

**WELLINGTON WATER COMMITTEE**

Minutes of a meeting held via ZOOM on  
**Wednesday 3 June 2020 at 10.00am**

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**PRESENT:** (via audio link) Cr D Bassett (HCC) (Chair)  
Mayor W Guppy (UHCC) (Deputy Chair)  
Mayor A Baker (PCC)  
Cr J Brash (GWRC)  
Cr S Rush (WCC)  
Mr T Parai (Te Runanga o Toa Rangatira)  
Ms K Skelton (Taranaki Whānui ki Te Upoko o Te Ika) (until 11.45am)

**APOLOGIES:** Mayor A Beijen (SWDC).

**IN ATTENDANCE:** Mayor C Barry (HCC) (part meeting)  
Deputy Mayor T Lewis (Alternate HCC) (part meeting)  
Cr J van Lier (Alternate GWRC) (part meeting)  
Ms N Solomon (Alternate Te Runanga o Toa Rangatira) (part meeting)  
Mr S Mahoney, Company Portfolio Manager, (GWRC) (part meeting)  
Ms W Walker, Chief Executive, (PCC) (part meeting)  
Mr P Kelly, Chief Executive (UHCC) (part meeting)  
Mr D Baxter, City Engineer (WCC) (part meeting)  
Mr D Wright, Board Chair Wellington Water Limited (part meeting)  
Mr C Crampton, Chief Executive, Wellington Water Limited (part meeting)  
Ms S Cuthbert, Principal Advisor, Wellington Water Limited (part meeting)  
Mr F Clark, Group Manager, Strategy and Planning, Wellington Water Ltd (part meeting)  
Ms H Oram, Director Environmental & Sustainability (HCC)  
Mr E Stitt, Group Manager Partnerships & Operations (SWDC)  
Mr M Mendonca, Acting Chief Infrastructure Officer (WCC)  
Ms T Haskell, Group Manager (WCC)  
Mr B Hodgins, Strategic Advisor (HCC)  
Ms K Stannard, Head of Democratic Services (HCC)  
Mr M Ackroyd, Service Desk Analyst (HCC)  
Ms H Clegg, Minute Taker (HCC)

**PUBLIC BUSINESS****1. APOLOGIES**

**RESOLVED:** (Cr Bassett/Cr Brash)

**Minute No. WWC 20401**

*“That the apology received from Mayor A Beijen (SWDC) be accepted and leave of absence be granted and the apology for early departure from Ms K Skelton be accepted.”*

Members noted the apology from Deputy Mayor G Emms (Alternate SWDC).

2. **PUBLIC COMMENT**

There was no public comment.

3. **CONFLICT OF INTEREST DECLARATIONS**

There were no conflict of interest declarations.

4. **MINUTES**

**RESOLVED:** (Cr Bassett/Cr Brash)

**Minute No. WWC 20402**

*"That the minutes of the meeting of the Wellington Water Committee held on Thursday, 5 March 2020, be confirmed as a true and correct record subject to amendments to the name of the Chief Executive of Wellington City Council and the reference to Ms Walker as a 'he' instead of a 'she'."*

5. **COVID-19 AND THE IMPACT ON WELLINGTON WATER'S PERFORMANCE REPORTING FOR 2019-2020 (20/428)**

Report No. WWC2020/4/2

The Principal Advisor, Wellington Water Ltd (WWL) elaborated on the report.

The Board Chair, WWL acknowledged the work of staff and the company throughout the pandemic situation. He added that essential services and essential capital expenditure had continued throughout the lockdown period.

In response to a question from a member, the Chief Executive, WWL acknowledged the low percentage for the client satisfaction levels. He advised that the low levels were being investigated.

**RESOLVED:** (Cr Bassett/Cr Brash)

**Minute No. WWC 20403**

*"That the Committee congratulates the company and staff on their efforts during the Covid-19 situation."*

RESOLVED: (Cr Bassett/Cr Rush)

**Minute No. WWC 20404**

*“That the Committee:*

- (i) notes the company’s refocus on critical front line services due to Covid-19, the central government requirement to only undertake essential services during level 4 alert, and the resulting impact that stopped or scaled back work will have on performance reporting for the 2019/2020 financial year;*
- (ii) notes the company is developing its Statement of Intent for 2020-23 and alignment will need to occur with the Councils 2020/2021 annual plans; and*
- (iii) notes a report has been forward to each shareholder Council to seek approval to extend the deadline for delivery of Wellington Water’s final Statement of Intent 2020-23 by one calendar month (to 31 July 2020) in accordance with the Local Government Act 2002.”*

**6. COMPANY UPDATE REPORT (20/434)**

Report No. WWC2020/4/3

The Chief Executive, Wellington Water Limited (WWL) elaborated on the report.

In response to a question from a member, the Chief Executive, WWL elaborated on the recent 300mm cast iron sewer pipe which burst in the central city. He added that it was an important but not critical asset and was repaired by lunchtime the following day. He agreed to follow up as to whether any raw sewage had flowed into the harbour.

In response to a question from a member regarding the Roving Crews, the Chief Executive, WWL explained the objective of the crews was to exceed the current GWRC standards as they completed their works across the region. He estimated they would take approximately three to four months to work out a strategy and detailed plans for each catchment area, including working with the local communities. He added the crews were commencing in three local authority areas at the same time.

In response to a question from a member, the Chief Executive, WWL confirmed there had been an increase in night time water usage in Upper Hutt which could be attributed to underground water leaks.

RESOLVED: (Cr Bassett/Cr Rush)

**Minute No. WWC 20405**

*“That the Committee notes and receives the report.”*

7. UPDATE ON 2020/21 ANNUAL PLANS AND 2021/31 LTPS (20/435)

Report No. WWC2020/4/4

The Group Manager Strategy and Planning, Wellington Water Limited (WWL) elaborated on the report.

In response to a question from a member, the Group Manager Strategy and Planning, WWL confirmed it was difficult having different targets and KPIs for each local authority. He highlighted his team was working to gain more consistency and alignment between the local authorities. He added this would lead to more efficiencies.

In response to a question from a member concerning the Regional Plan, the Group Manager Strategy and Planning, WWL explained work on the Regional Plan had been impacted by the pandemic situation and would also be updated and reviewed once the Whaitua process was completed. He added that operational activities were continuing.

In response to a question from a member, the Group Manager Strategy and Planning, WWL advised WWL was in the process of Round Two of the Long Term Plan discussions with local authorities. He noted that a report would be presented to members in due course.

In response to a question from a member regarding the Regional Services Plan, the Group Manager Strategy and Planning, WWL clarified that the Regional Services Plan was the Asset Management Plan, which was reviewed every three years, in alignment with the Long Term Plan process. He added that it was important priorities for investment were identified and that performance measures be set.

In response to a question from a member regarding the timing of Mana Whenua's involvement in setting the performance measures and in the Long Term Plan process, the Group Manager Strategy and Planning, WWL advised the company was keen to engage with Mana Whenua as soon as possible. He agreed to discuss the matter with Ms Skelton.

The Chief Executive, WWL acknowledged that the Covid-19 situation had condensed timeframes and agreed discussions with Mana Whenua should occur as soon as possible.

Mayor Guppy expressed concern that WWL appeared to be continuing business as usual as if nothing untoward had occurred over the past two months. He questioned if the local authorities were receiving value for money from the company.

Members discussed the Three Waters spending of each local authority.

RESOLVED: (Cr Bassett/Cr Rush)

**Minute No. WWC 20406**

*"That the Committee:*

- (i) notes the report; and*
- (ii) endorses the use of the Regional Service Plan as part of Councils Long Term Plan documentation and discusses a process for establishing consistent Long Term Plan performance measures."*

8. A VALUE FOR MONEY FRAMEWORK FOR WELLINGTON WATER LTD (20/444)

Report No. WWC2020/4/5

The Chair, Wellington Water Limited (WWL) acknowledged the concerns with regard to value for money from WWL.

Mayor Guppy requested that an indepth analysis into the company be conducted to ascertain whether it was fit for purpose in light of the incoming changes with a new regulator.

Cr Rush suggested comparisons with the electricity sector could be investigated. He added that that sector had regulations backed by the Commerce Commission. He further added that WWL was currently operating in a monopoly situation which meant the normal efficiency which operated in a competitive business market may not be operating.

Members discussed WWL's capabilities for resourcing of all projects and how a possible analysis into the company could be conducted. The Chair, WWL and Chief Executive, WWL both agreed it was timely to undertake an independent external audit of the company, if members requested such action. Members discussed the possible cost of such an audit and the process involved.

To clarify a question from Cr Brash, the Principal Advisor, WWL advised the recommendations for the Deloitte's report would be incorporated into WWL's Statement of Intent.

RESOLVED: (Cr Bassett/Cr Rush)

**Minute No. WWC 20407**

*"That the Committee requests the Committee Chair conduct discussions with client Councils and the iwi representatives concerning the value for money framework for Wellington Water Ltd, and then to meet with the Chair and Chief Executive of Wellington Water Ltd with a view to moving the situation forward."*

9. WELLINGTON WATER COMMITTEE'S GOVERNANCE REVIEW (20/459)

The Chair advised with the Covid-19 situation, work regarding the governance review had not progressed. He undertook to provide an update as soon as possible.

That in terms of Standing Order 10.4, the Chair gave precedence of business to items 11 and 12.

The items are recorded in the order in which they are listed on the order paper.

10. **UPDATE ON THE BUSINESS CASE FOR WATER METERING** (20/458)

Cr Rush left the meeting at 11.40am.

The Group Manager, Strategy and Planning. WWL advised Ernst Young and Beca had been engaged to carry out preliminary investigative works with regard to water metering in the region.

The Chair highlighted that the report would come before the Committee prior to being released to each Council.

Cr Rush rejoined the meeting at 11.45am.

11. **GOVERNMENT'S THREE WATERS REVIEW** (20/462)

The Deputy Chair explained there would be changes to the structure of how Three Waters was managed throughout New Zealand. He added that several local authorities were investigating forming aggregates.

**12. NATIONAL COUNCIL OF LGNZ POLICY POSITION ON THREE WATERS SERVICE DELIVERY (20/469)**

Memorandum dated 27 May 2020 by the Head of Democratic Services

In response to a question from a member regarding why Local Government New Zealand's (LGNZ) position on Three Waters did not reflect all local authorities' positions, Mayor Guppy advised the LGNZ policy position had been arrived at with the past two years of input from members. He acknowledged rural areas had differing opinions to metro authorities, especially concerning asset ownership.

The Chair explained the Minister of Local Government currently held the Wellington Water model in high regard. He believed that if members did not take the initiative and hold talks with the Minister about moving forward under the new regulator, the Wellington region could be instructed to operate in a different way. He added that to gain a clear understanding of the future direction of Three Waters management would enable Wellington Water Ltd and the Committee to develop mechanisms to meet the change that was coming.

Members discussed whether to meet with the Minister representing just the current Wellington Water Committee members, or whether adjoining local authorities should be invited to the meeting. It was pointed out the Minister had previously signalled water management in clusters of 1 million population would be preferable. It was also noted that to invite all adjoining authorities to a meeting with the Minister may present various agendas, without the cohesion of a united region.

**RESOLVED:** (Cr Bassett/Mayor Baker)

**Minute No. WWC 20408**

*"That the Committee instructs the Committee Chair to extend an invitation to the Minister of Local Government to meet with the Wellington Water Committee and the Mayors and Chief Executives of the member Councils, to discuss the future management of Three Waters."*

**13. GENERAL BUSINESS (20/460)**

The Chief Executive, WWL advised that WWL had engaged a specialist consultant from Scotland to provide independent advice on an investment profile.

**14. EXCLUSION OF THE PUBLIC**

**RESOLVED:** (Cr Bassett/Cr Brash)

**Minute No. WWC 20409**

*"That the public be excluded from the following parts of the proceedings of this meeting, namely:*

**15. Board Membership (20/474)**

*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:*

(A)	(B)	(C)
<i>General subject of the matter to be considered.</i>	<i>Reason for passing this resolution in relation to each matter.</i>	<i>Ground under section 48(1) for the passing of this resolution.</i>
<i>Board Membership.</i>	<p data-bbox="687 405 976 577"><i>The withholding of the information is necessary to protect the privacy of natural persons. (s7(2)(a)).</i></p> <p data-bbox="687 580 976 934"><i>The withholding of the information is necessary to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or two members or officers or employees. (s7(2)(f)(i)).</i></p>	<p data-bbox="1000 405 1289 723"><i>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exist.</i></p>

*This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified in Column (B) above."*

There being no further business the Chair declared the meeting closed at 11.50am and the non-public portion of the meeting closed at 12.20pm.

Cr D Bassett  
**CHAIR**

**CONFIRMED as a true and correct record**  
**Dated this 30<sup>th</sup> day of September 2020**