

MINUTES for a meeting of the Waters Governance Board Meeting of the Waikato District Council held via audio-visual conference on **WEDNESDAY, 29 MARCH 2023** commencing at **10.30AM**.

Present:

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

Attending:

Cr V Reeve

Mr M Telfer (Watercare)
Mr R Puller (Watercare)
Mr P Crabb (Watercare)
Mr S Howard (Watercare) – *from 12.05pm*
Mr R Bax (Richard Bax Consulting) – *from 11.10am*

Ms A Diaz (Chief Financial Officer) – *from 10.58am*
Ms M May (General Manager – Service Delivery)
Mr K Martin (Waters Manager)

Mr D Sharma (Three Waters Reform Project Manager) – *via audio visual link*
Ms P Pandiarajan (Waters Contact Support Co-ordinator)
Ms E Saunders (Democracy Advisor)

APOLOGIES AND LEAVE OF ABSENCE

Resolved: (Mr Wright/Mr Ion)

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

CARRIED

WGB2303/01

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 Wednesday, 29 March 2023 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;

AND THAT in accordance with Standing Order 9.4 the order of business be changed with agenda item PEX3.3 [Huntly Wastewater Treatment Plant Upgrade] being considered after agenda item PEX1 [Confirmation of Public Excluded Minutes]

CARRIED

WGB2303/02

DISCLOSURES OF INTEREST

There were no disclosures of interest but it was noted by Mr Wright that a correction needed to be made to the register in relation to the spelling of Haapa Research Ltd – it is the Haapi Research Ltd and he is the Chair .

ACTION: Democracy Advisor is to update the Register of Interests for Mr Wright – update to Chair of Haapi Research Ltd rather than Haapa.

CONFIRMATION OF MINUTES

Resolved: (Mr Dibley/Mr Ion)

THAT the minutes for a meeting of the Waters Governance Board Meeting held on Tuesday, 7 February 2023 be confirmed as a true and correct record of that meeting.

CARRIED

WGB2303/03

REPORTS

Actions Register
Agenda Item 5

The Waters Manager and Mr M Telfer spoke to the report which was taken as read and highlighted some key points:

- Timber Reservoir inspections were completed in February 2023 – all were in good working order with just minor defects to be remedied.
- 3WR Oversight & Monitoring process for February 2023 was overviewed by the Waters Manager.
- Risk Register has been included in the agenda today as per the action from the previous meeting
- Mr Dibley asked about the reservoir located in Ngaruawahia in the Hakarimata Ranges that was on Department of Conservation (DOC) land. How many reservoirs do we have in the district that are like this? Would it be good to have a separate list of these for maintenance purposes? Council owns the land leading up to the reserve where the asset is located but DOC owns the reserve itself. Council have an agreement in place with DOC for DOC to maintain the land.
- Consent for works for Cambrae Road (Raglan) was in place (no longer an issue) and was scheduled to get underway in the next construction cycle. The demand for this had increased and will be actively monitored over the Winter period to ensure no risks to properties.

ACTION: The Waters Manager to arrange a list of retired assets to be compiled to ensure they are being managed and maintained from a health and safety point of view

ACTION: The Waters Manager is also to confirm with DOC' regarding the ownership of the asset and land.

Resolved: (Mr Ion/Mr Wright)

THAT the Waters Governance Board receives the Actions Register to March 2023.

CARRIED

WGB2303/04

Three Waters Governance Report – March 2023

Agenda Item 6.1

Mr Telfer spoke to the report which was taken as read and further discussion was held.

Key Highlights:

- There was a Health & Safety event with a staff member which resulted in a lost time injury in January 2023. Watercare were continuing to engage with the staff member for this injury.
- One Performance Measure was not met in February however year to date results are achieved in all areas.
- Two Severe Weather Events – both Raglan in the first event and Huntly/Port Waikato in the second event were largely effected by flooding and landslips as outlined in the report. Work was ongoing for a maintenance plan of assets across the district to be up to date to mitigate these risks for severe weather events in the future.
- A tour of plants was also carried out last month.

Discussion:

- Civil Defence instructions during significant weather event: What was the notification process during Cyclone Gabrielle for reporting of power outages across the affected areas? A brief discussion around timeframes for restoring electricity or fixing assets occurred with Mr Telfer answering the question from the board.
- Have we got enough resources like generators etc....for significant events like this in the future? It was hard to gauge resource levels during significant events like this as the need varies substantially from event to event. Civil Defence would be engaged with and were involved with this sort of event resourcing and can assist if required. After the events the team are confident that we are as prepared with resourcing as we can be for any future events.
- Have we got the means of communication outlined in the event of a complete power outage during a significant weather event? Do we carry satellite phones or any other resource to ensure communication can be maintained at all times? A suggestion was made that this be considered moving forward and taken into consideration when reflecting on the learnings from these events.
- Employees working on their own - how was it determined if the weather is not a risk for that employee? A lot of onus on the individual employee and constant communication was always done with any affected employee working out in the field alone.
- Follow on from Gabrielle – Politicians Level – hearing a lot of questioning regarding stormwater activities and Waikato Regional Council (WRC) vs Waikato District Council (WDC) and how stormwater was managed across the district – workshop scheduled for April 2023 with elected members to discuss this.
- Has Watercare documented the learnings that came from the significant weather events at all? What had been done to take the lessons learned and put them into work practices now? General feedback was very positive about the Watercare response during the weather events and the engagement that was undertaken.

- The Board wanted it noted the appreciation of the Watercare Team response during Cyclone Gabrielle and the engagement and work that was undertaken with the affected communities.

Resolved: (Mr Wright/Mr Ion)

THAT the Waters Governance Board receives the Three Waters Governance Report.

CARRIED

WGB2303/05

Three Waters Reform Project Update – March 2023

Agenda Item 6.2

The Three Waters Reform Project Manager spoke to the report (via audio link) which was taken as read and further discussion was held.

Key Highlights:

- Better Off Funding update was provided and Crown Infrastructure Partners (CIP) was on track to deliver the reporting template that is needed by the end of March 2023 as was scheduled. Once received the legal review will be undertaken with a view to minimise the financial risks to Council as well as the other applicants.
- Legal RFI – Councils had received an extension from the National Transition Unit (NTU) until the 30th of April 2023.
- Asset Management Plan (AMP) update – third iteration of Capex and Opex programme had been submitted to the Department of Internal Affairs (DIA) and the feedback received to date is that Waikato District Council represents a significant proportion of investment for Entity B. They are seeking to meet with Council on April 20th to work through this. The Board would like to see a copy of the Third Iteration to ensure there is alignment which The Three Waters Reform Project Manager will circulate.
- All staff have received their pathway regarding their continued employment from NTU – three (3) different pathways had been proposed and they have been given ten (10) working days to agree or disagree with the pathway. Council staff had not received their pathway yet but are expecting to receive this soon.
- Relationship Agreements & Service Level Agreements were currently being tested with local authorities by NTU but does not appear to be being tested with Entity B local authorities as yet.

Discussion:

- Better of Funding – CIP timeframe for delivering the template in reality is within 3 days and the legal review that needs to be undertaken from a practical viewpoint seems to be something that will not change. From a legal perspective we should absolutely understand what the implications are; but from a practical perspective we should understand that it's not going to change things.

- The Chief Financial Officer advised that Waikato District Council seems to be the only Council that put this out to community groups for engagement and the DIA seemed to like this process so thinks it's a good idea to seek to push back and still have a go and see what happens.
- The funding agreement was with the DIA and the Crown Infrastructure Partners (CIP) had been appointed as the monitor for the funding agreement. The agreement should emulate what we already had in place and CIP had made it clear they were not providing the agreement but they would provide the reporting requirements for the project delivery and we will use that to develop our own back to back funding agreements with each applicant.
- Debt Settlement Process – The Chief Financial Officer provided an update on the matter and advised the meeting that it went very well. Waikato District Council were ahead in some areas as we had separate funding sources like targeted rates & development contributions and had our financials separated out into a separate entity so we can create a balance sheet at the end of this year with a high level of accuracy. Stormwater discussions were interesting and further updates were to be given in this space. Overall Waikato District Council were on track to make this a smooth transition.
- Governance Arrangements: It will be up to the Council to determine when the Waters Governance Board ceases to exist ultimately although the thinking was it would be around the same time as the formation of the Entities.
- Third Iteration submitted to DIA – the Board had requested to have this report circulated to them to ensure priorities of both Council and the Board were aligned. A further iteration was due to be submitted in the middle of the year along with another iteration due at the end of the year.
- Who is running the process in relation to the AMPs? It was confirmed that DIA were running the process.
- If everything goes to plan and the transfer of business happens on 1st of July it was confirmed that liability for consenting issues, agreements and compliance issues will fall under the new Entity. The area that could potentially be at risk during the transition was growth and growth does come with its own challenges which were discussed.
- Concern raised that there were more pressing Health & Safety priorities in other parts of the Entity B area and some of our obligations to the awa may fall down the list compared to the priorities identified. The Waters Manager spoke to this concern and a brief discussion was had with the Board particularly around the different outcomes that could happen i.e – Stormwater staying with Council and what could happen in that space.
- Residual Staffing: Has Council started thinking about what resourcing will be required at all to ensure a smooth transition? We know from previous experience that maintaining Council staffing resources were required – particularly as assets were still owned by WDC. This was something that is being thought about and worked on.

- The Risk Register has been shared in the report and clarification was needed to determine how often the Risk Register needs to be seen by the board. It was confirmed that every 6 months was fine but it can also be shared at any time that it was required or a risk needed to be discussed. Entity B could have different priority but will continue with these timeframes for now.

ACTION: The Third Iteration was to be brought to the Board by the Three Waters Reform Project Manager so the Board can be across this and ensure alignment. This report will be circulated to the Board today and an out of cycle Board discussion will be undertaken if required to discuss this further.

Resolved: (Mr Ion/Mr Dibley)

THAT the Waters Governance Board:

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

CARRIED

WGB2303/06

Risk Register
Agenda Item 6.3

The Waters Manager spoke to the report which was taken as read and further discussion was held.

- Risk Register adequately covers reservoirs and other assets as requested.
- When will the Board get an update on the letters of direction that was received via email? The Waters Manager confirmed that for the next board meeting there will be a full compliance update including letters of direction and Action Plans incorporated into the agenda.

ACTION: A separate paper for Compliance to be prepared and provided to the Board by Watercare.

Resolved: (Mr Wright/Mr Ion)

THAT the Water Governance Board receives the Risk Register report.

CARRIED

WGB2303/07

Insurance Compliance

Agenda Item 6.4

The Chief Financial Officer spoke to the report which was taken as read and further discussion was held.

- A brief discussion around Insurance Cover and whether it was adequate and whether another significant weather event can be handled which was addressed by the Chief Financial Officer.
- Not all assets were covered by Insurance so were there plans in place for this? Council will be hard pressed to cover significant costs particularly 'like for like' cover.
- A brief discussion around the lessons learned from the significant weather events and whether it might be good to see what liability Council had for private property and any damage that was caused by a significant event which was addressed by the Chief Financial Officer – especially the liability with LIM reports on private properties.

ACTION: The Board will require a firm update on the Insurance Cover from the Chief Financial Officer and whether the cover is adequate moving forward and what timeframes the Board are working within.

Resolved: (Mr Ion/Mr Dibley)

THAT the Waters Governance Board receives the Insurance Compliance Report.

CARRIED

WGB2303/08

Maramarua Treated Wastewater Disposal Field Upgrade – Price/Risk Update

Agenda Item 6.5

Mr Telfer spoke to the report which was taken as read and further discussion was held.

- Report was an update on a previous paper that was presented to WGB with further clarification as requested.
- Great detail provided in this report and is a significant improvement on the last paper presented to the Board.

Resolved: (Mr Dibley/Mr Ion)

THAT the Waters Governance Board approves the:

- a. the replacement of the Maramarua WWTP treated effluent disposal field project and;**
- b. the funding of \$385,000 from the District Wide Wastewater Treatment Renewals budget for this project**

CARRIED

WGB2303/09

EXCLUSION OF THE PUBLIC

Agenda Item 7

Resolved: (Mr Wright/Mr Ion)

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Item PEX 1 Confirmation of Minutes	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
Item number PEX 2 Action Register		
Item PEX 3.1 Waters Financial Results to 28 February 2023		
Item PEX 3.2 Reallocation of Funding for Water Filling Station		
Item PEX 3.3 Huntly Wastewater Treatment Plant Upgrade Workshop		
Item PEX 3.4 Horotiu Road Wastewater Pipeline	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

- b. 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		Refer to the previous Public Excluded reason in the agenda for this meeting.
Item number PEX 2 Action Register		
Item PEX 3.1 Waters Financial Results to 28 February 2023	7(2)(b)(ii) 7(2)(h)	To protect information that would otherwise unreasonably prejudice a person's commercial position. To enable commercial activities to be carried out without prejudice or disadvantage.
Item PEX 3.2 Reallocation of Funding for Water Filling Station	7(2)(b)(ii) 7(2)(h) 48 (1)(d)	To protect information that would otherwise unreasonably prejudice a person's commercial position. To enable commercial activities to be carried out without prejudice or disadvantage. To enable deliberations in private on a decision or recommendation in any applicable proceeding
Item PEX 3.3 Huntly Wastewater Treatment Plant Upgrade Workshop	7(2)(b)(ii) 7(2)(h) 48 (1)(d)	To protect information that would otherwise unreasonably prejudice a person's commercial position. To enable commercial activities to be carried out without prejudice or disadvantage. To prevent use of the information for improper gain or advantage

Item No.	Section	Interest
Item PEX 3.4 Horotiu Road Wastewater Pipeline	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.
	7(2)(j)	To prevent use of the information for improper gain or advantage

- c. **Mr R Bax (Richard Bax Consulting)** be permitted to remain at this meeting, after the public has been excluded to discuss **Item PEX3.3 – Huntly Wastewater Treatment Plant Upgrade** because of his knowledge and work on this Item and the assistance being provided.

CARRIED

WGB2303/10

The meeting adjourned at 12.40pm for lunch and resumed at 1.02pm.

Resolutions WGB2303/11 – WGB2303/17 are contained in the public excluded section of these minutes.

Having resumed open meeting both Mr Ion and The Waters Manager took the opportunity to give brief updates to the Board:

Mr Ion noted an invitation that was received from Watercare to take a tour of the Pukekohe Wastewater Treatment Plant with the Council Elected Members. The proposed date for the tour that suits the majority of invitees is Tuesday May, 2nd 2023 which is also the date of the next Waters Governance Board meeting:

- A Proposal to go on the tour and then hold the Board meeting in the Tuakau Office was agreed to by the Board and details will be confirmed.

The Waters Manager gave a brief update to the board on the progress with TKWWTP and advised there is works underway. It might be a good idea to engage with Iwi and Hapu again now works are underway to provide an update and to keep the engagement proactive.

There being no further business the meeting was declared closed at 1.56PM.

Minutes approved and confirmed this

day of

2023.

David Wright
CHAIRPERSON

Confirmed