

MINUTES for a meeting of the Waters Governance Board Meeting of the Waikato District Council held in the Board Room, District Office, 15 Galileo Street, Ngaruawahia on **TUESDAY, 7 JUNE 2022** commencing at **10.02am**.

Present:

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

Attending:

Mr H Kruger (Beca)

Ms C Nutt (Waters Contract Relationship Manager)
Mr V Ramduny (Strategic Projects Manager)
Mr D Sharma (Three Waters Reform Project Manager)
Ms L Cilliers (Management Accountant)
Mr M Horsfield (Democracy Advisor)

Mr M Telfer (Watercare)
Mr A Singleton (Watercare) *via Audio Visual Conference*

APOLOGIES AND LEAVE OF ABSENCE

There were no apologies.

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Ms Schaafhausen/Mr Dibley)

THAT the agenda for a meeting of the Waters Governance Board Meeting held on Tuesday, 7 June 2022:

- a. 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
- b. all reports be received.

CARRIED

WGB2206/01

DISCLOSURES OF INTEREST

Ms Schaafhausen noted that she was a member of the Three Waters National Transition Unit.

Mr Wright noted the removal of Interim Chief Executive Officer – Horowhenua District Council, and his appointed as Chair of Unrealised Potential organisation.

ACTION: Democracy Team to update the register of interest to reflect the changes to Mr Wright's roles.

CONFIRMATION OF MINUTES

Resolved: (Mr Dibley/Ms Schaafhausen)

THAT the minutes for a meeting of the Waters Governance Board Meeting held on Tuesday, 26 April 2022 be confirmed as a true and correct record.

CARRIED

WGB2206/02

REPORTS

Actions Register
Agenda Item 5

The Waters Contract Relationship Manager noted the following matters:

- Huntly Wastewater Treatment Plant (WWTP) – Staff had continued to have discussions with Sleepyhead in the aim to bring forward the WWTP upgrade and renewal for resource consent. The Iwi and Community Partnerships Manager was working with mana whenua regarding engagement associated with the Waikato River.
- Discussion with Nga Muka – Nga Muka was happy for a meeting with the Waters Governance Board to go ahead. Nga Muka was wanting a transparent relationship with Council and the Board. The Board would provide potential dates to meet with Nga Muka, and it was important that Council staff develop a relationship with Nga Muka.

ACTION: Staff to find suitable dates from WGB for meeting with Nga Muka.

Resolved: (Ms Schaafhausen/Mr Ion)

THAT the Actions Register be received.

CARRIED

WGB2206/03

Hamilton-Waikato Metropolitan Wastewater Detailed Business Cases
Agenda Item 6.1

The Waters Contract Relationship Manager noted the following matters:

- A briefing was held with the Board in April 2022, which highlighted the recommendations for the business case.
- Staff had met with project governance group for the Northern Hamilton-Waikato Wastewater detailed business case and supported the proposal.
- There had been implementation work undertaken already, such as potential land package for purchases.
- Every recommendation had been approved by the partners involved, which had helped attain approval from all stakeholders.
- There was concern regarding the ability to recoup the investment in the project where there was no asset to tag it to. The investment in the project should not be lost due to the Three Waters reform. It was also important to ensure there was a capped expenditure limit on the programme.
- The decision around the Northern Hamilton-Waikato Metropolitan Wastewater Plant will deliver better outcomes for the subregion.

Resolved: (Mr Wright/Ms Schaafhausen)

That the Waters Governance Board:

- a. **recommends to Waikato District Council:**
 - i. **the final Southern Hamilton-Waikato Metropolitan Wastewater Detailed Business Case;**
 - ii. **the draft Memorandum of Understanding (MoU) (as amended) in respect of Hamilton Waikato-Waipā Metropolitan Area Wastewater Projects; and**
 - iii. **Option A (centralisation of wastewater treatment at the Pukete Wastewater Treatment Plant) as the preferred option for further refinement and completion of the Northern Hamilton-Waikato Metropolitan Wastewater Detailed Business.**

b. notes that:

- i. a supplementary assessment (which will be completed in parallel with the Northern Hamilton-Waikato Metropolitan Wastewater DBC) will be completed to evaluate the impacts of accelerated development of the Southern Sub-Regional WWTP (i.e., more capacity earlier than assumed for the Southern Hamilton-Waikato Wastewater DBC and MoU);**
- ii. on completion of the Northern Hamilton-Waikato Metropolitan Wastewater DBC the relevant councils will need to integrate the findings of the Northern and Southern DBCs, including further consideration of the wastewater system investment timing and triggers, and development and implementation of the sub-regional wastewater consenting strategy; and**
- iii. planning and investigations to support the delivery of the Southern Hamilton-Waikato Metropolitan WWTP have commenced using allocated funding by Hamilton City Council in the 2021-2031 Long Term Plan.**

CARRIED

WGB2206/04

Three Waters Reform Project Update – June 2022
Agenda Item 6.2

The Three Waters Reform Project Manager noted the following matters:

It was noted that Ms Schaafhausen was a member of the Three Waters National Transition Unit (NTU).

- A high-level understanding of the core assets and contractual arrangements relating to the current provision of Three Waters services specific to Council was being sought.
- Council would be seeking to reclaim costs from DIA for the time spent completing this RFI (Request for Information).
- Council shareholding for the water entities would be reviewed every five (5) years. The shareholding was based on 50,000 population basis. The water entities would be prohibited from profiting from local authorities.
- The assessment panel for the better off funding packages comprises of 50% mana whenua representatives and 50% Council staff.
- The NTU was conducting a current state infrastructure assessment, with the staff platform to be rolled out and a staff transition pack that will be created. A detailed RFI will be released later this year.

- The partnership between Council and Iwi for the better off funding packages evaluation was positive, as it will become mandatory in the future.
- There was a considerable amount of work being undertaken by Council staff and Watercare to meet the requirements from the Department of Internal Affairs (DIA).

Resolved: (Mr Ion/Mr Dibley)

That the Waters Governance Board notes that the project management for water reform is ongoing.

CARRIED

WGB2206/05

Three Waters Governance Report – May 2022
Agenda Item 6.3

Mr Telfer noted the following matters:

- Abatement Notice had been lifted from the Meremere WWTP, as it was now fully operational and compliant.
- Year to Date performance measures were achieved.
- Raglan Water filter improvements were now complete. This ensures that earthquakes and other events would not affect water quality.
- Health & Safety Incident – A subcontractor had their finger crushed due to human error. A full investigation had taken place regarding the incident. The contractor had been spoken to.
- The Impact health and safety audit had been completed as required in the Watercare contract. There had been a big shift in the health and safety numbers from 2021.
- Te Kauwhata WWTP tender had been completed, and there would be an out of cycle business case to achieve compliance in September 2022. The tender had come in and there were indications there may be some issues related to it. Alternative designs were sought from contractors before the tendering process was complete. Alternative interim solutions were being sought meet compliance in September 2022 to mitigate any issues.

The expectation would be to get the plant upgrade compliant by the end of December. The team had a meeting this week to look at the details of the plant, which resulted in a paper that would come to the Board out of cycle. Watercare would keep Waikato Regional Council (WRC) informed regarding any risk, including a short extension of the timeframes.

- Ngaruawahia DIA funding network upgrades had been completed.

- Huntly Treatment Plant had been broken into. The problem was endemic and affecting other organisations. Watercare was reviewing their fencing to restrict access from thieves.

Council has been working with WRC on a number of wastewater issues and making good progress. It is important that Watercare support these actions by delivering results. Delays could impact on the relationship with WRC.

- Complex Water Meters – 78% of the meters had been installed, with 9% in progress. The final 5% were owners who agreed to the meter installation but had not provided signed agreement. Four properties had not engaged with Council despite repeated attempts at contact.
- Council should consider promoting communications regarding the good work that had been undertaken regarding three waters upgrades. Watercare does have a number of projects to highlight alongside Council.

Resolved: (Mr Wright/Ms Schaafhausen)

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

CARRIED

WGB2206/06

Port Waikato and Onewhero Options Assessment Report
Agenda Item 6.4

Mr Kruger spoke to his report:

- There had been a change to the strategy for the schemes, including looking at community ownership or rainwater systems installed.
- Watercare would investigate more accurate costs of the upgrades. Some estimated costs had been provided.
- The report highlights the risks to the schemes, and that both schemes would require upgrade under the new drinking water regulations.
- It had been highlighted that there were increased costs now compared to the initial costs provided in December 2021. It was hard to understand why costs have changed so dramatically.
- The Board would need the full costing before approving any improvements, including what were the confirmed solutions to pricing, and what were the upgrades required in comparison to tankering.
- Costs for the partial water treatment plant (WTP) upgrade was more cost effective than decommissioning and will be adherent to the new drinking water regulations.

- 75% of the community would need to agree to decommissioning, with agreement from the Ministry of Health, which would be challenging to achieve. These aspects needed to be considered in the process.
- If the Board were happy that decommissioning was too difficult, then Watercare could proceed to investigate costs for a partial WTP upgrade.
- The experience from the Te Akau small water scheme options process provides learnings for the assessment process for Port Waikato and Onewhero.
- Confirmed costings need to be enforced before going out to the community for consultation.
- Watercare would come back with more detailed estimates for WTP upgrade.
- Council would need to approve the capital upgrade.

ACTION: A report to come to the Board with more accurate costings for the assessment options for Port Waikato and Onewhero.

Resolved: (Mr Wright/Ms Schaafhausen)

THAT the Port Waikato and Onewhero Options Assessment Report be received.

CARRIED

WGB2206/07

EXCLUSION OF THE PUBLIC

Agenda Item 7

Resolved: (Mr Wright/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
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<p>Item number PEX 1 Confirmation of Minutes</p> <p>Item PEX 2.1 Actions Register</p> <p>Item PEX 3.1 Waters Financial Results to 30 April 2022</p> <p>Item PEX 3.2 Te Kauwhata Water Association Water Take Resource Consent Renewal Progress Update #2</p> <p>Item PEX 3,3 Proposal to vary agreement due to the Three Waters Reform</p>	<p>Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987</p>	<p>Section 48(1)(a)</p>
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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
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 3.1 Waters Financial Results to 28 February 2022	7 (2) (b) (ii)	To protect information that would otherwise unreasonably prejudice a person's commercial position.
	7 (2) (h)	To enable commercial activities to be carried out without prejudice or disadvantage.
Item 3.2 Te Kauwhata Water Association Water Take Resource Consent Renewal Progress Update #2	7 (2) (b) (ii)	To protect information that would otherwise unreasonably prejudice a person's commercial position.
	7 (2) (c) (i)	To protect information that is subject to an obligation of confidence and to ensure the

