

HUTT CITY COUNCILWELLINGTON WATER COMMITTEE

Minutes of an extraordinary meeting held in the Council Chambers, 2nd Floor,
30 Laings Road, Lower Hutt on
Friday 24 July 2020 commencing at 9.30am

PRESENT: Cr D Bassett (HCC) (Chair)
Mayor W Guppy (Deputy Chair) (UHCC)
Cr J Brash (GWRC)
Mayor A Baker (PCC)
Mayor A Beijen (SWDC)
Cr S Rush (WCC)
Mr T Parai (Te Runanga o Toa Rangatira) (from 10.22am)

APOLOGIES: Ms K Skelton (Taranaki Whānui ki Te Upoko o Te Ika)

IN ATTENDANCE: Deputy Mayor T Lewis (Alternate HCC) (part meeting)
Deputy Mayor G Emms (Alternate SWDC)
Ms W Walker, Chief Executive, PCC (part meeting)
Mr D Wright, Board Chair, Wellington Water Limited
Mr S Mahoney, Company Portfolio Manager, GWRC) (part meeting)
Mr P Kelly, Chief Executive (UHCC) (part meeting)
Mr C Crampton, Chief Executive, Wellington Water Limited
Ms S Cuthbert, Principal Advisor, Wellington Water Limited
Mr M Mendonca, Acting Chief Infrastructure Officer, WCC
Mr B Hodgins, Strategic Advisor, HCC
Ms H Clegg, Minute Taker, HCC

PUBLIC BUSINESS1. APOLOGIES

RESOLVED: (Cr Bassett/Mayor Baker) **Minute No. WWC 20401(3)**
"That the apology received from Ms K Skelton be accepted and leave of absence be granted."

2. PUBLIC COMMENT

There was no public comment.

3. CONFLICT OF INTEREST DECLARATIONS

There were no conflict of interest declarations.

4. WELLINGTON WATER LIMITED FINAL STATEMENT OF INTENT 2020-23 (20/763)

Report No. WWC2020/4/16 by Wellington Water Limited

The Board Chair, Mr David Wright from Wellington Water Ltd (WWL) elaborated on the report

In response to a question from a member, the Board Chair WWL agreed to recheck the grammar of the document and to add the word “*safely*” into the beach performance measure – enjoyment of beaches.

Members agreed the Statement of Intent (SOI) was a well presented and community focussed document. Members congratulated WWL on its performance over the past six months.

The Chief Executive, WWL added that the funding, as reflected in the SOI, was set but a residual issue needed to be resolved of how to outline how the budget would be spent over the next year with risks and issues highlighted. He further added that each Council would receive a printout of the WWL annual budget within 10 days. He explained the budget for the SOI was tight and that a number of issues would result in a challenging year. He advised the challenges would be managed by finding efficiencies within the operational models. He highlighted it would result in no contingencies being carried forward and some preventative maintenance may have to be deferred. He confirmed quarterly reports would be presented to each Council and that WWL was getting better at predicting issues and conversing with each Council.

In response to a question from a member, the Chief Executive, WWL clarified that the SWDC situation was different to the other authorities. He further clarified that the figures on page 34 of the report attributed to SWDC were actually for PCC.

RESOLVED: (Cr Bassett/Mayor Baker)

Minute No. WWC 20402(3)

“That the Committee receives and considers Wellington Water Ltd’s final Statement of Intent.”

5. **COMPANY UPDATE** (20/762)

Report No. WWC2020/4/15 by Wellington Water Limited

The Chief Executive, WWL elaborated on the report. He explained MAXIMO was in full operation in the field, greatly adding to the confidence of all reporting. He acknowledged that the latest post-Covid-19 response figures of 86% would drop back to approximately 80% once normal operations were recorded. He further explained that target response times were now better understood and that with the increasing complexity of callout repairs, more realistic response times should be put in place. He added there were also increasing compliance costs from each Council, primarily concerning traffic management requirements.

Members agreed re-evaluation of the standardised traffic management plans required could occur. The Chief Executive, WWL explained WWL currently tried to schedule together all non-urgent repairs in a similar area, in order to make savings on traffic management costs.

In response to a question from a member, the Chief Executive, WWL confirmed full data was available for the proposed changes in response times and that this would be supplied to all Councils to be reflected in their Long Term Plans.

In response to questions from members, the Chief Executive, WWL confirmed WWL was working towards having a consistent framework for response times for the entire region, rather than the current situation of Council specific ones. He confirmed improved reporting to Councils was beginning to occur.

In response to a question from a member, the Chief Executive, WWL acknowledged that currently the push to reduce response times could be the trading-off of works required to better understand the network. He added that having a case manager to oversee all works required for more complex repair incidents was an option.

In response to a question from a member, the Chief Executive, WWL confirmed difficulties in compliance with the new GWRC policy concerning water quality levels of waterways as no new funding had been given to ensure compliance with the new policy. He suggested having target areas rather than a blanket region-wide requirement. Cr Brash agreed to talk with GWRC officers.

In response to a question from a member regarding reduction in water consumption across the region, the Chair advised WWL was currently undertaking studies relating to water metering and that a report would be presented to a Committee meeting. The Chief Executive, WWL added that discussion between WWL and Council officers on the issue were occurring. The Chief Executive, UHCC added that two Councillor water workshops was scheduled in the near future.

RESOLVED: (Cr Bassett/Mayor Baker)

Minute No. WWC 20403(3)

"That the Committee receives the Company Update Report."

6. **UPDATE ON CENTRAL GOVERNMENT'S WATER REFORMS** (20/760)

Report No. WWC2020/4/14 by the Chief Executive, Porirua City Council

The Chair explained that it would be advantageous to work collectively and present a united front to central government. He added it would show that the Wellington region would participate in the reforms and jointly sign off the Memorandum of Understanding (MoU).

Mayor Baker left the meeting at 10.20am.

The Chief Executive, PCC advised that there would probably be three stages to the reforms: sign off of the MoU (at beginning of August); the establishment of multi regional water entities; everything fully operational by 2023.

Mr Parai joined the meeting at 10.22am.

The Chief Executive, PCC advised Councils may be able to opt into the scheme at a later date, but in order to receive any monies, signing the current MoU with the attached service delivery model as presented by WWL needed to occur shortly. She added it was the Councils' Chief Executives recommendation that all Councils sign the MoU.

Mayor Baker rejoined the meeting at 10.23am.

In response to a question from a member, the Chief Executive, PCC advised that signing the MoU could be executed by individual Councils. She clarified that the Chief Executives had requested WWL prepare a service delivery plan. She added that it would appear that central government would announce details of the monetary aspects of the reforms in the coming weeks with a possible formula being developed. She added that central government was trying to incentivise Councils to work together. She further added that the timeframe for the whole process was very tight with one month being available to get Councils to approve. She suggested she provide a report template for Councils to use. She reminded members that the monies had to be spent on projects which could be completed in the financial year.

Members discussed whether it was prudent to sign a document with very few details. The Chief Executive, PCC advised signing the MoU was not committing a Council to anything and each Council could opt out at a later date if it saw fit.

Cr Rush advised that the situation should be viewed as an opportunity to have a powerful role in shaping central government plans. Mayor Beijen agreed, adding that the fund may be of limited value to the WWL community, but could assist smaller local authorities who were waivering. He suggested WWL investigate expansion and warned that Watercare could soon become a monopoly within New Zealand, making WWL operating as a minority entity. He believed a cohesive and forward thinking approach was required.

Members discussed the performance of WWL and whether now would be an opportune time to assess if WWL was the best model for delivery of 3 Waters in the Wellington region.

In response to a question from an alternate member, the Chief Executive, PCC advised that WWL would report back next Friday as to capacity to deliver all works that had already been agreed in each Council's Annual Plans. She clarified that the service delivery plan may identify works in an individual Council's Long Term Plan which could be brought forward.

The Chief Executive, WWL advised priorities would be listed in the report with existing year's financial commitments already locked in.

The Chair and Deputy Mayor Lewis advised that HCC was determined to be part of MoU and of WWL being a leader in the reform process.

In response to concerns regarding the tight timeframe, the Chief Executive, PCC advised she had held discussions with officers from the Department of Internal Affairs. She noted that the officers had indicated the timeframe may be extended slightly, if reasoning was that co-operation and leadership were the main goals of gaining extra time for discussions.

There was general (but not unanimous) agreement from members that signing the MoU without detailed information was providing central government with a show of faith.

The Chief Executive, PCC agreed to organise another meeting of the Committee to discuss the service delivery plan as proposed by WWL including any additional information released by central government and to jointly sign the MoU.

RESOLVED: (Cr Bassett/Cr Rush)

Minute No. WWC 20404(3)

"That the Committee receives and notes the report."

7. **GENERAL BUSINESS** (20/761)

The Chair advised the process of selecting possible Directors for the Board was progressing with recommendations from the recruitment agency due in 10 days. He reminded members that decisions regarding the appointment of Directors were required to be unanimous and that information regarding the recruitment agency's recommendations would be circulated to members prior to any meeting.

The Chair acknowledged the contribution Mr David Wright had made to WWL during his time as a Director and Chair of the WWL Board. He cited the Emergency Management System implementation and the Waterloo UV plant installation as highlights of Mr Wright's tenure as Chair. He thanked Mr Wright for his thoughtful and respectful advice during the time of WWL restructuring and wished him well in his future.

Mr Wright thanked members for their confidence in him. He added he was proud of what WWL had achieved with regard to delivering value for money and performance. He wished the company well for the challenging future ahead.

There being no further business the Chair declared the meeting closed at 11.10am.

Cr D Bassett
CHAIR

CONFIRMED as a true and correct record
Dated this 3rd day of November 2020