

MINUTES for the meeting of the Waters Governance Board of the Waikato District Council held via Audio Visual Conference on **TUESDAY, 14 DECEMBER 2021** commencing at **10.03am**.

Present:

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

Attending:

Cr EM Patterson

Mr A Wilson (Te Akau South Community Committee)
Mr H Kruger (Beca)

Ms A Diaz (Chief Financial Officer)
Mr R MacCulloch (General Manager Service Delivery)
Ms C Nutt (Waters Contract Relationship Manager)
Mr K Martin (Waters Manager)
Ms Z Al-Khaleefa (Three Waters Contract Engineer)
Mr M Horsfield (Democracy Advisor)

Mr M Bourne (Watercare)
Mr M Telfer (Watercare)
Mr R Pullar (Watercare)
Mr P Crabb (Watercare)
Mr D Hurdle (Watercare)

APOLOGIES AND LEAVE OF ABSENCE

Resolved: (Mr Ion/Mr Wright)

THAT the Waters Governance Board accepts the apology from Mr Ion for early departure.

CARRIED

WGB21 | 2/01

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Mr Ion/Mr Wright)

THAT the agenda for a meeting of the Waters Governance Board Meeting held on Tuesday, 14 December 2021 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.

CARRIED

WGB21 | 2/02

DISCLOSURES OF INTEREST

There were no disclosures of interest.

CONFIRMATION OF MINUTES

Resolved: (Mr Dibley/Mr Ion)

THAT the minutes for the meeting of the Waters Governance Board Meeting held on Tuesday, 2 November 2021 be confirmed as a true and correct record.

CARRIED

WGB21 | 2/03

REPORTS

Actions Register

Agenda Item 5.1

The Special Infrastructure Projects Manager noted the following matters:

- Health and Safety Report – Watercare had included information relating to wellbeing.
- Meremere Plant – The flooding did not breach the consent and was a notifiable event. The waste was treated and the new plant ensures untreated waste discharge does not happen. Engagement with Mana Whenua had been strong and Mana Whenua were well informed regarding discharges and the improvements with the new treatment plant.

Resolved: (Ms Schaafhausen/Mr Ion)

THAT the Action Register be received.

CARRIED

WGB21 | 2/04

Taumata Arowai Update

Agenda Item 6.1

The Waters Manager noted the following matters:

- Taumata Arowai was getting ready as a regulator to make change moving forward. Key message for drinking water supply was that it needed to be regulated. This included private and small schemes.
- The current drinking water standards would be in effect until July 2022. Taumata Arowai would then begin the rollout of the new drinking water standards. This would be applied to all drinking water suppliers.
- There would be new standards for roof-supplied, bore-supplied and spring-supplied providers. This includes new treatment requirements.
- There would be a new website, Hinekorako, which would allow registrations and management of drinking water suppliers.
- Potential impact for small scheme suppliers, with treatment and reporting requirements. It is possible that small suppliers would have to transfer their assets to Council. Staff and Taumata Arowai did not have an accurate number of how many small, private suppliers there were, and what the implications would be for small private suppliers regarding OEM (Original Equipment Manufacturer) requirements, monitoring and treatment. Testing would be more onerous due to more frequent testing.

ACTION: Staff to investigate what the implications would be to Council if they inherit small water schemes, and what obligations Council would have to operational expenditure (OPEX) and compliance requirements.

Resolved: (Mr Wright/Mr Gibley)

THAT the presentation, Taumata Arowai Update, be received.

CARRIED

WGB2112/05

Small Water Scheme

Agenda Item 6.2

The Waters Managers noted the following matters:

- Council had three (3) small water schemes, Te Akau, Port Waikato and Onewhero. All three schemes would not be compliant for the draft drinking water rules and standards.
- All three schemes were closed for new connections. There was no capacity for the schemes to be upgraded in the future.

- The Long Term Plan (LTP) included the design to close the schemes down and decommission the networks and give owners tanks for rainwater collection. There would need to be a referendum with 75% of owners to agree to close the networks. The funds in the LTP would allow Council to follow through the process to shut down the networks, including the referendum.
- There had been an audio visual meeting with Te Akau Community in May 2021, as the Te Akau bore failed. Currently water was being tanked into the Te Akau water supply network.
- The recommendation would reallocate a portion of the budget to engage with the community, and for a new network that would meet the new standards.
- Council were looking to align to the Taumata Arowai standards and rules, with an acceptable solution for small water schemes. Noted any schemes that were created in place of the current small waters schemes could be vested back into Council.
- The schemes were supplying 20 (Port Waikato), 13 (Onewhero) and 26 (Te Akau) properties. The properties included a daycare, a marae and a campground. It is important that there was due diligence to cover entities with heavy use.
- The Port Waikato scheme had a more advanced scheme with chemical dosing and UV.
- All schemes would need changes to meet the requirements, including network monitoring which would be costly. All the schemes would need upgrading of their monitoring abilities for the quality for the water being supplied. Over a 30 year period, net present value (NPV) costs would be \$750,000, with ongoing operational expenditure (OPEX) of \$30,000 a year for each of the schemes.
- Mr Wilson requested that options for the small waters scheme in Te Akau be clarified prior to any commissioning of solution analysis. The Te Akau South Community Committee had commissioned an engineer to design a scheme that would be compliant to Taumata Arowai. The Community Committee requested that the design be considered with the options for the Te Akau small water scheme going forward. Lastly that the information for the design be provided to the Community Committee for accuracy. The Te Akau South Community Committee requested involvement with the costing options going forward. The Waters Manager was happy to work with Mr Wilson and the Te Akau South Community Committee regarding designs and options going forward. The Water Governance Board to be updated regarding conversations between the community and Council.
- Tankering water was an option on the table moving forward as it was the current water supply delivery method for Te Akau. The option would not be a viable carbon-zero solution in the long term. Te Akau would benefit from an automated system for monitoring due to its remote location.
- Referendum - What would happen if the community voted down a solution to decommission the existing plant and what pressures would that place on Council for drinking water quality obligations?

Resolved: (Mr Wright/Mr Dibley)

THAT the Small Waters Schemes report be received;

AND THAT the Waters Governance Board approve reallocation of some of the \$750K budget for the three (3) schemes previously assigned to decommission the schemes be, reassigned to engage a consultant to conduct a concept design for a Taumata Arowai “acceptable solution” for each scheme. That a quantity surveyor approved cost for the three (3) options, upgrade, tankered supply or changeover to individual household private supply (e.g. roof water) be determined;

AND FURTHER THAT the Waters Governance Board approve liaison with communities to acquire feedback on a way forward once costs of options are received;

AND FURTHER THAT officers be required to consult with the community prior to engagement with quantity surveyors and costing works and continue to consult with the community during the evaluation of options;

AND FURTHER THAT the results of these engagements and costing shall be presented to the Water Governance Board to determine a preferred way forward for each scheme in a future meeting.

CARRIED

WGB21 | 12/06

Three Waters Governance Report - November 2021

Agenda Item 6.3

Mr Telfer noted the following matters:

- Meremere Wastewater Plant – Commissioning was progressing well, with the aim to apply for consent in December 2021 to apply to the Waikato Regional Council for the abatement notice to be lifted.
- All performance measures were achieved in October and November 2021.
- Very positive meeting with Taumata Arowai.
- Holding workshops with Watercare Staff regarding wellbeing and the impacts of COVID.
- Critical risks assessments had been included for October and November 2021.
- Abatement notice – Cambrae Road. Moving to the construction stage to address the flooding issue. Expecting to have the abatement notice lifted by mid 2022.

- On going works with Stantec around service levels, mapping stormwater systems and design guidelines to improve the understanding of stormwater across the region.

ACTION: Briefing on the stormwater strategy and the scope for the works by Stantec to be provided to the Waters Governance Board.

- Safety start-up with staff, does it happen at the beginning of the year? There are toolbox sessions.

ACTION: Mr Telfer to see if Watercare Waikato undertakes safety start-up sessions with staff.

- Mandated vaccination - Enforced from Wednesday, 1 December 2021. Watercare would work with individuals concerned with the policy. 1.7% of staff had not provided their vaccination status. Watercare would find a way forward with those individuals.
- WEL Networks would not work with other organisations' staff, such as Watercare, who could not provide vaccination passes.
- Watercare Waikato –About 5% of the 40 staff were unvaccinated. Unvaccinated staff were not currently working in the office or on site.
- Update on notice of formal warning for Raglan Wastewater Treatment Plant – Land discharge options were underway, which had been challenging. The primary challenge was where the discharge would be. Public engagement had been strong. Looking to lodge consent next year. Watercare would be keeping a close eye on the plant over summer and maintain compliance.

ACTION: Mr Telfer to provide further information out of cycle regarding how Raglan wastewater treatment plant would cope with increased pressure over summer.

- What progress had been on the interim solution for suspended waste breaches? Confidence was needed for mitigations for the existing plant.

ACTION: Mr Telfer to provide further information out of cycle regarding suspended waste breaches.

- Question regarding what works were underway for bio-solids strategy to come back and how Watercare had engaged with other big producers. Ms Colliar noted she would like to see the draft bio-solids strategy on the February 2022 agenda.

Resolved: (Mr Ion/Mr Dibley)

THAT the Three Waters Governance Report – November 2021 be received.

CARRIED

WGB21 | 2/07

Backflow Testing Programme
Agenda Item 6.4

The Waters Contract Relationship Manager noted the following matters:

- There were approximately 17,000 water meters in the district and around 4,400 testable backflow water meters. Historically Council had tested 10% of the backflow meters per year and the LTP had budgeted for only 10% for testing, and is what is budgeted in the LTP. It was realised that this was not acceptable and 100% needed to be tested. A new fee had been included in the fees and charges in anticipation of increased testing. Council no longer recommended looking at the fee, as the backflow device protects the whole network. Three (3) funding options were available for Council to consider with funding the increased testing.
- For the current finance year, the increase in backflow testing can be funded from the previous year's operating surplus.
- Watercare and Council had completed an internal policy and code of practice for the testing increase. The funding changes would be considered within the annual plan process.
- Question raised regarding how Council would meet the 100% target. Noted that Council may not reach the 100% target in the current financial year. Each test was different depending on the device and its condition. Watercare looking at utilising their provider in Auckland to provide the service in the Waikato.
- Uncertainty regarding costs for increased testing. Current estimates had been based on Auckland testing and there were a number of variables that were unknown.
- Fundamentally the backflow testing needed to be done as the current testing regime was not compliant.
- Option B (the staff recommendation) would account for an 17% fee increase to households without backflow meters. Noted that undetected backflow would impact the wider community, not singular households. Additionally there would be a large administration cost to charge households individually.

ACTION: Staff to provide an implementation programme for increased backflow testing.

- Suggested that staff work on an request for information (RFI) to find a service provider and attain costings for the programme. This would allow staff to come back with a more accurate estimate for costs.

ACTION: Mr Telfer to provide more information from Watercare Auckland regarding costs for increased backflow testing.

Resolved: (Mr Dibley/Mr Wright)

THAT the Backflow Testing Programme report be received;

AND THAT the Waters Governance Board approves the increase in testing of testable backflow prevention systems to 100% per annum, subject to financial consequences being work through;

AND FURTHER THAT Council proceeds with Watercare undertake a request for information (RFI) process to provide more certainty for costs.

CARRIED

WGB2112/08

Pokeno Tuakau Wastewater Network Upgrades

Agenda Item 6.5

The Waters Manager and Mr Pullar noted the following matters:

- Pokeno was facing significant growth from residential and industrial demands, including two existing wet industries.
- Cost estimates against the LTP were now exceeding the budget. Seeking direction to undertake the work to best support growth in the district.
- Watercare maintains a model for flows. Wet industry was hard to monitor due to the industries commercial decision. Capacity at Pokeno for 90 L per second and 100L in Tuakau, both will grow to 230-240L per second each.
- Currently there was some slack in the system, but Synlait had indicated they required more capacity.
- The upgrade would include the Tuakau interceptor pump, and the gravity sewer that would run through the Whangarata area, and would service the Whangarata business park.
- Business case looks at the costs of the Tuakau interceptor pump station – Costs had increased from what was included in the LTP, from an anticipated \$400,000 to \$8 million. Whangarata gravity sewer costs had increased from \$7 million to \$21 million. Whangarata gravity sewer would start to come on stream before the rising sewer.
- Acknowledged that the board did not have the responsibility for the LTP budget. Important to prioritise workload and look at mitigations to move forward and continue with the workstream.
- It was important to understand what impact bringing work forward would have on the LTP. The impact would likely be that packages 4-7 would need to be pushed out into the future.

- Water Governance Board can approve things within the LTP, and in each financial year. If costs were brought forward or substituted or if there was a change of scope, then the Water Governance Board would make a recommendation to Council for approval.
- Council would breach their debt cap with the additional costs (\$35 million) if substitution projects were not found.
- For the network upgrade, was Council reliant on the upgrade in Pukekohe? The projects were aligned, but the water load may fall short in the future but not volume.
- Concern regarding bringing project forward and isolated proposals coming to the board, and that there was a lack of a big picture approach for the overall financial implications.
- What are Council's legal obligations for providing services for growth areas, such as the Whangarata Business Park. It was really important to maintain links with the Pukekohe Treatment Plant.
- Wet industry customers were in conversations with Watercare for capacity requirements, however what incentives were there for customers to reduce their demands? All industrial customers had an development agreement with Council for flow and organic load. Wet industry customers had signalled they would like to increase their capacity to grow. All wet industries had been told that their current limits were firm. Council had no obligation to increase capacity limits. Synlait had invested in new plant equipment to provide a new product, and had asked Council for a temporary capacity increase to allow commissioning. A temporary increase would allow a good understanding for volume requirements if Synlait moved forward with a new development agreement. Yashili is market driven, and would want to maintain volume depending on demand. Staff were working with the industries under current parameters and future concepts and plans, as well as new industry opportunities.

Resolved: (Mr Wright/Mr Ion)

THAT the Pokeno Tuakau Wastewater Network Upgrades Overview Report be received;

AND THAT growth projections and assumptions against current activity and forecasted growth of both housing and industry demand over the next ten years be reviewed to ensure planning is keeping pace with actual utilisation and demand;

AND FURTHER THAT the growth forecast of Pokeno and Tuakau be shared with Watercare Auckland to enable the future planned upgrades of Watercare's Pukekohe WWTP to accommodate Pokeno and Tuakau growth aspirations;

AND FURTHER THAT staff report to the WGB around options to accommodate funding of \$35.02M for the Tuakau Interceptor Pump Station Upgrade (Stage 2), the new Whangarata Rail to Bollard Low Gravity Sewer (Stage 3) and decommissioning.

CARRIED

WGB2112/09

EXCLUSION OF THE PUBLIC

Agenda Item 7

Resolved: (Mr Ion/Ms Schaafhausen)

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
PEX Item 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)
PEX Item 2 Action Register		
PEX Item 3.1 Three Waters Capital Delivery Programme		

PEX Item 3.2 Asset Condition Assessment Methodologies		
PEX Item 3.3 Waters Financial Results to 31 October 2021		

PEX Item 3.4 Unexpected Reservoir Maintenance		
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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
PEX Item 1 Confirmation of Minutes		Refer to the previous Public Excluded reason in the agenda for this meeting.
PEX Item 2 Action Register		Refer to the previous Public Excluded reason in the agenda for this meeting.
PEX Item 3.1 Three Waters Capital Delivery Programme	7 (2) (b)	Protect Information where the making available of the information:
	7 (2) (b) (ii)	Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; or
	7 (2) (j)	Prevent the disclosure or use of official information for improper gain or improper advantage.
PEX Item 3.2 Asset Condition Assessment Methodologies	7 (2) (b)	Protect Information where the making available of the information:
	7 (2) (b) (ii)	Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; or
	7 (2) (h)	enable any local authority holding the information to carry out, without prejudice or disadvantage commercial activities.

Rukumoana Schaafhausen
CHAIRPERSON