

KOMITI NGĀ WAI HANGARUA | WELLINGTON WATER COMMITTEE

Minutes of a meeting held in the Hutt City Council Chambers,
2nd Floor, 30 Laings Road, Lower Hutt on
Friday 27 May 2022 commencing at 10.00am

PRESENT:

Mayor C Barry (Chair) (HCC)
Mayor W Guppy (Deputy Chair) (UHCC)
Mayor A Baker (PCC)
Mayor A Beijen (SWDC) (via audio visual link)
Mayor A Foster (WCC) (via audio visual link)
Cr J van Lier (GWRC)

APOLOGIES:

Ms L Rauhina-August and Ms K Tamanui

IN ATTENDANCE:

Deputy Mayor H Swales (UHCC Alternate)
Deputy Mayor T Lewis (HCC Alternate)
Cr R Leggett (PCC Alternate)
Ms J Miller, Chief Executive, HCC (via audio visual link)
Ms N Hooper, Observer SWDC (via audio visual link)
Ms W Walker, Chief Executive, PCC
Mr P Kelly, Chief Executive, UHCC
Mr B Hodgins, Strategic Advisor, HCC (via audio visual link)
Ms H Oram, Director Environment and Sustainability, HCC
(via audio visual link) (part meeting)
Ms S Proctor, Chief Infrastructure Officer, WCC
Ms S McLean, General Manager, Corporate Services, GWRC
Mr C Crampton, Chief Executive, WWL
Mr C Barker, Director, Regulatory Services, WWL
Ms L Carroll, Chair WWL Board
Mr M Underhill, Director, WWL Board (via audio visual link)
Ms L Southey, WWL Board (via audio visual link)
Ms K Skelton, WWL Board (via audio visual link)
Mr D List, Project Director, Regional Water Reform, PCC
Mr M Ford, Group Manager Business Services/Chief
Financial Officer, WWL
Ms T Haskell, Group Manager, Network Development and
Delivery, WWL
Mr J McKibbin, Group Manager, Network Management
Group, WWL
Ms J Alexander, Group Manager, Network Strategy and
Planning, WWL
Mr F Clarke, Principal Advisor, Strategy, WWL (part meeting)
Ms N Crane, Programme Manager, WWL (part meeting)
Ms K Glanville, Senior Democracy Advisor, HCC (via audio
visual link)
Mrs A Doornebosch, Democracy Advisor, HCC
Ms J Randall, Democracy Advisor, HCC

PUBLIC BUSINESS

1. OPENING FORMALITIES - KARAKIA TIMATANGA

Whakataka te hau ki te uru
 Whakataka te hau ki te tonga
 Kia mākinakina ki uta
 Kia mātaratara ki tai
 E hī ake ana te atakura
 He tio, he huka, he hau hū
 Tihei mauri ora.

*Cease the winds from the west
 Cease the winds from the south
 Let the breeze blow over the land
 Let the breeze blow over the ocean
 Let the red-tipped dawn come with a sharpened air.
 A touch of frost, a promise of a glorious day.*

2. APOLOGIES

RESOLVED: (Mayor Barry/Mayor Guppy

Minute No. WWC 22301

"That the apologies received from Ms Rauhina-August and Ms Tamanui be accepted and leave of absence granted."

MAJOR ITEM NOT ON THE AGENDA

The Chair advised that, in terms of Standing Order 10.12, a major item not on the agenda that cannot be delayed relating to Mana Whenua Wairarapa representation on the Committee, would be discussed at the meeting.

3. PUBLIC COMMENT

There was no public comment.

4. CONFLICT OF INTEREST DECLARATIONS

There were no conflict of interest declarations.

5. CHAIR'S STATEMENT

The Chair provided an update as follows:

- Government's announcement on Three Waters Reforms had indicated the majority of the working group recommendations would be accepted, with a pathway to be developed in the coming months. The government select committee process would provide more detail.
- The Water New Zealand conference in Hamilton had provided an opportunity for the Chair to overview how the transition towards water reform was progressing.
- There had been a delay in the release of the independent fluoride enquiry report.
- The Chair had visited Wellington Water Limited teams working at the Waterloo Water Treatment plant in Lower Hutt. He noted the good progress with work underway in

Lower Hutt.

- Mayor Foster was welcomed to the Committee as Wellington City Council's appointed member.

6. MINUTES

RESOLVED: (Mayor Barry/Mayor Baker)

Minute No. WWC 22302

"That the minutes of the meeting of the Komiti Ngā Wai Hangarua | Wellington Water Committee held on Friday, 18 March 2022, be confirmed as a true and correct record."

7. WATER REFORMS - REGIONAL UPDATE

The Project Director, Porirua City Council, presented a slideshow attached as pages 11-12 to the minutes.

RESOLVED: (Mayor Barry/Mayor Guppy)

Minute No. WWC 22303

"That the Committee receives and notes the verbal update and presentation."

8. TRANSITION PLANNING FOR THREE WATERS REFORM (22/1169)

Report No. WWC2022/3/91 by Wellington Water Limited

The Chief Executive, PCC elaborated on the report. She said there was a need to formalise the transition structure and move to a stronger reporting model. This was due to the government showing a strong intent to proceed with Three Waters Reform. She acknowledged the extra work for local authorities.

In response to questions from members, the Chief Executive, PCC said advice was expected on transition funding for councils before the end of the financial year. She highlighted the Department of Internal Affairs (DIA) was aware funding was an issue and understood the potential costs to councils. She advised members to wait for an announcement from DIA before deciding on a course of action.

In response to a question from a member, the Chief Executive, Wellington Water Limited (WWL) advised WWL was participating in transition planning through the Transition Working Group but so far the impact on its operating costs had been modest. He expected pressure would increase as the transition continued.

RESOLVED: (Mayor Barry/Mayor Baker)

Minute No. WWC 22304

"That the Committee:

- (1) *notes a joint transition structure will be formed between Wellington Water Limited (WWL), and shareholding Councils comprising two layers:*

- a. a Transition Steering Group (Chief Executives); and*

- b. a Transition Working Group (senior executives from each Council and WWL);
- (2) notes these groups will develop and report against a Three Waters Transition Framework that will outline objectives, key success factors, risks and performance indicators. This reporting framework will be informed by more detailed, lower-level transition planning across all identified risk and programme areas;
 - (3) notes that regular reporting will occur to the Wellington Water Committee at each of its meetings and to shareholding Councils through their representatives on the governance and working groups;
 - (4) notes that a draft framework will be presented to the next Wellington Water Committee meeting;
 - (5) notes that the WWL Statement of Intent will be amended to align with the approach outlined in this report; and
 - (6) asks officers to continue to highlight to the Department of Internal Affairs the importance of recompensing councils and Wellington Water Limited for the resources which will be required to support their reforms."

9. **DRAFT STATEMENT OF INTENT 2022-25 FEEDBACK** (22/1170)

Report No. WWC2022/3/92 by Wellington Water Limited

The Chief Executive, PCC and the Principal Advisor, Strategy, WWL elaborated on the report.

The Chief Executive, PCC noted feedback had been received from a number of councils and the Statement of Intent (SOI) had been strengthened around a range of issues as a result. She advised the SOI would be reported back to the Committee once all comments had been included.

Mayor Beijen requested it be noted that South Wairarapa District Council had not responded because it had no additional feedback for the draft SOI.

In response to a question from a member, the Chief Executive, PCC agreed to check the wording on targeted growth investments in the draft SOI.

RESOLVED: (Mayor Barry/Cr van Lier)

Minute No. WWC 22305

"That the Committee:

- (1) notes the limited feedback received from shareholding councils on the draft Wellington Water Limited Statement of Intent (SOI) 2022-25 indicates general support for the direction of the document;
- (2) notes that feedback proposes that substantive changes be undertaken to incorporate:

- (a) *discussion on the cessation of fluoride dosing and the associated independent review;*
 - (b) *recognition of the need for Wellington Water Limited to participate in the pending transition of water services to the new water services entity and related water reform process;*
 - (c) *clear recognition of the priority areas for operations and investment through the transition process; and*
 - (d) *the performance targets that can be expected, that recognise the priority areas and the funding decisions in councils' Annual Plans;*
- (3) *notes the scope of a proposed Transition Governance Group is expected to include the development of expected outcomes and performance indicators through the water reform transition process that would ideally be reflected in the final SOI;*
- (4) *directs Wellington Water Limited on the changes sought to the SOI to incorporate the feedback, including through the Transition Governance Group;*
- (5) *notes the final SOI will be provided for approval at its 29 July 2022 meeting, consistent with the Committee's approval of a one-month extension to the SOI process at its 18 March 2022 meeting; and*
- (6) *notes the Committee may request further, and final changes when considering the final SOI, subject to these being completed within one month of the Committee meeting to be held on 29 July 2022 (prior to 29 August 2022)."*

10. WELLINGTON WATER LIMITED - COMPANY UPDATE (22/1165)

Report No. WWC2022/3/93 by Wellington Water Limited

The Chair of the Wellington Water Limited Board ('the Board') elaborated on report.

In response to questions from members, the Chief Executive, Wellington Water Limited (WWL) advised an improvement programme was in place between Wellington City Council (WCC) and WWL to improve WCC's public complaints process. He said the Committee had worked through a process of constructing a plan for the Three Waters entity capital investments and would provide that to the National Transition Unit. He highlighted WWL's Long Term Plan work had been delayed due to work required on Three Waters Reforms. He noted that from 1 July 2022 the Director of Health would require fluoridation and a performance measure would be delivered 95% of the time. He said WWL would need to work on ways to achieve the measure. He expected guidance from the government on the non-fluoridated areas in Petone and Korokoro. He noted the timeframe for fluoridating currently unfluoridated water supplies was unclear.

In response to questions from a member, the Principal Advisor, Strategy, WWL noted the speed of housing intensification had future implications on how WWL would plan for changes in infrastructure. He added WWL was working closely with each council to manage the changes. He said Auckland's housing intensification experiences had been explored. He agreed to respond to Mayor Foster with more detail on the findings.

RESOLVED: (Mayor Barry/Mayor Baker)

Minute No. WWC 22306

"That the Committee receives and notes the report."

11. WELLINGTON WATER LIMITED - 2021-24 WATER SERVICES INVESTMENT UPDATE (22/1166)

Report No. WWC2022/3/94 by Wellington Water Limited

The Group Manager, Network Strategy and Planning, Wellington Water Limited (WWL) elaborated on the report. She advised a full report would be provided to the next Committee meeting.

In response to questions from a member, the Principal Advisor, Strategy, WWL outlined sources of WWL's emissions profile. He explained some options and approaches being investigated to reduce emissions. He highlighted that WWL would be developing a roadmap of emissions planning processes which was expected to be complete early in the 2022-23 financial year. He advised that he would provide the information to members.

He added work on climate change risks for treatment plants and outfalls in coastal areas was underway. He noted the water supply would continue to be challenged by rising demand, due to growth and leakage. He said renewal costs were rising across all councils with cost increases of above 20%. He noted the analysis on funding and valuations was ongoing. He explained WWL identified risks associated with different assets and included them in the work programmes. He said Greater Wellington Regional Council had provided funding for work on mitigating demand risk, some of which would be used for progressing smart meters as well as source expansion.

In response to a question from a member, the Group Manager, Network Strategy and Planning, WWL agreed to report back on the rising costs of the valuation of assets and how this impacted across all six councils.

In response to questions from a member, the Chief Executive, WWL said WWL would agree to realistic budgets set and provide a risk assessment of what work might need to be excluded. He added if costs rose, WWL would provide a plan to manage the work programme within the budget provided. He highlighted WWL would produce a 30 year transition risk profile for the Committee as a reference for future discussion.

RESOLVED: (Mayor Barry/Cr van Lier)

Minute No. WWC 22307

"That the Committee:

- (1) notes that the Councils' 2021-24 three waters investment represents a step up towards rebuilding strong networks that can deliver the services and environmental outcomes communities have signalled they want;*
- (2) notes that even with the increased investment for this period, the current situation will not change quickly, and the aging pipe network and backlog of renewals means bursts and leaks will continue to cause unplanned work and disruption that place pressure on operational budgets and resources;*

- (3) notes that Wellington Water Limited is on-track to meet the forecast level of capital expenditure in three waters infrastructure over 2021-24;
- (4) notes that the capital works programme will continue to evolve in response to the needs of the network to include a different mix of projects to that envisaged when the councils Long Term Plans (LTPs) were set, but continues to support the achievement of the region's strategic objectives for the water services;
- (5) notes the anticipated high level of operational expenditure for reactive maintenance of aged assets has been experienced and will continue to be required until these assets are renewed;
- (6) notes Wellington Water Limited is discussing the final operational expenditure budgets needed for 2022-23 and 2023-24 with each individual council, based on continuing cost pressures and increasing reactive maintenance requirements; and
- (7) notes that an assessment of 2021-22 investment performance and anticipated performance over the remaining two years of the current LTP's will be presented to the Committee at its 29 July 2022 meeting to support its review and approval of Wellington Water's 2022-25 Statement of Intent."

12. WELLINGTON WATER LIMITED - DRINKING WATER REGULATION UPDATE
(22/1168)

Report No. WWC2022/3/95 by Wellington Water Limited

The Director, Regulatory Services, Wellington Water Limited (WWL) elaborated on the report.

In response to questions from members, the Director, Regulatory Services, WWL said WWL was working with regulators to ensure it was ready for compliance with the Taumata Arowai draft rules. He advised the regulations were expected to be implemented by November 2022. He highlighted an extra funding requirement from councils was likely. He noted it was possible the population level for the assurance bar used in water standard regulations might be lowered for the South Wairarapa region but for larger metropolitan areas there would not be a significant change.

RESOLVED: (Mayor Barry/Cr van Lier)

Minute No. WWC 22308

"That the Committee:

- (1) notes that Taumata Arowai does not require an annual compliance report for FY 2021/22;
- (2) notes that Wellington Water Limited has contracted Wai Comply to complete an independent assessment for FY 2021/22;
- (3) notes the intention of Wellington Water Limited to include a compliance report within the quarterly performance reports for FY 2022/23; and
- (4) notes any significant exception to the provision of safe water will still be reported immediately."

13. WELLINGTON WATER LIMITED - WASTEWATER TREATMENT UPDATE
(22/1167)

Report No. WWC2022/3/96 by Wellington Water Limited

The Group Manager, Network Management Group, Wellington Water Limited (WWL) elaborated on the report.

In response to questions from members, the Group Manager, Network Management Group WWL advised the clarifier bearing being replaced at the Moa Point Treatment Plant was a large main drive and was being manufactured overseas. He noted it was likely that two more bearings would be replaced over the next summer period. He added in the event of heavy rainfall, public communications would be maintained.

In response to a question from members, the Chief Executive, WWL said in the event it took longer to replace the bearing than expected due to supply problems, WWL would ensure updates were provided to the regulator.

RESOLVED: (Mayor Barry/Mayor Foster)

Minute No. WWC 22309

"That the Committee:

(1) receives the report;

(2) notes good progress on the wastewater treatment plant review; and

(3) endorses the new reporting method for reporting wastewater treatment plant environmental performance."

14. INFORMATION ITEM - WELLINGTON WATER COMMITTEE FORWARD PROGRAMME 2022 (22/900)

Memorandum dated 6 May 2022 by the Democracy Advisor

RESOLVED: (Mayor Barry/Mayor Beijen)

Minute No. WWC 22310

"That the Committee receives and notes the Forward Programme for 2022 attached as Appendix 1 to the memorandum."

MAJOR ITEM NOT ON THE AGENDA

RESOLVED: (Mayor Barry/Mayor Baker)

Minute No. WWC 22311

"That a major item not on the agenda be discussed namely mana whenua representation on the Wellington Water Committee by Wairarapa Iwi."

The Chief Executive, PCC advised that when South Wairarapa District Council (SWDC) had become a member of WWL, Ms Narida Hooper, Chair of the SWDC Māori Standing Committee had agreed to represent South Wairarapa iwi as an interim representative. A permanent representative for iwi, Ms Andrea Rutene was now to be appointed to the Committee. She advised she would be meeting with Ngāti Kahungunu and Rangtāne o Wairarapa to formalise the position.

Members thanked Ms Hooper for her work on the Committee.

RESOLVED: (Mayor Barry/Mayor Beijen)

Minute No. WWC 22312

“That the Committee:

- (1) *notes that Ms Andrea Rutene representing Ngāti Kahungunu will replace Ms Narida Hooper as Observer on the Wellington Water Committee; and*
- (2) *notes that the Chief Executive responsible for the Wellington Water Committee will be meeting with mana whenua representatives in the Wairarapa in the near future to formalise Andrea Rutene’s representation on behalf of Ngāti Kahungunu, on the Wellington Water Committee.”*

15. **EXCLUSION OF THE PUBLIC**

RESOLVED: (Mayor Barry/Cr van Lier)

Minute No. WWC 22313

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

16. *Minutes - 18 March 2022*

17. *Appointment of Director to Wellington Water Limited (22/1172)*

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>Minutes of the Wellington Water Committee Komiti Ngā Wai Hangarua held on 18 March 2022</i>	<i>The withholding of the information is necessary to protect the privacy of natural persons. (s7(2)(a)).</i>	<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>
<i>Appointment of Director to Wellington Water Limited.</i>	<i>The withholding of the information is necessary to protect the privacy of natural persons. (s7(2)(a)).</i>	<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>

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 public portion of the meeting closed at 11.36am. The non-public portion of the meeting closed at 12.03pm.

Mayor Barry
CHAIR

CONFIRMED as a true and correct record
Dated this 29th day of July 2022



Three Waters reform

Three waters reform update

Transition planning

Wellington Water Committee
27 May 2022

1

Headlines – policy and legislation workstream

Key updates

- Government announcements 29 April – intent to proceed
- Working Group [report](#) on governance released 9 March (see below)

Next steps post Government announcements

- Release of revised Bill and Select Committee process – expected mid 2022
- Further legislation including economic regulation late - 2022

Implications and considerations for councils and WWL

- Select Committee process approach
- Review of detail in legislation
- Council submissions – joint / individual councils
- Public information / engagement to support understanding and directing people to Select committee

Response to the Governance working group report

Accepted almost all the Working Group's recommendations in some form (detail to follow). Key changes:

- **Ownership model and protection from privatisation** - Public ownership of three waters assets through public shareholding, with councils holding shares on behalf of their communities. 1 share per 50,000 population
- **Governance and accountability** - more accountability of the WSE to the community:
 - The RRG should approve the entity's strategic direction
 - The RRG ability to set strategic and performance expectations
 - Can establish sub-regional advisory groups to the RRG to help ensure alignment with local priorities. Co-governance
 - Board merit based
- **Co-governance** – at Regional Representative Group (made up of equal council and iwi/hapū representatives), not Board level. Co-chairs and consensus decision making. 12-14 members
- **Te Mana o te Wai** as a korowai and guiding principle into all aspects of the reforms to ensure tikanga, mātauranga, and local experience and expertise underpin the governance of water services
- Strengthening the application of **Te Tiriti o Waitangi**

3

Headlines – transition process

Key updates

- Recent issue of a 90 plan
- NTU working through a 'reset'
- More pragmatic focus on day 1 readiness – minimum viable product
- Some work being parked
- Ongoing recruitment of key positions
- WSE CE recruitment – in place late 2022

= clearer transition plan from July

Implications and considerations for councils and WWL

- Impacts on councils remain unclear
- Funding for councils unclear
- Coordination and clear overall programme
- Timeline is getting tighter. What will occur pre and post 1 July 2024?
- Managing through transition – refer agenda paper on transition structure

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