for the surveying and there were complaints from the community.
- Cyclone Dovi – Significant event which affected the power supply. There was a Scada outage during that time. There was a post event incident review with actions for more key generators. There was only one customer that was affected during the event.

- Watercare was working with Council for water restrictions. The team were working on focusing on options for a supply based approach. Watercare was continuing with educating the community on reducing water intake.
- Concern regarding wastewater allowances. Cr Patterson noted that the service team in Ngaruawahia believed they were owed funds for the wastewater allowance and should be paid. The service team in Ngaruawahia were a good team. Some of the pay structures were very selective. Cr Patterson was concerned they were not being heard by the wider Watercare team.

ACTION: Assurance to be provided by Watercare that all contractual requirements were met regarding remunerations.

- Was one rapid antigen test a week sufficient? Individual bubbles get tested 3-4 times a week. The process had been effective with close contact and positive cases.

Resolved: (Mr Ion/Mr Dibley)

THAT the Three Waters Governance Report – March 2022 be received.

CARRIED

WGB2203/06

Te Akau Water Supply Options Assessment
Agenda Item 6.3

Mr Kruger noted the following matters:

- Report covers options for the Te Akau water scheme. With the latest changes from Taumata Arowai, Council would like to retain the scheme but to ensure that the best option was followed. Options investigated were tankering, a pipeline under the harbour, tanks for households and an upgrade to the previous supply method.
- The report would like approval from the board for engagement with communities and once an option was identified, a business case to be developed for a funding request.
- The upgrade for the previous scheme would require drilling a new bore. There would be no changes to the current bore as the wall casing had failed.
- Mr Wilson believed the report was very thorough. There was a concern with the process with drilling the bore and testing the water quality.

Resolved: (Mr Wright/Mr Dibley)

THAT the Water Governance Board recommends to Council that:

- a. community engagement is conducted with all stakeholders on the four (4) options for the Te Akau Water Supply, to finalise the preferred option;
- b. upon the community confirming the preferred option, should Option 2 or 4 be adopted as the preferred solution, that a new business case be developed to enable a capital funding request for the 2022-23 financial year; and
- c. as Horongarara Community Group (HGC) has indicated that the community is strongly likely to confirm that Option 2 will be preferred, Waikato District Council drill a replacement bore and assess the raw water quality and conduct a detailed design of the Water Treatment Plan upgrade to determine the necessary new equipment while retaining all compliant infrastructure concurrently as the business case is developed.

CARRIED

WGB2203/07

Water Filling Stations

Agenda Item 6.4

Mr Telfer noted the following matters:

- There were new standards from Taumata Arowai coming into effect in July 2022. This includes the use of hydrants and stand pipes. There was budget in the LTP for water filling station, and the recommendation was to proceed the work to create permanent filling stations.
- The filling stations were a standard design, but identifying appropriate locations was difficult due to telemetry and roading difficulties.

Resolved: (Mr Ion/Mr Dibley)

THAT the Waters Governance Board:

- a. approves the establishment of three permanent filling stations across the Waikato District in line with the Taumata Arowai draft standards utilising the existing 2021/22 budget in the Long Term Plan of \$468,000 (code IWA11230); and
- b. assessment of additional sites including possible relocation of the temporary filling station to another location is carried out where funding allows.

CARRIED

WGB2203/08

Huntly Wastewater Treatment Plant Upgrade Agenda Item 6.5

The Waters Contract Relationship Manager noted the following matters:

- There had been an immediate need to look at existing non-compliance at the plant. There had been a formal warning from Waikato Regional Council received during the 2020-21 audit period.
- There was a full upgrade budgeted for \$47 million for the 2026-2028 financial years within the Long Term Plan (LTP). This would coincide with the expiry of the current discharge consent.
- Staff had asked Watercare for an interim solution to bring the plant to compliance. Watercare has proposed the implementation of a Moving Bed Biofilm Reactor (MMBR) to achieve compliance, costing \$1 million that had not been budgeted in the LTP.
- Sleepyhead would pay for the conveying costs for connections from the Ohinewai development to the Huntly Wastewater Treatment Plant. The Ohinewai development would put significant stress on the plant.
- With the MMBR implemented, the interim improvements would be redundant.
- Council would need to work with Sleepyhead regarding development contributions for the Huntly Wastewater Treatment Plant.
- The recommendation was to address the compliance issues, but there were questions whether the equipment purchased for compliance could be reused for the longer term solution.
- There had already been discussions within Council to bring the Huntly Wastewater Treatment Plant upgrade forward to address the growth challenges in Huntly and Ohinewai.
- If the Board recommended to Council to bring the forward funding for the plant upgrade, what implications would that have on Council's budgets? Currently, Council would not be able to fund the upgrade. There had been the suggestion that Central Government could assist with funding along with Sleepyhead.
- Council had spoken with Sleepyhead that Council could not exceed their debt cap for the expansion of operations for the Ohinewai development. There would have to be a conversation with Crown infrastructure partners so they would be aware that Council could not take the investment support for Ohinewai. There was budget for existing connections and upgrade, but not the growth aspects. Council was about to engage with Sleepyhead regarding the development contribution process. Council would be engaging with a specialist to help with the development contribution process with Sleepyhead.

- Would there be an opportunity for Council to apply for July Three Waters Better Off funding round? It would be challenging to attain funding as the whole district was not connected to water service and would receive pushback from the rural community.
- There was no timeline for when Sleepyhead would need the connections to the Huntly Wastewater Treatment Plant.
- Was Sleepyhead ready to proceed with the whole development? The indicative initial stages were due for completion within the next five (5) years. By 2024, the development would need to be connected to a compliant plant. Sleepyhead has already invested millions in the consent process.
- How long would the Huntly Wastewater Treatment Plant be non-compliant if the upgrade for the plant was brought forward? The full upgrade would be a three year process.
- There would need to be discussions with Waikato Regional Council regarding options for short and long term solutions for the plant.
- The Three Waters Reform process needs to be factored in, as it may not receive the same prioritisation by the new three waters entity.
- It would be worthwhile discussing with the local community for the long term strategic direction for the plant upgrade.
- Question still remains where the funding for the \$1 million cost for the temporary upgrade for the MMBR.

ACTION: Report to come to the next Water Governance Board meeting regarding the Huntly Wastewater Treatment Plant upgrade, including a cost return comparison for a temporary upgrade versus managed compliance in the short term.

Resolved: (Mr Dibley/Mr Wright)

THAT the Waters Governance Board:

- recommends that Council continue consultation and engagement with Iwi in relation to the Huntly wastewater treatment plant upgrade and determine what kaitiakitanga and environmental expectations are required to be met as part of the plant upgrade;**
- notes that within Watercare's Huntly Wastewater Treatment Plant Compliance Upgrade report, toxicity in the influent wastewater may be inhibiting nitrification in ponds with the most likely sources for toxicity being the landfill leachate or septage that Huntly wastewater treatment plant receives;**

- c. approves the recommendation that the following influent sources should be tested for toxicity:
 - i. Raw influent
 - ii. Landfill leachate
 - iii. Septage pond outlet
- d. recommends that if toxicity tests indicate higher strength parameters than expected, that the Huntly wastewater treatment plant proposed Bardenpho Activated Sludge with Membrane Bioreactor and Ultraviolet is reviewed to ensure that the proposed plant can treat both the effects of toxicity and the new load and flows received from developmental growth to maintain treatment parameters to within likely new resource consent limit;
- e. notes that a Moving Bed Biofilm Reactor solution has been identified as a short term solution being able to provide the necessary treatment and that supply and installation is estimated at \$1 million. No funding solution is provided;
- f. recommends that Council does not continue exploring the opportunity to add a Moving Bed Biofilm Reactor upgrade of the Huntly wastewater treatment plant as proposed by Watercare as the impact of the Sleepyhead Development needs to be incorporated into the wastewater treatment plants' design and compliance future;
- g. recommends that Council explores the opportunity to bring forward a funding solution for the plant upgrade identified as Bardenpho Activated Sludge with Membrane Bioreactor and Ultraviolet;
- h. recommends entering commercial discussions with Sleepyhead through an Agreement to enable Sleepyhead to contribute to a share of the plants cost based on the plants treatment capacity and to explore the opportunity to bring the allocated funding within the Long Term Plan forward; and
- i. recommends that Council liaise with Waikato Regional Council about the longterm solution for the plant and its timing in respect to resource consent compliance.

CARRIED

WGB2203/09

Te Kauwhata Wastewater Treatment Plant Consent Application Preparation Project
Agenda Item 6.6

Mr Howard noted the following matters:

- The consent expires in 2024. It was prudent to begin the consent process now.
- Council and Watercare were in the early stages of forming a team for the consent and identifying key stakeholders such as Te Kauwhata Water Association, Hapu and local residents.

- It was important that the Iwi and Community Partnership team had the resources to assist for the project. It was important that hapu were empowered through the project and the Council engaged regularly with Hapu.
- Nga Muka wants to see the project was moving forward and on the right track. There would be value with the Board chair to attend Nga Muka's hui.

ACTION: The Waters Governance Board to meet with Nga Muka on an agreed date in the near future.

Resolved: (Mr Wright/Mr Ion)

THAT the Waters Governance Board:

- a. **receives the Te Kauwhata Wastewater Treatment Plant Consent Application Preparation Project report where the Consenting Project Team will report back on progression of relationship building with mana whenua as a key partner, based on:**
 - sincerity;
 - respect for earlier consenting obligations and the; and
 - aspiration of delivering the best practical discharge option with mana whenua support.

CARRIED

WGB2203/10

Waters Reform
Agenda Item 6.7

The Waters Contract Relationship Manager noted the following matters

- Central Government had established the National Transition Unit (NTU) to lead a coordinated approach towards transition in response to Central Government's Three Waters Reform.
- The NTU will work alongside Councils, Iwi, industry and the wider water sector to make the transition successful. The NTU will set up four local establishment entities in 2022, which will support the local transition in their area. On 1st July 2024, these four entities will become the four water services entities.
- There will be a dedicated workstream leading the workforce transition to ensure that all Council staff working primarily in water services are easily transitioned to a role with similar duties, location and terms of employment.

- The workstream had requested from all Councils information regarding the number of staff who interact with water services, the percentage of time dedicated to water services and their remunerations. There were seventy-eight (78) staff at Council who had touch points with water-related work.
- In response to Council's three waters submission, the Department of Internal Affairs (DIA) had responded to the questions Council had asked during the eight (8) week engagement period. As a result of feedback provided by all Councils, DIA had established three (3) technical reference groups being:
 - Working Group on Representation, Governance and Accountability;
 - Planning Technical Working Group; and
 - Rural Supplies Technical Working Group.
- The Working Group on Representation, Governance and Accountability had provided advice to the Government on how to improve the arrangement for the water services entities, recommending significant changes to the bill covering ownership, protections from privatisation and local voices.
- Between March 2022 and August 2022, Council will be eligible to apply for the first tranche of \$31.5M under the better-off package. This package was not restricted to waters infrastructure. Council can spend the funds on other projects that meet the funding criteria.
- Pukenga Wai Fund - This fund had been allocated for Iwi groups to discuss about how they will approach mana whenua representation. DIA intends to convene with Iwi directly, however Council had concerns that DIA will not have access to all the groups within our district. Council was looking to assist DIA with identifying all Iwi and Hapu groups.
- Rural Supplies Funding - DIA had indicated that \$30M was available for all councils to help their small water schemes transition to service delivery requirements under waters reform.

Resolved (Mr Wright/Mr Ion)

THAT the verbal Water Reform Report be received.

CARRIED

WGB2203/11

EXCLUSION OF THE PUBLIC

Agenda Item 7

Resolved: (Mr Ion/Mr Dibley)

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Item number PEX 1 Confirmation of Minutes	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
Item PEX 2.1 Actions Register		
Item PEX 3.1 Raglan Wastewater Treatment Plant Consent Application Preparation Project - Discharge Option		
Item PEX 3.2 Te Kauwhata Water Association Water Take Consent Renewal Progress Update		
Item PEX 3.3 North Waikato Radio Telemetry Upgrade		
Item PEX 3.4 Waters Financial Results to 28 February 2022		

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

Item No.	Section	Interest
Item PEX 1 Confirmation of Minutes	7(2)(a)	Refer to the previous Public Excluded reason in the agenda for this meeting.
Item PEX 2 Actions Register	7(2)(a)	Refer to the previous Public Excluded reason in the agenda for this meeting.
Item PEX 2.3 Raglan Wastewater Treatment Plant Consent Application Preparation Project - Discharge Option	7(2)(c)(i)	Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information — would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.
	7(2)(i)	To enable negotiations to carry on without prejudice or disadvantage.
	7(2)(j)	To prevent use of the information for improper gain or advantage.
Item PEX 3.2 Te Kauwhata Water Association Water Take Resource Consent Renewal Progress Update	7 (2) (b) (II)	To protect information that would otherwise unreasonably prejudice a person's commercial position.
	7 (2) (c) (I)	Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information — would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.
Item PEX 3.3 North Waikato Radio Telemetry Upgrade	7 (2) (c) (II)	To protect information that is subject to an obligation of confidence and to protect the public interest.
	7 (2) (I)	To enable negotiations to carry on without prejudice or disadvantage.

